Dear Shareowners,

Your Company had another year of strong performance. Total generation grew over 6% in FY18 (NTPC Group Generation - 294BU; NTPC Standalone - 265 BU), and it has further grown at nearly 7.5% in Q1 FY19. These numbers indicate substantial growth in energy demand of the country. With the implementation of Govt.’s SAUBHAGYA and DDUGJY Schemes, growth in power demand is expected to keep ticking. As demand will keep growing, your Company is poised to clock significant growth in next few years as well. The growth numbers in both cases were much higher than national average.

Your Company’s PLF has consistently maintained a positive difference of over 15% as compared to the National PLF. Company’s coal stations achieved a PLF of 77.9% during the year 2017-18 as against National PLF of 60.7%. Six stations of NTPC figured in top ten stations list of the country in terms of PLF.

Your Company added 4,423 MW to its commercial capacity during FY’18. This is the second highest ever commercial capacity added in any year. With this, the commercial capacity of NTPC Group is now 51,391 MW. This includes 870 MW Solar, 50 MW Wind and 8 MW small hydro. With 20 GW capacities under construction, the target for this year is for adding 5GW of commercial capacity. Pursuing inorganic growth path – your Company acquired JV partner’s equity in two power plants in Bihar. The combined capacity of these plants is 2,590 MW.

Substantial progress was made on the coal-mining front to ensure fuel security. 2.68 MMT of coal was extracted from Pakri Barwadih mine during FY18. Mining operations have started at second mine.

Your Company’s profit rose by 10.2% in FY18 as compared to previous year and revenue from operations increased by 6.6%. NTPC management is committed to maximizing your wealth. The Company has already paid an interim dividend of ₹ 2.73 per share and has recommended a final dividend of ₹ 2.39 per share for FY’18, subject to your approval. The increase in dividend is 7.1% over last year.

Your Company has robust finance management system in place, which resulted in reducing the weighted average cost of borrowings to less than 7% in FY18. The Company has achieved 100% realization of current bills for the fifteenth year in a row.

Your Company has been working tirelessly for maximizing its profitability. Various steps have been taken for eliminating under recovery by ensuring fuel availability and controlling equipment forced outage. To ensure high coal availability, action has been taken for importing coal. Agreement has been signed with Railways for prioritizing dispatch to the plants and the results are very encouraging.

With robust all round performance, your Company is expected to retain the “Excellent” rating for the MoU signed with Government of India again.

Even as financial and physical numbers are important, your Company has taken significant steps towards Environmental Protection, Water Conservation, better Project Management and laid foundation for future growth.

Your Company has become the first PSU to have a Biodiversity Policy. Your Company shall be developing an Eco park at the ash pond of Badarpur power plant (after the plant is shut down) which would be bigger than New York city Central park and shall act as “Green Lungs” for National Capital Region of Delhi.

Substantial investment is being made towards environmental norms compliance. First Flue-gas desulphurisation system became operational at Vindhyachal. Work is in progress at 7.23 GW capacity. Fresh tenders are finalized for 9.94 GW and award for all coal based capacity shall be completed in about 12 months so that all units are compliant with the norms as per deadlines given by Government agencies. Action has also been taken for De-NOX and particulate emission control too. Your Company has placed an order for procurement of crop residue based pellets for co-firing at Dadri plant. This would help in avoiding crop residue burning which led to haze that enveloped northern part of India during winter months.
As a responsible Corporate, your Company has taken various steps for reducing water consumption. Specific water consumption has been reduced by 3.3%. The Company is implementing Zero Liquid Discharged and higher CoC across all plants. Besides these, Air Cooled Condenser is being implemented at two of the new projects, which has potential for saving water consumption upto 75%.

Your Company is committed for increasing the share of renewables in its portfolio. Govt. of India recently issued a policy on "Flexibility in generation and scheduling of thermal power stations to reduce emissions". This policy is likely to help renewable capacity addition and will also help in balancing of the grid. As per this policy, generating companies would be allowed to replace their scheduled thermal power by renewable power and there would be no need to sign PPA with beneficiaries. To leverage this opportunity, tenders have been floated for procuring 2 GW Solar and 1.2 GW Wind capacity.

Your Company is actively looking at other business opportunities including overseas operations. Construction activities of (2X660) MW Coal based project at Bangladesh are under progress. Further, the Company is keenly looking at Middle East and African continent. Discussions are underway for setting up electric charging infrastructure and providing complete e-mobility solutions.

Your Company is putting major thrust on employee capability improvement. Leadership program for senior management team has been conducted at Harvard and Wharton. NTPC’s Power Management Institute was facilitated by the most coveted ATD award. Further, your Company is Ranked 25th in Best Companies to Work for-2018, first among PSUs.

Your Company is committed to Corporate Social Responsibility. Girl Empowerment Mission has been launched to give inputs on academics, health, hygiene, self-defence, yoga and personality development for 400 girls from villages around Vindhyachal, Singrauli and Rihand power plants.

I take this opportunity to put on record Your Company’s deepest condolences on the loss of lives during the tragic incident at Unchahar Power Station. Your Company provided all support and financial assistance to the families of deceased. Further, your Company has reviewed all operational and safety systems and engaged the services of a leading global consultant on safety to improve various aspects.

On behalf of Team NTPC, I assure you that your Company will continue to put best efforts and committed to fulfill the vision “To be World’s leading Power Company, energizing India’s growth” and thereby ensuring sustained returns to its stakeholders.

With best wishes,
Yours sincerely,

(Gurdeep Singh)
Chairman & Managing Director