

MINUTES OF THE 38TH ANNUAL GENERAL MEETING OF THE MEMBERS OF NHPC LIMITED HELD ON FRIDAY, 26TH SEPTEMBER, 2014 AT 3:00 P.M. AT MUNICIPAL CORPORATION AUDITORIUM, NIT, NEAR B. K. CHOWK, FARIDABAD – 121 001 (HARYANA).

PRESENT:

1.	Shri R.S.T Sai	:	Chairman & Managing Director
2.	President of India (Through Authorised Representative, Shri Puneet Kansal, Director(H-II), Ministry of Power, Government of India)	:	Member
3.	Shri D.P. Bhargava	:	Director & Member
4.	Shri Radheshyam Mina	:	Director & Member
5.	Shri Gurdev Singh Vedi	:	Director
6.	Shri Arun Kumar Mago	:	Director
7.	Shri R. Jeyaseelan	:	Director
8.	Shri Ashoke Kumar Dutta	:	Director
9.	Shri Atul Kumar Garg	:	Director
10.	Shri Vijay Gupta	:	Company Secretary

422 Members present, in person or through proxy, marked their attendance. These included the nominee of the Government of India holding 85.96% of shares of the Company and the Directors of the Company.

The Company Secretary introduced the Members of the Board present on the Dias to the Shareholders. He also acknowledged the presence of Shri Puneet Kansal, Director (H-II), Ministry of Power, the Authorised Representative of the President of India and authorised representative of Ms. Savita Jyoti, Practising Company Secretary, Scrutinizer.

He also stated that the Chairman of the Stakeholders' Relationship Committee and the members of Audit Committee are present to answer the queries of the Shareholders.

Shri R. S. T. Sai, Chairman & Managing Director took the Chair. Since quorum as per the Companies Act, 2013 i.e. 30 members present in person, was present, the Chairman & Managing Director declared the meeting open. He welcomed the Members to 38th Annual General Meeting.

The Chairman of the meeting stated that the Register of Members, Register of Directors & Key Managerial Personnel (KMP) and their shareholding and Register of Proxy along with other documents were available during the Meeting for inspection of the Members.

With the consent of all the Members present, the Notice of the meeting, the Directors' Report and Independent Auditors' Report, the copies of which were with the shareholders, were taken as read.

The Chairman & Managing Director then delivered his speech. He began with acknowledging the contributions of 'Team NHPC' which has achieved several milestones of success in the past through its sustained outstanding performance, amidst business environmental constraints and challenges. The brief of his speech was as under:

Performance Review

The year had been a challenging year for the Company and some of the key highlights are as under:

- The Company added 760 MW during the year
- Sales realisation increased to Rs. 6,397 crore from Rs. 5,369 crore
- The Company generated 18,386 Million Units of Power
- Contracts for balance works of HRT at Parbati-II Hydroelectric Project were awarded.

There were some setbacks during the last year:

- Profit went down to Rs. 978.79 crore. The decrease in profit is mainly due to charging off the borrowing cost and other administrative cost of Subansiri Lower and Teesta Low Dam-IV Projects, as construction activities were interrupted for a prolonged period.
- The logjam at Subansiri Lower Hydroelectric Project due to downstream issues are continuing and the Company is taking necessary action for early resolution.
- Stoppage of Dam works at TLDP-IV Hydroelectric Project. Efforts are being made to restart the work at the earliest.
- Dhauliganga Power Station was submerged due to devastating flood in June 2013. The Company had managed to restore all the units of Dhauliganga Power Station.

Dividend

Board of Directors recommended a dividend of Rs. 0.30 per share (excluding dividend tax) for the year 2013-14. The total dividend payout will be Rs. 332.12 crore which is 33.93% of the profit after tax.

A Good Corporate Citizen and Corporate Governance

The Company had established a sound framework of Corporate Governance which underlines commitment to quality of governance, transparency disclosures, consistent stakeholders' value enhancement and corporate social responsibility. NHPC endeavors to transcend much beyond the regulatory framework and basic requirements of Corporate Governance, focusing consistently on building confidence of its various

stakeholders. The Company had developed a framework for ensuring transparency, disclosure and fairness to all, especially minority shareholders.

As a listed Public Sector Enterprise, the Company complied with the requirements of Corporate Governance as stipulated in the Listing Agreements and also the provisions notified by the Department of Public Enterprises (DPE), Government of India in this regard.

Corporate Social Responsibility

The Company had put special attention to social issues of health, safety, environment and education in the marginal sections of society. Separate organisational wing is established at Corporate Office to plan and implement the physical and financial programme across the Country within the CSR budget allocated by your Company.

Outlook

It was informed that the Company has gone for diversification into Thermal, Wind and Solar Power.

Presently 4 Hydroelectric Projects with an installed capacity of 3,290 MW are in construction stage and as part of Company's expansion programme, five Projects with installed cumulative capacity of 5,115 MW are under various stages of approval. In addition, three Projects in Jammu & Kashmir (2,120 MW) and one Project in Manipur (66 MW) are envisaged to be executed through Joint Venture Companies.

The Chairman & Managing Director concluded his speech by thanking to the stakeholders of NHPC, which inter alia included Ministries, Authorities and Agencies of the Union Government, the State Governments, esteemed shareholders and our respectable customers who had provided unstinted support to the company. He conveyed his thanks to the NHPC team for the dedication and hard work put in by it in running the Company. He also thanked to the investors for their sustained support to the Company.

The Chairman & Managing Director stated that the Company had provided electronic voting facility to its members to exercise their right to vote in respect of items proposed to be transacted at the Annual General Meeting by electronic means from 20th September, 2014 (10:00 AM) to 22nd September, 2014 (6:00 PM) in pursuance of Clause 35 B of the Listing Agreement executed with National Stock Exchange of India Limited and Bombay Stock Exchange Limited and in pursuance of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The voting rights of the Shareholders were in proportion to the paid-up share capital of the Company as on the cut-off date which was 8th August, 2014.

He further stated that the members who could not exercise their vote through e-voting process were provided facility to vote through Postal Ballot. Further, members were also given facility to vote at the Annual General Meeting by way of polling instead of voting by show of hands (for those members who had not casted their vote earlier through e-voting or postal ballot). The ballot papers were made available to the Shareholders in the Auditorium during the meeting.

He also stated that as per the Clarification issued by the Ministry of Corporate Affairs, those Shareholders who had cast their vote through electronic mechanism can take part in the meeting but were not allowed to vote again at the Meeting.

He then stated that Ms Savita Jyoti, Practicing Company Secretary, M/s Savita Jyoti Associates was appointed as scrutinizer to scrutinize the e-voting process as well as voting at the AGM. Scrutinizer had already submitted her draft Report on e-voting to the Chairman.

He informed that the Company has passed the following Special Resolutions through Postal Ballot on 9th September, 2014:

1. Authorisation to the Board of Directors for mortgaging and/or creating charge on all or any of the movable or immovable assets and /or immovable property of the Company for securing borrowings for the purpose of the Company.
2. Increase in Borrowing Powers up to Rs. 30,000 Crore.
3. Issue of Secured / Unsecured Redeemable Non-Convertible Debentures / Bonds aggregating up to Rs. 2500 Crore through Private Placement.

He then requested the Company Secretary to read the items of Businesses to be transacted at the Annual General Meeting and explain the ballot process.

The Company Secretary then read the items of Businesses to be transacted at the Annual General Meeting. He explained the procedure for polling and also stated that the polling would remain opened for 30 minutes from the time of announcement.

The Chairman & Managing Director then ordered the poll. During the polling, the Chairman & Managing Director also interacted with Shareholders and answered the queries raised by the Members.

After the poll was over, the ballot boxes were sealed by the authorised representative of scrutinizer.

Sharing the manner in which the results would be complied, the Chairman & Managing Director stated that the results of voting on each resolution shall be determined by adding the votes in favour or against a resolution with electronic votes/through ballot (physical) in favour or against the same resolution.

The Chairman & Managing Director then stated that since the counting of the votes and verification of the ballot papers would take some time, the result of the poll along with the result of e-voting/through ballot (physical) would be put up at the website of the Company i.e. www.nhpcindia.com and of e-voting service provider i.e. <https://evoting.karvy.com> by 28th September, 2014.

After the voting have been completed, the Chairman & Managing Director announced the formal closure of 38th Annual General Meeting of the Company.

Shri R. S. Mina, Director (Personnel) then thanked the Chair, authorised representative of the President of India, valued shareholders, Directors on the Board and employees of the Company.

On the basis of Consolidated Report of the Scrutinizer for the electronic voting/through ballot (physical) and for the Poll at the AGM dated 26.09.2014, the summary of which is mentioned hereunder, the Chairman & Managing Director announced the results of the voting on 27.09.2014 that all the resolutions except resolution no. (7) & (8) for the ordinary and special businesses as set out in the Notice of 38th Annual General Meeting of the Company have been duly passed by the requisite majority:

Brief Particulars of the Consolidated Report of the Scrutinizer for the electronic voting and for the Poll dated 27.09.2014:

Particulars	E-Voting/through ballot(physical) results			Polling at the AGM			Consolidated results		
	No. of members who voted (valid votes)	No. of shares for which votes cast	% of votes in favour to total no. of valid votes cast	No. of members present and voting (in person or by proxy)	No. of votes cast by them	% of votes in favour to total no. of valid votes cast	No. of members voting (in person or by proxy or through E-voting) (valid votes)	No. of votes cast by them	% of votes in favour to total no. of valid votes cast
Ordinary Businesses:									
ITEM No.1 Ordinary Resolution for adoption of financial statements for the year ended March 31 st , 2014.	310	118404225	99.71	4	9516272434	100	314	9634676659	100
ITEM NO. 2 Ordinary Resolution for declaration of dividend for the financial year 2013-14.	316	119316930	100	4	9516272434	100	320	9635589364	100
ITEM NO. 3 Ordinary Resolution for re-appointment of Shri D. P. Bhargava (DIN 01277269), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India.	315	119317040	24.77	4	9516272434	100	319	9635589474	99.07
ITEM NO. 4 Ordinary Resolution for reappointment of Shri J. K. Sharma (DIN 00387785), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India.	313	119316558	24.77	4	9516272434	100	317	9635588992	99.06
ITEM NO. 5 Ordinary Resolution for fixation of remuneration of the Joint Statutory Auditors for the year 2014-15.	313	119315743	84.80	4	9516272434	100	317	9635588177	99.81

Special Businesses:									
ITEM NO. 6 Ordinary Resolution for ratification of remuneration of the Cost Auditors appointed by the Board.	317	119315907	99.99	4	9516272434	100	321	9635588341	100
ITEM NO. 7 Ordinary Resolution for appointment of Shri Shantikam Hazarika as an Independent Director to hold office for a balance term up to 16 th May, 2015.	312	119315035	99.99	4	9516272434	0	316	9635587469	1.24
ITEM NO. 8 Ordinary Resolution for appointment of Shri A. Gopalakrishnan as an Independent Director to hold office for a balance term up to 29 th February, 2016.	310	119315025	25.76	4	9516272434	0	314	9635587459	0.32
ITEM NO. 9 Ordinary Resolution for appointment of Shri R.S.T Sai as the Chairman and Managing Director of the Company on terms and conditions determined by the Government of India.	313	119315630	80.10	4	9516272434	100	317	9635588064	99.75

The resolutions for the ordinary and special business as set out in the Notice of 38th Annual General Meeting of the Company, duly approved/rejected by the Members with requisite majority, are recorded hereunder as a part of the proceedings of 38th Annual General Meeting of the Members held on 26.09.2014

Ordinary Business:

Item No.1: Ordinary Resolution for adoption of financial statements for the year ended March 31st, 2014:

“RESOLVED THAT the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the financial year ended on 31st March, 2014 together with the Independent Auditors’ Report thereon and Report of Board of Directors be and are hereby received, considered and adopted.”

Item No.2: Ordinary Resolution for declaration of dividend for the financial year 2013-14.

“RESOLVED THAT pursuant to the recommendation of the Board of Directors, final dividend @ 3% (Rs. 0.30 per share) of the paid-up equity share capital of the Company amounting to Rs. 332.13 crore subject to rounding off of the dividend amount payable to the Individual shareholders to the nearest rupee as per Rule 23 of Companies (Central Government’s) General Rules & Forms, 1956 be and is hereby declared out of the profits of the Company for the financial year 2013-2014 and be paid to the Equity Shareholders of the Company whose name appear on the Company’s Register of Members on 26th September, 2014 in respect of physical shares and to the beneficial owners of the shares whose names appeared in the statement of Beneficial Ownership, as at the closure of business hours on 12th September, 2014 furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of dematerialized shares.”

Item No.3: Ordinary Resolution for reappointment of Shri D. P. Bhargava (DIN 01277269), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India:

“RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 34 of the Articles of Association of the Company, Shri D.P. Bhargava (DIN 01277269), who retires by rotation, be and is hereby re-appointed as a Director of the Company for the remaining/extended term at the pleasure of the President of India”

Item No.4: Ordinary Resolution for reappointment of Shri J. K. Sharma (DIN 00387785), who retires by rotation and being eligible, offers himself for re-appointment for the remaining/extended term at the pleasure of the President of India:

“**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 34 of the Articles of Association of the Company, Shri J.K. Sharma (DIN 00387785), who retires by rotation, be and is hereby re-appointed as a Director of the Company for the remaining/extended term at the pleasure of the President of India.”

Item No.5: Ordinary Resolution for fixation of remuneration of the Joint Statutory Auditors for the year 2014-15:

“**RESOLVED THAT** remuneration for Joint Statutory Auditors appointed by the Comptroller and Auditor General of India for the financial year 2014-15 be and is hereby fixed as under:

S. No.	Particulars	Amount (Rs. in Lacs)
1.	Annual Audit Fees	50.00
2.	Fees for consolidation of accounts	1.25

RESOLVED FURTHER THAT the above fees is exclusive of service tax, TA / DA and other levies and which shall be shared equally by the Joint Statutory Auditors;

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 these resolutions.”

Special Business:

Item No.6: Ordinary Resolution for ratification of remuneration of the Cost Auditors appointed by the Board:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), 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 @ Rs. 60,000/- per power station (excluding taxes, duties & TA / DA).

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 these resolutions.”

Item No.7: Ordinary Resolution for appointment of Shri Shantikam Hazarika as an Independent Director to hold office for a balance term up to 16th May, 2015:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Clause 49 of the Listing Agreement, Shri Shantikam Hazarika (DIN: 00523656), who was appointed by the President of India as a part time non-official Director on the Board of the Company pursuant to Article 33 of the Articles of Association of the Company vide Ministry of Power letter no. 16/28/99-NHPC [Vol. II] dated 17th May, 2012 for a period of three years from the date of notification of appointment, or until further orders, whichever is earlier and the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a balance term up to 16th May, 2015”.

Item No.8: Ordinary Resolution for appointment of Shri A. Gopalakrishnan as an Independent Director to hold office for a balance term up to 29th February, 2016:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Clause 49 of the Listing Agreement, Shri A. Gopalakrishnan (DIN: 02880344), who was appointed by the President of India as a part time non-official Director on the Board of the Company pursuant to Article 33 of the Articles of Association of the Company vide Ministry of Power letter no. 16/28/99-NHPC [Vol. II] dated 1st March, 2013 for a period of three years from the date of notification of appointment, or until further orders, whichever is earlier and the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a balance term up to 29th February, 2016”.

Item No.9: Ordinary Resolution for appointment of Shri R.S.T Sai as the Chairman and Managing Director of the Company on terms and conditions determined by the Government of India:

“**RESOLVED THAT** Shri R.S.T Sai who was appointed as an additional director and designated as Chairman & Managing Director of the Company w.e.f. 8th June, 2014 under section 161(1) of the Companies Act, 2013 read with Article 35A of the Articles of Association of the Company by the President of India vide letter no 9/2/2013-NHPC dated 6th June, 2014 and shall hold office up to the date of this Annual General

Meeting, and the company has received a notice him proposing his candidature for the office of Director under section 160 of the Companies Act, 2013, be and is hereby appointed as Chairman & Managing Director of the Company as non-retiring director on the terms and conditions determined by the Government of India.”

Resolution nos. (1) to (6) and (9), which were put to vote, were passed with requisite majority and Resolution nos. (7) and (8) were rejected.