

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

In NTPC, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency, growth enhancing investor confidence and return to the shareholders. Accordingly, the Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders, thereby paving the way for its long term success."

Our Company is committed to values of ethical and transparent business conduct. The Company believes that Corporate Governance is respect for the inalienable rights of the shareholders as the true owners of the Company and acknowledgment of their own role as trustees on behalf of the shareholders. It also perceives maximisation of other stakeholders' interest for the long term interest of the shareholders and thereby long term efficiency and progress of the Company.

Our company is set to comply with the changes brought in the area of Corporate Governance by the Companies Act, 2013 and the SEBI Corporate Governance Norms.

Besides adhering to provisions of the Listing Agreement, we also follow the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India.

1. CORPORATE GOVERNANCE AWARDS & RECOGNITIONS

In recognition of its excellence in Corporate Governance, NTPC has been given the following awards:

- (i) 'Golden Peacock Global Award for Excellence in Corporate Governance' by World Council for Corporate Governance for the year 2012. This award was also received by the Company during the years 2007 and 2009.
- (ii) Award for Excellence 2011 - Good Corporate Citizen Award by PHD Chamber of Commerce and Industry.
- (iii) 'ICSI National Award for Excellence in Corporate Governance - 2009' by the Institute of Company Secretaries of India
- (iv) 'Golden Peacock National Award for Excellence in Corporate Governance' by World Council for Corporate Governance in the year 2008

2. BOARD OF DIRECTORS

2.1 Size of the Board

NTPC is a Government Company within the meaning of section 617 of the Companies Act, 1956 as the President of India presently holds 75% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors vests in the President of India.

In terms of the Articles of Association of the Company, the strength of our Board shall not be less than four Directors or more than twenty Directors. These Directors may be either whole-time Directors or part-time Directors. The composition of the Board is as under:

- (i) Seven Functional Directors including the Chairman & Managing Director,
- (ii) Two Government Nominee Directors and
- (iii) Nine Independent Directors as per the requirement of the Listing Agreement.

2.2 Composition of the Board

The listing agreements with stock exchanges stipulate that in case of the Executive Chairman, half of the Board members shall be independent directors. As on 31st March 2014, the Board comprised eighteen Directors out of which seven were whole-time Directors including the Chairman & Managing Director. Two Directors are nominees of the Government of India. The Board has nine Independent Directors who have been appointed by the Government of India through a Search Committee constituted for the purpose. The Directors bring to the Board a wide range of experience and skills.

Details regarding Independent Directors on the Board of the Company during the financial year 2013-14 is as under:

Period	Requirement	Actual
April 1, 2013 to July 8, 2013	9	8
July 9, 2013 to July 29, 2013	8	8
July 30, 2013 to September 9, 2013	8	9
September 10, 2013 to September 29, 2013	9	9
September 30, 2013 to October 8, 2013	8	9
October 9, 2013 to December 4, 2013	7	9
December 5, 2013 to December 8, 2013	8	9
December 9, 2013 to March 31, 2014	9	9

From the above, it may be seen that except for the period from April 1, 2013 to July 8, 2013 when there were eight Independent Directors as against the requirement of nine Independent Directors as per Clause 49 (IA) of the Listing Agreement, the Company was duly compliant with the Clause 49 (IA) of the Listing Agreement.

2.3 Age limit and tenure of Directors

The age limit for the Chairman & Managing Director and other whole-time Directors is 60 Years.

The Chairman & Managing Director and other whole time Directors are initially appointed for a period of five years from the date of taking over the charge or until the date of superannuation of the incumbent, or until further orders from the Government of India, whichever event occurs earlier. Based on the performance, the tenure of the whole-time director is also extended further till the date of superannuation or until further order from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing Ministry of Power, Government of India retire from the Board on ceasing to be officials of the Ministry of Power.

Independent Directors are appointed by the Government of India for a tenure of three years.

2.4 Resume of Directors

The brief resume of Directors retiring by rotation and Additional Directors seeking appointment including nature of their experience in specific functional areas, names of companies in which they hold directorship & membership/ chairmanship of Board/ Committees and number of shares held in the Company is appended to the Notice calling the Annual General Meeting.

2.5 Board Meetings

The meetings are convened by giving appropriate advance notice. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency, resolutions are passed by circulation.

Detailed agenda notes, management reports and other

explanatory statements are normally circulated atleast a week before the Board Meeting in the defined agenda format amongst the members for facilitating meaningful, informed and focused discussions at the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of CMD.

The meetings of the Board of Directors are normally held at the Company's registered office situated at New Delhi.

Twelve Board Meetings were held during the financial year 2013-14 on April 25, May 10, June 25, July 30, September 27, October 29, December 5, December 24, 2013, January 16, January 28, February 15 and March 14, 2014. The maximum interval between any two meetings during this period was 58 days. Details of number of Board meetings attended by Directors, attendance at last AGM, number of other directorship/ committee membership (viz., Audit Committee and Shareholders Grievance Committee as per the Listing Agreement) held by them during the year 2013-14 are tabulated below:

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 17.09.13)	Number of other Directorships held on 31.03.14	Number of Committee memberships in companies on 31.03.14	
						As Chairman [§]	As Member [§]
Functional Directors							
1.	Dr. Arup Roy Choudhury Chairman & Managing Director	12	12	Yes	8	-	-
2.	Shri A.K. Singhal Director (Finance) (upto 08.10.2013)	5	5	Yes	NA*	NA*	NA*
3.	Shri I.J. Kapoor Director (Commercial)	12	12	Yes	7	1	3
4.	Shri B.P. Singh Director (Projects) (upto 30.09.2013)	5	5	Yes	NA*	NA*	NA*
5.	Shri N.N. Misra Director (Operations)	12	11	Yes	6	-	3
6.	Shri A.K. Jha Director (Technical)	12	12	Yes	5	-	1
7.	Shri U.P. Pani Director (Human Resources)	12	11	Yes	7	-	3
8.	Shri S.C. Pandey Director (Projects) w.e.f. 01.10.2013	7	7	NA*	4	-	1
9.	Shri K. Biswal Director (Finance) w.e.f. 09.12.2013	5	5	NA*	-	-	1
Non-executive Directors (Government Nominees)							
10.	Shri I.C.P. Keshari JS (Th.), Ministry of Power (upto 30.09.2013)	5	5	No	NA*	NA*	NA*
11.	Shri Rakesh Jain JS&FA, Ministry of Power (upto 09.07.2013)	3	3	NA*	NA*	NA*	NA*

12.	Dr. Pradeep Kumar JS&FA, Ministry of Power (w.e.f. 10.09.2013)	8	5	No	1	-	3
13.	Shri G. Sai Prasad JS (Th.), Ministry of Power (w.e.f. 05.12.2013)	6	5	NA*	4	-	-
Independent Directors							
14.	Shri S.B. Ghosh Dastidar Former Member (Traffic), Railway Board	12	10	Yes	1	1	-
15.	Shri R.S. Sahoo Practising Chartered Accountant	12	9	Yes	5	-	4
16.	Shri Ajit M. Nimbalkar Ex- Chief Secretary, Government of Maharashtra	12	10	Yes	2	-	-
17.	Shri S.R. Upadhyay Ex-CMD, Mahanadi Coalfields Limited	12	10	Yes	1	-	-
18.	Ms. H.A. Daruwalla Ex-CMD, Central Bank of India	12	11	Yes	7	3	3
19.	Shri A.N. Chatterji Ex-Deputy, C&AG, Govt. of India	12	10	No	-	-	1
20.	Prof. Sushil Khanna Professor of Economics and Strategic Management, IIM, Kolkata	12	11	Yes	2	-	-
21.	Dr. A. Didar Singh Ex- Secretary to the Govt. of India	12	9	Yes	3	-	-
22.	Shri Prashant Mehta Ex- Director General, Academy of Administration, Bhopal (w.e.f. 30.07.2013)	9	8	Yes	-	-	-

* NA indicates that concerned person was not a Director on NTPC's Board on the relevant date.

§ In line with clause 49 of Listing Agreement, only the Audit Committee and Shareholders'/ Investors' Grievance Committee have been taken into consideration in reckoning the number of committee memberships of Directors or Chairman and as Member.

A separate Meeting of the Independent Directors was held on 10.12.2013 as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. Out of nine Independent Directors, all the Directors except Shri S.R. Upadhyay, Prof. Sushil Khanna and Shri Prashant Mehta attended the separate Meeting. This Meeting assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively and reasonably perform their duties.

2.6 Information placed before the Board of Directors:

The Board has complete access to any information within the Company to be able to take informed and meaningful decisions, exercise control over the organisation as well as to review the progress of implementation of the strategic decisions and corporate plans formulated by the Board. The information regularly supplied to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Review of progress of ongoing projects including critical issues and areas needing management attention

- Quarterly financial results.
- Annual Accounts, Directors' Report, etc.
- Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of meetings of Board of Directors of subsidiary companies.
- Fatal or serious accidents, dangerous occurrences, etc.
- Operational highlights and substantial non-payment for goods sold by the Company.
- Award of large value contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Quarterly Report on foreign exchange exposures.
- Quarterly Report on Foreign Travel of CMD, Functional Directors and Employees.

- Quarterly Report on Short Term Deposits and Investments.
- Quarterly Report on Contract awarded on nomination basis.
- Quarterly Report on Reconciliation of Share Capital Audit
- Quarterly Report on Business Activities of various Joint Venture Companies and Subsidiaries of NTPC
- Quarterly report on Compliance of various laws
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.
- The information on recruitment and promotion of senior officers to the level of Executive Director which is just below the Board level and Company Secretary.
- Any significant development in Human Resources/ Industrial Relations like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Information relating to major legal disputes.
- Action Taken Report on all pending matters.
- Highlights of important events from last meeting to the current meeting.
- Any other information required to be presented to the Board for information or approval.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees:-

- i) Audit Committee.
- ii) Shareholders'/ Investors' Grievance Committee
- iii) Remuneration Committee
- iv) Committee on Management Controls.
- v) Project Sub-Committee.
- vi) Investment/Contribution Sub-Committee.
- vii) Contracts Sub-Committee.
- viii) Committee of Functional Directors for Contracts
- ix) Committee of the Board for Allotment and Post-Allotment activities of NTPC's Securities
- x) Corporate Social Responsibility and Sustainability Committee
- xi) Committee for Vigilance Matters
- xii) Committee for Review of Coal Mining Activities
- xiii) Committee for Review of Coal Import Policy
- xiv) Exchange Risk Management Committee
- xv) Committee of Directors for Inorganic Growth

3.1 AUDIT COMMITTEE

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 1956, provisions of Listing Agreement and Guidelines on Corporate Governance as issued by Department of Public Enterprises, Govt. of India.

Scope of Audit Committee

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
2. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
3. Ensure compliance of Internal Control Systems.
4. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
5. Noting appointment and removal of external auditors. Recommending audit fee of external auditors and also approval for payment for any other service.
6. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
7. Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggestion for improvement of the same.
8. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on. Review of internal audit observations outstanding for more than two years.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Review of observations of C&AG including status of Government Audit paras.
14. To review the functioning of the Whistle Blower mechanism.
15. Investigation into any matter in relation to the items specified above or referred to it by the Board.
16. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
17. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
18. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
19. Consider and review the following with the independent auditor and the management:
 - a) The adequacy of internal controls including computerized information system controls and security, and
 - b) Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
20. Consider and review the following with the management, internal auditor and the independent auditor:
 - a) Significant findings during the year, including the status of previous audit recommendations.
 - b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
21. Reviewing with the management, statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), statement of funds utilised for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.

Constitution

The Audit Committee has been constituted with the membership of:

- i) Four independent Directors to be nominated by the Board from time to time.
- ii) Joint Secretary & Financial Advisor (JS & FA), Ministry of Power (MOP), Government of India nominated on the Board of NTPC

Composition

As on 31st March 2014, the Audit Committee comprised the following members:-

Shri S.B. Ghosh Dastidar	Independent Director - Chairman
Shri R.S. Sahoo	Independent Director
Shri A.N. Chatterji	Independent Director
Ms. H.A. Daruwalla	Independent Director
Dr. Pradeep Kumar	Government Nominee

Director (Finance), Head of Internal Audit Department and the Statutory Auditors are invited to the Audit Committee Meetings for interacting with the members of the Committee. Besides, Cost Auditors of the Company are also invited to the meetings of the Audit Committee as and when required. Senior functional executives are also invited as and when required to provide necessary inputs to the Committee.

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

Ten meetings of the Audit Committee were held during the financial year 2013-14 on April 16, May 02, May 09, July 22, July 29, August 12, October 28, 2013, January 16, January 28 and February 14, 2014.

The details of the meetings of Audit Committee attended by the members are as under:-

Members of Audit Committee	Meetings held during their tenure	Meetings attended
Shri S.B. Ghosh Dastidar	10	10
Shri R.S. Sahoo	10	8
Shri A.N. Chatterji	10	10
Ms. H.A. Daruwalla	10	10
Shri Rakesh Jain (upto 09.07.2013)	3	2
Dr. Pradeep Kumar (w.e.f. 10.09.2013)	4	2

Shri S.B. Ghosh Dastidar, Independent Director chaired the Meetings of the Audit Committee. Shri S.B. Ghosh Dastidar, Chairman of the Audit Committee was also present in the Annual General Meeting to answer the queries of the shareholders.

Director (Finance) was present in all Audit Committee Meetings held during the year under review as invitees as per requirement of Listing Agreement except in one of the Meetings when the post of Director (Finance) was vacant. Head of Internal Audit was present in all Audit Committee Meetings held during the year.

3.2 SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted 'Shareholders' / Investors' Grievance Committee'.

Scope of the Committee

This Committee looks into redressal of Shareholders' and Investors' complaints like delay in transfer of shares, non-

receipt of balance sheets, non-receipt of declared dividend etc. as well as complaints/grievances of the Bondholders.

Note: The nomenclature of this Committee has been amended to Stakeholders' Relationship Committee and the terms of reference of this Committee has been amended in line with the Companies Act, 2013 after 31st March 2014.

Constitution

The Committee has been constituted with the membership of:

- i) One Non-Executive Director i.e. Government Nominee Director
- ii) Director (Finance), NTPC
- iii) Director (HR) or Director (Technical), NTPC
- iv) One Independent Director.

Composition

As on 31st March 2014, this committee comprised the following Directors:

Dr. Pradeep Kumar	Government Nominee and Chairman of the Committee
Shri U.P. Pani	Director (HR)
Ms. H.A. Daruwalla	Independent Director
Shri K. Biswal	Director (Finance)

Meeting and Attendance

Four meetings of the Shareholders' / Investors' Grievance Committee were held during the financial year 2013-14 on April 16, July 22, October 28, 2013 and January 28, 2014.

The detail of the meetings of Shareholders'/ Investors' Grievance Committee attended by the Members is as under:-

Members of Shareholders' / Investors' Grievance Committee	Meetings held during their tenure	Meetings attended
Dr. Pradeep Kumar (w.e.f. 10.09.2013)	2	2
Ms. H.A. Daruwalla	4	4
Shri U.P. Pani	4	4
Shri K. Biswal (w.e.f. 09.12.2013)	1	1
Shri Rakesh Jain (upto 09.07.2013)	1	1
Shri A.K. Singhal (upto 08.10.2013)	2	2

Name and designation of Compliance Officer

Shri A.K. Rastogi, Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

Investor Grievances

During the financial year ending 31st March 2014, Company has attended its investor grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of the complaints received, resolved and

disposed off during the year are as under:

Particulars	Opening Balance	Received	Resolved	Pending
SEBI / Stock Exchange complaints	1	47	46	2
Other Dividend related complaints	0	6,694	6,694	0
Other complaints	0	17	17	0
Total	1	6,758	6,757	2*

* includes one consumer forum case

As a matter of good corporate governance practice, grievance relating to Public Issue of Tax Free Bonds - 2013 were also put up to Stakeholders' Relationship Committee. The details of the complaints received, resolved and disposed off during the year are as under:

Particulars	Opening Balance	Received	Resolved	Pending
Complaints relating to Public Issue of Tax Free Bonds - 2013	0	321	311	10

Investor complaints shown pending as on 31st March, 2014 has been attended subsequently except one Consumer Forum Case.

Number of pending share transfers

As on 31st March, 2014, 20 share transfer requests were pending, which were approved in the meeting held on April 7, 2014.

Share Transfers have been affected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practising Company Secretary has been furnished to Stock Exchanges.

SCORES – Automated System of Lodging Complaints against Listed Companies

Securities and Exchange Board of India has a web based complaints redressal system namely 'SCORES (SEBI Complaints Redress System)', through which a shareholder can lodge a complaint against a company for his/ her grievances. The status of every complaint can be viewed online and the shareholder can send reminder for the complaints. When the complaint is registered, a unique complaint registration number is allotted for future reference and tracking. The concerned entity (intermediary or listed company) takes actions for the redressal of the complaints and uploads Action Taken on the complaint. The concerned entity (intermediary or listed company) or an investor can

seek and provide clarifications online to each other. SEBI disposes the complaints if it is satisfied that the complaint has been redressed adequately.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge the complaints in physical form.

Through this system, the investors were able to check the status of the complaints i.e. with whom the complaint is pending, upon whom the responsibility has been fixed and for how much time the complaint has been pending. SCORES saved considerable time of the Company in resolving the complaints, thereby benefitting investors.

3.3 REMUNERATION COMMITTEE

Our Company, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. However, as per the provisions of the DPE Guidelines, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits. As on 31st March 2014, the Committee comprised the following Members:

Shri Ajit M. Nimbalkar	Independent Director & Chairman of the Committee
Shri S.R. Upadhyay	Independent Director
Shri A.N. Chatterji	Independent Director

Director (Human Resources) and Director (Finance) are the permanent invitees to the Meeting of the Remuneration Committee.

Meeting and Attendance

Two meetings were held during the year on September 16, 2013 and March 27, 2014.

The detail of the meetings of Remuneration Committee attended by the Members is as under:-

Members of Remuneration Committee	Meetings held during their tenure	Meetings attended
Shri Ajit M. Nimbalkar	2	2
Shri S.R. Upadhyay	2	2
Shri A.N. Chatterji	2	0
Shri I.C.P. Keshari (upto 30.09.2013)	1	1
Dr. Pradeep Kumar*	1	1

*Dr. Pradeep Kumar, Government Nominee Director ceased to be the Member of the Remuneration Committee w.e.f. 29.10.2013.

3.4 COMMITTEE ON MANAGEMENT CONTROLS

On being conferred enhanced autonomy by the Government of India under 'Navratna Guidelines', this committee was constituted for establishing transparent and effective system of internal monitoring. This Committee, *inter alia*, reviews the Management Control Systems, significant deviations in project implementation and construction, operation and maintenance budgets etc. It also reviews and approves the manual/ criteria for various systems of the organisation from time to time.

As on 31st March, 2014, the Committee comprised the following Directors:

Shri R.S. Sahoo	Independent Director
Shri N.N. Misra	Director (Operations)
Dr. Pradeep Kumar	Government Nominee
Shri K. Biswal	Director (Finance)

3.5 PROJECT SUB-COMMITTEE

This Committee examines and makes recommendations to the Board on proposals for Investment in New/Expansion Projects and approves Feasibility Reports of new projects.

As on 31st March 2014, the Committee comprised the following members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)
Dr. Pradeep Kumar	Government Nominee
Shri G. Sai Prasad	Government Nominee
Shri S.B. Ghosh Dastidar	Independent Director
Prof. Sushil Khanna	Independent Director

3.6 INVESTMENT/CONTRIBUTION COMMITTEE

The terms of reference of Investment/Contribution Committee of the Board is to approve deployment of surplus funds as per Govt. guidelines issued from time to time and also approves contribution/donation for national, public, benevolent or charitable cause.

As on 31st March 2014, the Committee comprised the following Members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)
Shri K. Biswal	Director (Finance)

In case of investment of funds and contribution matters Director (HR) and in case of Commercial matters Director (Commercial) are co-opted in the meeting.

3.7 CONTRACTS SUB-COMMITTEE

This Committee approves award of works or purchase contracts or incurring commitments of value exceeding ₹ 250 crore but not exceeding ₹ 500 crore, Consultancy assignments including foreign consultancy assignments exceeding ₹ 5 crore each and Appointment of Sponsor/ Agents for Overseas Consultancy Assignments involving sponsorship/ agency commission exceeding ₹ 5 crore each.

As on 31st March 2014, the Contracts Sub-Committee comprised the following members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)*
Shri A.K. Jha	Director (Technical)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)
Dr. Pradeep Kumar	Government Nominee
Shri G. Sai Prasad	Government Nominee

*Director (Operations) is the additional member for all matters relating to award of contracts for import of coal.

3.8 COMMITTEE OF FUNCTIONAL DIRECTORS FOR CONTRACTS

This Committee has been constituted for award of works or purchase contracts or incurring of commitments exceeding ₹ 150 crore but not exceeding ₹ 250 crore.

As on 31st March 2014, the Committee comprised all the Functional Directors including the Chairman & Managing Director as under:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)
Shri S.C. Pandey	Director (Projects)
Shri K. Biswal	Director (Finance)

The Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Projects) for contracts related to construction projects shall constitute the quorum for meeting of the Committee. The Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Operations) for contracts related to operating stations shall constitute the quorum for meeting of the Committee.

3.9 COMMITTEE FOR ALLOTMENT AND POST-ALLOTMENT ACTIVITIES OF NTPC'S SECURITIES

The Committee has been constituted for Allotment and Post-allotment activities of Company's Securities. The scope of work of this committee is allotment, issue of Certificate/ Letter of allotment, transfer, transmission, re-materialisation, issue of duplicate certificates, consolidation/split of NTPC's domestic and foreign Securities.

As on 31st March 2014, the Committee comprised the following three Members:

Shri I.J. Kapoor/ Shri U.P. Pani	Director (Commercial)/ Director (HR)
Shri N.N. Misra/ Shri K. Biswal	Director (Operations)/ Director (Finance)
Shri A.K. Jha/ Shri S.C. Pandey	Director (Technical)/ Director (Projects)

3.10 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

This Committee has been constituted after merging two sub-committees of the Board namely Committee for Corporate Social Responsibility and Sustainable Development Committee in view of the revised guidelines issued by Department of Public Enterprises dated 12.04.2013 merging extant separate guidelines on Corporate Social Responsibility and Sustainable Development.

This Committee frames and reviews the CSR Policy (including sustainable development) from time to time.

As on 31st March 2014, the Committee comprised the following members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)
Shri K. Biswal	Director (Finance)
Ms. H.A. Daruwalla	Independent Director
Prof. Sushil Khanna	Independent Director

Note: The terms of reference of this Committee has been amended in line with the Companies Act, 2013 after 31st March 2014. The constitution of this Committee has also been changed after 31st March 2014 by inducting Dr. Pradeep Kumar, Government Nominee Director as a Member of the Committee. Also, Director (Operations) and Director (Technical) have ceased to be the Member of this Committee after 31st March 2014.

3.11 COMMITTEE FOR VIGILANCE MATTERS

This Committee has been constituted to examine all the petitions which are submitted before the Board as appellate/ reviewing authority in terms of CDA rules. It also reviews other major complaints as referred to it from time to time other than complaints registered under whistle blower mechanism under purview of Chief Vigilance Officer.

As on 31st March 2014, the Committee comprised the following members:

Shri S.B. Ghosh Dastidar	Independent Director
Shri U.P. Pani	Director (HR)*
Dr. A. Didar Singh	Independent Director

In case of Vigilance cases, Chief Vigilance Officer is co-opted.

*In case where Director (HR) has acted as a Disciplinary Authority, any other whole-time Director to be decided by the Chairman & Managing Director on case to case basis.

3.12 COMMITTEE FOR REVIEW OF COAL MINING ACTIVITIES

This Committee looks into various aspects relating to coal mining. Earlier, the Committee for Mine Development was looking into these aspects which has now been undertaken by this Committee.

As on 31st March 2014, the Committee comprised the following members:

Shri N.N. Misra	Director (Operations)
Shri S.R. Upadhyay	Independent Director
Prof. Sushil Khanna	Independent Director
Shri A.N. Chatterji	Independent Director

Note: The constitution of this Committee has been changed after 31st March 2014 by inducting Director (HR) and Director (Finance) as Members of this Committee.

3.13 COMMITTEE FOR REVIEW OF COAL IMPORT POLICY

This Committee has been constituted to examine the evolution of Coal Import Policy since 2009 onwards, identify reasons for changes made in Policy from time to time, chart out future course of action and finalise Coal Import Policy.

As on 31st March 2014, the Committee comprised the following Members:

Shri N.N. Misra	Director (Operations)
Shri S.B. Ghosh Dastidar	Independent Director
Shri R.S. Sahoo	Independent Director
Shri S.R. Upadhyay	Independent Director
Dr. Pradeep Kumar	Government Nominee Director

Note: The constitution of this Committee has been changed after 31st March 2014 by inducting Ms. H.A. Daruwalla, Independent Director as a Member of the Committee.

3.14 EXCHANGE RISK MANAGEMENT COMMITTEE

This Committee has been constituted to review the foreign currency loan portfolio, hedged and un-hedged exposures and effectiveness of hedging strategy, approve amendments in Exchange Risk Management Policy, new instruments etc.

As on 31st March, 2014, the Committee comprised the following Members:

Dr. Arup Roy Choudhury	Chairman & Managing Director
Shri I.J. Kapoor	Director (Commercial)
Shri R.S. Sahoo	Independent Director
Ms. H.A. Daruwalla	Independent Director
Shri K. Biswal	Director (Finance)

In the absence of Director (Commercial), either Director (Technical) or Director (Operations) shall be the Member of the Meeting.

3.15 COMMITTEE OF DIRECTORS FOR INORGANIC GROWTH

This Committee has been constituted in the financial year 2013-14 to guide the Board in the process of collection of data, evaluation, due diligence in respect of proposed acquisition of certain distressed Thermal Power Projects and for making recommendations for acquisition of assets.

As on 31st March, 2014, the Committee comprised the following Members:

Shri Ajit M. Nimbalkar	Independent Director
Shri I.J. Kapoor	Director (Commercial)
Shri A.K. Jha	Director (Technical)
Shri R.S. Sahoo	Independent Director
Prof. Sushil Khanna	Independent Director
Dr. A. Didar Singh	Independent Director

4. REMUNERATION OF DIRECTORS

As already stated under the heading Remuneration Committee above, the remuneration of the Functional Directors including the Chairman & Managing Director is decided by the Government of India. The Board of Directors of the Company, with the approval of the Ministry of Power, determines the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 1956. The Company makes payment of ₹ 20,000/- as sitting fee for attending each meeting of the Board and Committees of the Board constituted by the Board from time to time to each Independent Director.

Details of remuneration of functional Directors of the Company paid for the financial year 2013-14 are given below:-

(Amount in ₹)

Name of the Director	Salary	Benefits	Performance Linked Incentives*	Total
Dr. Arup Roy Choudhury	20,54,391.22	10,86,720.00	20,28,075.78	51,69,187.00
Shri A.K. Singhal (upto 08.10.2013)	27,15,485.79	21,73,216.00	14,74,074.21	63,62,776.00
Shri I.J. Kapoor	28,52,982.54	16,42,099.00	14,55,328.46	59,50,410.00
Shri B.P. Singh (upto 30.09.2013)	25,36,229.54	20,06,062.00	13,07,165.46	58,49,457.00
Shri N.N. Misra	23,66,037.91	14,49,161.00	13,94,486.09	52,09,685.00
Shri A.K. Jha	29,18,998.17	16,35,089.00	10,30,931.83	55,85,019.00
Shri U.P. Pani	19,08,492.16	10,67,202.00	7,25,631.84	37,01,326.00
Shri S.C. Pandey (w.e.f. 01.10.2013)	9,29,471.72	6,14,713.00	5,76,443.28	21,20,628.00
Shri K. Biswal (w.e.f. 09.12.2013)	5,31,846.00	4,41,655.00	-	9,73,501.00

*Performance linked incentives paid is based on the incentive scheme of the Company. The Company has not issued any stock options during the financial year 2013-14.

Details of payments towards sitting fee to Independent Directors during the financial year 2013-14 are given below:

(Amount in ₹)

Name of Part-time non-official Directors	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Shri S.B. Ghosh Dastidar	2,00,000	4,60,000	6,60,000
Shri R.S. Sahoo	1,80,000	4,40,000	6,20,000
Shri Ajit M. Nimbalkar	2,00,000	1,00,000	3,00,000
Shri S.R. Upadhyay	2,00,000	1,20,000	3,20,000
Ms. H.A. Daruwalla	2,20,000	5,20,000	7,40,000
Shri A.N. Chatterji	2,00,000	2,40,000	4,40,000
Prof. Sushil Khanna	2,20,000	2,80,000	5,00,000
Dr. A. Didar Singh	1,80,000	20,000	2,00,000
Shri Prashant Mehta (w.e.f. 30.07.2013)	1,60,000	60,000	2,20,000

5. ACCOUNTABILITY OF DIRECTORS

An annual Memorandum of Understanding (MoU) is entered into by the Company with Govt. of India (Gol) in the beginning of the year setting the targets against financial and non-financial parameters with weightages decided in consultation with Gol. The performance of the Company is measured at the end of the year vis-à-vis these targets.

The performance with regard to MOU is reviewed regularly within the Company on monthly basis and by Ministry of Power on quarterly basis through Quarterly Performance Review (QPR). Slippages, if any, are identified and necessary remedial actions are suggested in these forums.

At the end of each financial year, the MoU achievements report is furnished to Ministry of Power and performance of the Company is evaluated by Ministry of Power and the Task Force of Department of Public Enterprises on the basis of actual achievements vis-à-vis the signed MoU.

To ensure targets as set in MoU are achieved well within schedule, the Company has a strong "Internal MoU" system specifying tighter targets drilled down at regional and station level with suitable stretch and expansion of activities. The entire process ensures transparency as well as accountability towards stakeholders.

6. RISK MANAGEMENT

Your Company has an Enterprise Risk Management framework to identify & manage risks and to inform Board Members about the risk assessment & minimization procedures. This framework is reviewed periodically by the Board. Details on risk management are given in the Management's Discussion and Analysis report in this Report.

Four meetings of Enterprise Risk Management Committee were held during the financial year 2013-14.

7. SUBSIDIARY MONITORING FRAMEWORK

The Company has four subsidiary companies, the list of which is furnished in the Directors' Report. All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of the stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies periodically.

Performance of the subsidiary companies is reviewed by the Board of the Company in the following manner:

- Minutes of the meetings of the Board of Directors of the subsidiaries are placed before the Company's Board periodically.
- A statement of all significant transactions and arrangements entered into by the subsidiary companies are also reviewed by the Company.
- A Report on Business Activities of Subsidiary which, *inter-alia*, includes investments made in the subsidiary is being given to the Board of NTPC in each quarter.
- Subsidiary Companies sign an annual Memorandum of Understanding with NTPC in the beginning of the year setting the targets in financial and non-financial areas with weightages in consultation with NTPC, which is submitted to DPE. At the end of the financial year, the actual performance vis-à-vis the targets set is evaluated by DPE.
- Certain decision as mentioned in the Articles of Association of the subsidiary companies can only be taken if they are approved by the Board of NTPC.

The Company does not have any material unlisted subsidiary companies in terms of the Clause 49 of the Listing Agreement or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India.

8. GENERAL BODY MEETINGS

Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are as under:

Date & Time	September 20, 2011	September 18, 2012	September 17, 2013
Time	10.30 A.M.	10.30 A.M.	10.30 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Manekshaw Centre, Parade Road, New Delhi - 110010
Special Resolution	-	Amendments in the Articles of Association by inserting provisions relating to buy-back of shares and appointment of additional directors.	-

Special Resolution passed through Postal Ballot

No Resolution has been passed through Postal Ballot during the year.

No special resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

9. DISCLOSURES

The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard (AS) -18 notified under the Companies (Accounting Standards) Rules, 2006.

The Company has broadly complied with all the requirements of the Listing Agreement with Stock Exchanges as well as Regulations and Guidelines prescribed by SEBI except as mentioned in para 2.2 of this Report. The Company has also complied with all the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.

The Company has adopted all suggested items to be included in the Report on Corporate Governance. Information on adoption (and compliance) / non-adoption of the non-mandatory requirements is at Annex-1.

Schedule of Compliances with Presidential Directive issued during the financial year 2013-14 and during last three years preceding the financial year 2013-14 is at Annex-2.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement(s), the certificate duly signed by Dr. Arup Roy Choudhury, Chairman & Managing Director and Shri K. Biswal, Director (Finance) was placed before the Board of Directors at the meeting held on 15.05.2014 and is annexed to the Corporate Governance Report.

10. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through its Website.

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions as also participation at investor conferences from time to time. Annual analysts and investors meet is held during the month of August where Board of the Company interacts with the investing community. Financial results are discussed by way of conference calls regularly after the close of each quarter.

Information and latest updates and announcement regarding the Company can be accessed at company's website: www.ntpc.co.in including the following:-

- Quarterly / Half-yearly / Annual Financial Results
- Quarterly Shareholding Pattern
- Quarterly Corporate Governance Report
- Transcripts of conferences with analysts
- Corporate disclosures made from time to time to the Stock Exchanges

The Company's official news releases, other press coverage, presentations made to institutional investors or to the analysts are also hosted on the Website.

Disclosures made to stock exchanges are also made through Corporate Filing & Dissemination System (CFDS) and through NSE Electronic Application Processing System (NEAPS) in terms of Clause 52 of the Listing Agreement.

Quarterly Results have been published as per details given below:

Newspapers	Date of publication of results for the quarter ended		
	30.06.2013	30.09.2013	31.12.2013
The Times of India	31.07.2013	30.10.2013	-
Jansatta (Hindi)	31.07.2013	-	-
Hindustan Times	-	30.10.2013	29.01.2014
Hindustan (Hindi)	-	30.10.2013	29.01.2014

In order to save trees and environment by cutting down the consumption of costly paper habits, our Company has sent the Annual Reports for the financial year 2012-13 and other communications like ECS credit information for final and interim dividend to large number of shareholders for the financial year 2012-13 and 2013-14 respectively through e-mail of the shareholders registered with NSDL/ CDSL after seeking their consent to send the annual reports/ other communications through e-mail.

Through e-mails, the Company had sent 3,40,167 number of Annual Reports, 3,26,713 number of ECS credit information for final dividend for the financial year 2012-13 and 3,68,662 number of ECS credit information for interim dividend for the financial year 2013-14 to the shareholders.

11. CODE OF CONDUCT

The Company has in place Code of Conduct for Directors and Senior Management Personnel in alignment with Company's Vision and Values to achieve the Mission & Objectives and aiming at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct is available at the website of the Company.

Declaration as required under clause 49 of the listing Agreement

All the members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the financial year ended on March 31, 2014.

New Delhi (Dr. Arup Roy Choudhury)
05.05.2014 Chairman & Managing Director

12. Code of Internal Procedures and Conduct for Prevention of Insider Trading

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Internal Procedures and Conduct for Prevention of Insider Trading" with the objective of preventing purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Designated Employees and their dependents) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/ Designated Employees are also required to disclose related information

periodically as defined in the Code, which in turn is being forwarded to Stock Exchanges, wherever necessary. Company Secretary has been designated as Compliance Officer for this Code.

13. SHAREHOLDERS' INFORMATION

i) Annual General Meeting

Date : August 27, 2014
Time : 10.30 a.m.
Venue : Manekshaw Centre
Parade Road
New Delhi – 110010

ii) Financial Calendar for FY 2014-15

Particulars	Date
Accounting Period	April 1, 2014 to March 31, 2015
Unaudited Financial Results for the first three quarters	Announcement within stipulated period under the Listing Agreement
Fourth Quarter Results	Announcement of Audited Accounts on or before May 30, 2015
AGM (Next year)	August 2015 (Tentative)

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from August 15, 2014 to August 27, 2014 (both days inclusive).

iv) Payment of Dividend

The Board of Directors of the Company has recommended payment of final Dividend of ₹ 1.75 per share (17.5% on the paid-up share capital) for the financial year ended March 31, 2014 in addition to the Interim Dividend of ₹ 4.00 per share (40% on the paid-up share capital) paid on February 10, 2014 (Dividend paid in Previous Year is ₹ 4,741.16 Crore).

The record date for the payment of Dividend is August 14, 2014.

v) Dividend History

Year	Total paid-up capital (₹ in crore)	Total amount of dividend paid (₹ in crore)	Date of AGM in which dividend was declared	Date of payment
2008-09	8245.46	2968.37	24.01.2009*	13.02.2009
			17.09.2009	29.09.2009
2009-10	8245.46	3133.28	13.03.2010*	23.03.2010
			23.09.2010	01.10.2010
2010-11	8245.46	3133.28	31.01.2011*	14.02.2011
			20.09.2011	26.09.2011
2011-12	8245.46	3298.19	27.01.2012*	09.02.2012
			18.09.2012	25.09.2012
2012-13	8245.46	4741.16	26.02.2013*	12.03.2013
			17.09.2013	27.09.2013
2013-14	8245.46	3298.19#	28.01.2014*	10.02.2014

* Date of Board Meeting

amount represents the interim dividend paid for the year 2013-14

vi) Listing on Stock Exchanges

NTPC equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited	Bombay Stock Exchange Limited
Address: Exchange Plaza, Plot No. C/1, G Block, Bandra (E), Mumbai - 400051	Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
Scrip Code of NTPC: NTPC EQ	Scrip Code of NTPC: 532555

Stock Code : ISIN – INE733E01010

The Annual Listing Fee for the financial year 2014-15 was paid to both National Stock Exchange of India Limited and Bombay Stock Exchange Limited before April 30, 2014. Also, the Annual Custodian Fee for the financial year 2014-15 shall be paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited within due date.

vii) Market Price Data – NSE

Month	High (₹)	Low (₹)	Closing (₹)
April' 13	158.00	139.20	157.35
May' 13	162.90	147.95	154.20
June' 13	155.60	137.35	143.75
July' 13	149.00	127.70	130.70
August' 13	145.85	122.60	130.90
Sept' 13	151.60	125.00	147.45
October' 13	149.95	140.25	149.10
Nov' 13	157.50	144.80	147.25
Dec' 13	155.05	133.65	137.00
January' 14	138.80	123.50	126.45
February' 14	136.60	112.00	112.40
March' 14	123.85	110.65	119.90

viii) Market Price Data – BSE

Month	High (₹)	Low (₹)	Closing (₹)
April' 13	158.00	139.10	157.40
May' 13	162.80	148.15	154.40
June' 13	155.50	137.65	143.70
July' 13	149.00	128.10	130.60
August' 13	145.90	122.65	130.75
Sept' 13	151.35	125.45	148.20
October' 13	149.95	140.35	148.70
Nov' 13	157.15	145.00	147.35
Dec' 13	154.60	133.90	136.80
January' 14	138.60	123.75	126.40
February' 14	136.60	112.10	112.60
March' 14	123.70	110.90	119.95

ix) Performance in comparison to indices

NSE NIFTY and NTPC Share Price



Base=100 as on 01.04.13

BSE SENSEX and NTPC Share Price



Base=100 as on 01.04.13

x) Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd
Plot No.17 to 24,
Vithalrao Nagar
Madhapur
Hyderabad-500081
Tel No.: 91 -40-23420818
Fax No.: 91-40-23420814
E-mail: einward.ris@karvy.com

xi) Share Transfer System

Entire share transfer activities under physical segment are being carried out by Karvy Computershare Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, etc. Shares transfers are approved by Sub-Committee of the Board for Allotment and Post-Allotment activities of NTPC's Securities.

Pursuant to clause 47-C of the Listing Agreement with Stock Exchanges, certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchange within stipulated time.

xii) Transfer of Unclaimed Amount of Dividend to Investor Education and Protection Fund

In accordance with Section 205A read with Section 205C of the Companies Act, 1956, during the financial year 2013-14, an amount of ₹ 22.78 lac pertaining to unclaimed final dividend amount for financial year 2005-06 and an amount of ₹ 48.14 lac pertaining to unclaimed interim dividend amount for the financial year 2006-07 have been transferred to Investor Education and Protection Fund (IEPF), Government of India established under Section 205C of the Companies Act, 1956.

The Company has uploaded the details of shareholders of the Company containing information like name, address of the shareholder, amount due to be transferred to IEPF and due date of transfer of amount to IEPF on its website. The Company has been issuing notices in the newspapers from to time in order to invite attention of the shareholders to submit their claims towards the unpaid and unclaimed dividend. Kindly note that no claim lies against the Company or IEPF once the dividend is deposited in IEPF.

xiii) Public Issue of Tax Free Bonds in the nature of debentures during the Year 2013-14- Series L

Pursuant to Notification No. 61/2013 F.No.178/37/2013-(ITA.I) dated 08.08.2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, the Company issued Tax-free, Secured, Redeemable Non-Convertible Bonds of face value of ₹ 1000 each in the nature of Debentures having tax benefits under Section 10 (15) (iv) (h) of the Income Tax Act, 1961 for an amount aggregating upto ₹ 1000 crore with a green shoe option for ₹ 750 crore.

The issue opened on 03.12.2013 and was pre-closed on 05.12.2013 due to oversubscription in all categories. The Bonds were issued under four categories i.e. Qualified Institutional Buyers, Corporates, High Networth Individuals and Retail Individual Investors and under three different tenures of 10, 15 and 20 years. The coupon rates ranged from 8.41% to 8.91% per annum. The bonds were allotted on 16.12.2013 to eligible investors and balance excess amount was refunded to the applicants or unblocked in case of ASBA applicants.

Details of other debenture (bonds) issued and outstanding as at 31.03.2014 is furnished elsewhere in the Annual Report.

xiv) Debenture Trustees for various Series

For Series XIII A, XIII B, XVI, XVII, XIX, XLIV-XLIX and L (Public Issue)

IL & FS Trust Company Limited
The IL&FS Financial Centre, Plot No. C-22,
G-Block, Bandra – Kurla Complex, Bandra (East),
Mumbai – 400051
Tel: (+91 22) 26533908
Fax: (+91 22) 26533297
E-mail: itclcomplianceofficer@ilfsindia.com
Website: www.itclindia.com

For Series XX-XLIII and LI-LII

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Mumbai – 400 001
Tel: (+91 22) 40807000
Fax: (+91 22) 66311776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

xv) Distribution of Shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31st March 2014 are given below:

According to Size

- a. Distribution of shareholding according to size, % of holding as on 31st March, 2014:

Number of shares	Number of shareholders	% of shareholders	Total No. of shares	% of shares
1-5000	6,99,960	92.95	9,11,55,627	1.10
5001-10000	31,918	4.24	2,38,43,203	0.29
10001-20000	12,392	1.65	1,77,63,908	0.22
20001-30000	3,512	0.47	87,15,867	0.10
30001-40000	1,387	0.18	49,10,547	0.06
40001-50000	907	0.12	42,37,375	0.05
50001-100000	1,316	0.17	94,85,296	0.12
100001 and above	1,633	0.22	8,08,53,52,577	98.06
Total	7,53,025	100.00	8,24,54,64,400	100.00

b. Shareholding pattern on the basis of ownership

Category	As on 31 st March, 2014		As on 31 st March, 2013		Change (%)
	Total no. of shares	% to Equity	Total no. of shares	% to Equity	
GOI	6,18,40,98,300	75.00	6,18,40,98,300	75.00	0
FIs	76,93,39,713	9.33	77,28,86,360	9.37	-0.04
Indian Public	16,60,56,467	2.01	16,28,66,695	1.98	0.03
Banks & FI	78,79,35,450	9.56	75,38,15,219	9.14	0.42
Private Corp. Bodies	4,06,12,551	0.49	24,53,60,026	2.98	-2.49
Mutual Funds	9,94,62,368	1.21	10,91,77,191	1.32	-0.11
NRI	47,77,649	0.06	46,95,449	0.06	0
Others	19,31,81,902	2.34	1,25,65,160	0.15	2.19
Total	8,24,54,64,400	100.00	8,24,54,64,400	100.00	0.00

c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31st March, 2014 are given below:

Name of Shareholder	No. of Shares	% to Paid-up Capital	Category
President of India	6,18,40,98,300	75.00	Government
Life Insurance Corporation of India (including shares held in various funds/ schemes)	70,67,78,072	8.57	Indian Financial Institutions

xvi) Dematerialisation of Shares and Liquidity

The shares of the Company are in compulsory dematerialised segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

Secretarial Audit Report for Reconciliation of the Share Capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

No. of shares held in dematerialized and physical mode

	No. of shares	% of total capital issued
Held in dematerialized form in CDSL	388,84,496	0.471
Held in dematerialized form in NSDL	820,64,76,246	99.527
Physical	103,658	0.002
Total	8,24,54,64,400	100.00

The names and addresses of the Depositories are as under:

- National Securities Depository Ltd.
Trade World, 4th Floor
Kamala Mills Compound
Senapathi Bapat Marg,
Lower Parel, Mumbai-400 013
- Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street, Mumbai-400 023

xvii) Demat Suspense Account:

Details (in aggregate) of shares in the suspense account opened and maintained after Initial Public Offering and Further Public Offering of Equity Shares of NTPC as on 31st March, 2014 is furnished below:

Details of "NTPC LIMITED – IPO – Unclaimed Shares Demat Suspense Account" (account opened and maintained after IPO):

Opening Bal (as on 01.04.2013)		Requests received and Disposed off during 2013-14		Closing Bal (as on 31.03.2014)	
Cases	Shares	Cases	Shares	Cases	Shares
179	31,725	0	0	179	31,725

Details of "NTPC LIMITED – FPO Unclaimed Shares Demat Suspense Account" (account opened and maintained after FPO):

Opening Bal (as on 01.04.2013)		Requests received and Disposed off during 2013-14		Closing Bal (as on 31.03.2014)	
Cases	Shares	Cases	Shares	Cases	Shares
27	3,752	1	112	26	3,640

The voting rights on the shares mentioned in the closing balance of above two accounts shall remain frozen till the rightful owner of such shares claims the shares.

(xviii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.

No GDRs/ADRs/Warrants or any Convertible instruments has been issued by the Company.

xix) Number of Shares held by the Directors as on 31st March, 2014

Directors	No. of shares
Dr. Arup Roy Choudhury	11,190
Shri I.J. Kapoor	NIL
Shri N.N. Misra	922
Shri A.K. Jha	NIL
Shri U.P. Pani	922
Shri S.C. Pandey	3304
Shri K. Biswal	NIL
Dr. Pradeep Kumar	NIL
Shri G. Sai Prasad	NIL
Shri S.B. Ghosh Dastidar	NIL
Shri R.S. Sahoo	NIL
Shri Ajit M. Nimbalkar	614
Shri S.R. Upadhyay	NIL
Ms. H.A. Daruwalla	140
Shri A.N. Chatterji	NIL
Prof. Sushil Khanna	NIL
Dr. A. Didar Singh	426
Shri Prashant Mehta	NIL

xx) Locations of NTPC plants
National Capital Region (NCR-HQ)
Thermal Power Stations

- Badarpur Thermal Power Station- Badarpur, New Delhi
- National Capital Thermal Power Project- Distt. Gautum Budh Nagar, Uttar Pradesh

Gas Power Stations

- Anta Gas Power Project – Distt. Baran, Rajasthan
- Auraiya Gas Power Project – Distt. Auraiya, Uttar Pradesh
- Faridabad Gas Power Project – Distt. Faridabad, Haryana
- National Capital Power Project- Distt. Gautum Budh Nagar, Uttar Pradesh

Solar Power Stations

- 5MWp, Dadri Solar Power Plant, Dadri, Distt. Gautum Budh Nagar, Uttar Pradesh
- 5MWp, Faridabad Solar Power Plant, Distt. Faridabad, Haryana

Eastern Region (ER-HQ)- I
Thermal Power Stations

- Barh Super Thermal Power Project- Distt. Patna, Bihar
- Farakka Super Thermal Power Station – Distt. Murshidabad, West Bengal
- Kahalgau Super Thermal Power Project- Distt. Bhagalpur, Bihar
- North Karanpura Super Thermal Power Project – Hazaribagh, Jharkhand

Eastern Region (ER-HQ)- II
Thermal Power Stations

- Talcher Super Thermal Power Station- Distt. Angul, Odisha
- Talcher Thermal Power Station- Distt. Angul, Odisha
- Bongaigaon Thermal Power Project, Distt. Kokrajhar, Assam.
- Darlipalli Super Thermal Power Project, Distt. Sundergarh, Jharsuguda, Odisha

Solar Power Station

- 10MWp Talcher Kaniha Solar Power Station, Distt. Angul, Odisha

Northern Region (NR-HQ)
Thermal Power Stations

- Feroze Gandhi Unchahar Thermal Power Station – Distt. Raebareli, Uttar Pradesh
- Rihand Super Thermal Power Project – Distt. Sonebhadra, Uttar Pradesh
- Singrauli Super Thermal Power Station- Distt. Sonebhadra, Uttar Pradesh
- Tanda Thermal Power Station- Distt. Ambedkar Nagar, Uttar Pradesh

Solar Power Station

- 10MWp Unchahar PV Solar Power Station, Distt. Raebareli, Uttar Pradesh

Southern Region (SR-HQ)
Thermal Power Stations

- Ramagundam Super Thermal Power Station- Distt. Karimnagar, Andhra Pradesh
- Simhadri Super Thermal Power Project- Vishakapatnam, Andhra Pradesh
- Kudgi Thermal Power Project, Bijapur, Karnataka

Gas Power Stations

- Rajiv Gandhi Combined Cycle Power Project – Distt. Alappuzha, Kerala

Wind Energy Project, Belgaum, Karnataka

Solar Power Station

- i) 5 MWp Solar PV Power Plant, Port Blair, A&N Islands
- ii) 10MWp Ramagundam Solar Power Station, Distt. Karimnagar, Andhra Pradesh

Western Region (WR-HQ)-I

Thermal Power Stations

- i) Solapur Super Thermal Power Project – Solapur, Maharashtra
- ii) Mouda Super Thermal Power Project – Nagpur, Maharashtra

Gas Power Stations

- i) Jhanor Gandhar Gas Power Project- Distt. Bharuch, Gujarat
- ii) Kawas Gas Power Project- Aditya Nagar, Surat, Gujarat

Western Region (WR-HQ)-II

Thermal Power Stations

- i) Korba Super Thermal Power Station- Distt. Korba, Chhattisgarh
- ii) Sipat Super Thermal Power Project-Distt. Bilaspur, Chattisgarh
- iii) Vindhyachal Super Thermal Power Station- Distt. Sidhi, Madhya Pradesh
- iv) Gadarwara Super Thermal Power Project, Kandeli-Narsinghpur, Madhya Pradesh
- v) Lara Super Thermal Power Project, Distt. Raigarh, Chattisgarh

Solar Power Station

- i) 50 MWp Solar PV Power Plant, Rajgarh, Madhya Pradesh

HYDRO POWER PROJECTS

- i) Koldam Hydro Power Project – Distt. Bilaspur, Himachal Pradesh
- ii) Tapovan–Vishnugad Hydro Power Project – Distt. Chamoli, Uttarakhand
- iii) Lata Tapovan Hydro Power Projects – Distt. Chamoli, Uttarakhand

JOINT VENTURE POWER PROJECTS

Thermal Power Stations

- i) Rourkela CPP-II - Distt. Sundargarh, Odisha
- ii) Durgapur CPP-II - Distt. Burdwan, West Bengal
- iii) Bhilai CPP - Bhilai (East), Chattisgarh
- iv) Ratnagiri Power Project - Distt. Ratnagiri, Maharashtra
- v) Vallur Thermal Power Project – Chennai, Tamil Nadu
- vi) Indira Gandhi Super Thermal Power Project - Distt. Jhajjar, Haryana
- vii) Meja Super Thermal Power Project – Tehsil Meja, Allahabad
- viii) Nabinagar Super Thermal Power Project – Distt. Aurangabad, Nabinagar, Bihar

Overseas Joint Venture Projects

Thermal Power Stations

- i) Trincomalee Power Project, Trincomalee, Srilanka
- ii) Power Project at Khulna, Bangladesh

POWER PROJECTS UNDER SUBSIDIARY COMPANIES

Thermal Power Projects

- i) Muzaffarpur Thermal Power Station, Muzaffarpur, Bihar
- ii) Nabinagar Thermal Power Project, Distt. Aurangabad, Nabinagar, Bihar (in JV with Railways)

COAL MINING SITES

- i) Pakri Barwadih Coal Mining Project, Hazaribagh, Jharkhand
- ii) Chatti-Bariatu Coal Mining Project, Hazaribagh, Jharkhand
- iii) Kerandari Coal Mining Project, Hazaribagh, Jharkhand
- iv) Talaipalli Coal Mining Project, Raigarh, Chattisgarh
- v) Dulanga Coal Mining Project, Sundargarh, Odisha

xxi) Address for correspondence:

NTPC Bhawan, SCOPE Complex
7, Institutional Area, Lodi Road,
New Delhi – 110003

The phone numbers and e-mail reference for communication are given below:

	Telephone No.	Fax No.
Registered Office	2436 0100	2436 1018
Investor Services Department	2436 7072	2436 1724
E- mail id	isd@ntpc.co.in	
Public Spokesperson Shri G.K. Sadhu Executive Director (Finance)	2436 6278	24361982
E- mail id	sadhugk@yahoo.co.in	
Company Secretary		
Shri Anil Kumar Rastogi	2436 0071	2436 0241
E- mail id	akrastogi@ntpc.co.in	
E- mail ID (exclusive) for redressal of investors complaints	isd@ntpc.co.in	

For and on behalf of Board of Directors



(Dr. Arup Roy Choudhury)
Chairman & Managing Director

Place: New Delhi
Date: 15.05.2014

Non – Mandatory Requirements

Besides the mandatory requirements as mentioned in preceeding pages, the status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement is provided below:

1. **The Board:** The Company is headed by an Executive Chairman. No Independent Director has been appointed for the period exceeding, in the aggregate, a period of nine years, on the Board of the Company.
2. **Remuneration Committee:** Please refer to para 3.3 of this Report.
3. **Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under heading 'Means of Communication' and also hosted on the website of the Company. These results are not separately circulated. Significant events have been disclosed on the company website: www.ntpc.co.in under "Announcements" in the "Investors" section.
4. **Audit Qualification:** It is always Company's endeavour to present unqualified financial statements.
5. **Training to Board Members:** The Board of Directors have the responsibility of strategic supervision of the Company and undertake periodic review of various matters including performance of various stations, construction of power projects, capacity expansion programme in line with targets set-up by Ministry of Power, resource mobilisation, etc. In order to fulfil this role, the Board of Directors undergo training from time to time. The Board of Directors are fully briefed on all business related matters, risk assessment and mitigating procedures and new initiatives proposed by the Company. Directors are also briefed on changes/developments in Indian as well as international corporate and industry scenario including those pertaining to the statutes/legislation and economic environment. In addition, Directors are being imparted training organised by the Company and other agencies/ institutions etc which enables them to appreciate specific requirements of Power Sector as well as those of the Company. The Company has Board approved Training Policy in place for its members which aims at building leadership, qualities and providing a platform to share the knowledge, skills and experience gained by the Directors.
6. **Mechanism for evaluating non-executive Board Members:** Non-executive Board Members (Independent Directors) of NTPC are appointed by the Search Committee of the Government of India for a tenure of three years at a time. Their performance is also evaluated by the Search Committee of the Government of India and based on their performance; they are considered for re-appointment on the Board.
7. **Whistle Blower Policy:** The Company has a Board approved 'Whistle Blower Policy' for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It also provided safeguards against victimization of employees, who avail of the mechanism and for direct access to the Chairman of the Audit Committee.

Annex-II
Schedule of Compliances with Presidential Directive issued during the financial year 2013-14 and during last three years preceding the financial year 2013-14:

Year	Content of Presidential Directives	Compliance
2013-14	NIL	NIL
2012-13	NIL	NIL
2011-12	NIL	NIL
2010-11	1. Vide Presidential Directive No.11/2/2010-Th-1 dated 10 th January, 2011, Government of India had directed NTPC for induction of supercritical technology (with stipulation of Phased Manufacturing Programme) through Bulk ordering of nine 800 MW generating units by NTPC Limited as per road map given in the aforesaid directive.	In line with the Presidential Directive, tenders for Steam Generator (SG) package and Steam Turbine Generator (STG) package for 800 MW units were invited separately for Lara, Darlipali, Gajmara and Kudgi project on International Competitive Bidding basis on 4.02.2011 following two-stage bidding process. The award of Contract for SG and STG Packages have been placed for Kudgi (3x800 MW), Lara (2x800 MW) and Darlipali (2x800 MW) projects. In view of difficulty being faced in getting land timely for Gajmara project, in place of Gajmara, award of contracts for SG and STG packages have been placed for Gadarwara (2x800MW) project.

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Arup Roy Choudhury, Chairman & Managing Director and K. Biswal, Director (Finance) of NTPC Limited to the best of our knowledge and belief, certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2014 (Stand alone and Consolidated) and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or violative of the company's various code(s) of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the company's auditors and the Audit Committee of NTPC's Board of Directors:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi
Date : 10th May 2014

(K. Biswal)
Director (Finance)

(Dr. Arup Roy Choudhury)
Chairman & Managing Director

AUDITORS' CERTIFICATE

The Members
NTPC Limited

We have examined the compliance of conditions of Corporate Governance by NTPC Limited for the year ended on 31st March 2014 as stipulated in the Clause 49 of the Listing Agreements in respect of Equity Shares of the said company with Stock Exchanges and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Agreements and in the Guidelines on Corporate Governance for Central Public Sector Enterprises except that the number of Independent Directors for the period from April 1, 2013 to July 8, 2013 was short by one.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For O. P. Bagla & Co.
Chartered Accountants
Firm Reg. No. 000018N

(Neeraj Kumar Agarwal)
Partner
M No. 094155

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg. No. 109208W

(Ajay Gupta)
Partner
M No. 090104

For K K Soni & Co.
Chartered Accountants
Firm Reg. No. 000947N

(Abhinav Aggarwal)
Partner
M No. 517358

For Ramesh C. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001770C

(Monika Agrawal)
Partner
M No. 093769

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No. 003990S

(G. Shankar)
Partner
M No. 024042

For A. R. & Co.
Chartered Accountants
Firm Reg. No. 002744C

(Anil Gaur)
Partner
M No. 017546

Place : New Delhi
Date : 15th May 2014