एनटीपीसी NTPC
A Maharatna Company

NTPC Limited

CIN: L40101DL1975GOI007966
Regd. Office: NTPC Bhawan, 7 Institutional Area, Lodi Road, New Delhi-110 003
Tel. no.: 011-24360100 **Fax:** 011-24361018
Email: ntpccc@ntpc.co.in **Website:** www.ntpc.co.in

Meeting of Equity Shareholders of NTPC Limited Convened by the order of Ministry of Corporate Affairs	**Contents**	**Page No.**
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For any clarification regarding the Scheme, please write to powerbonds@ntpc.co.in

BEFORE THE MINISTRY OF CORPORATE AFFAIRS
GOVERNMENT OF INDIA
SHASTRI BHAWAN, NEW DELHI
COMPANY APPLICATION DATED 30TH DECEMBER, 2014
{UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 (1 OF 1956)}

IN THE MATTER OF:

Section 391 (1) (b) of the Companies Act, 1956

AND IN THE MATTER OF:

Scheme of Arrangement between NTPC Limited and its Members

AND

IN THE MATTER OF:

NTPC Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered office at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003 **...Applicant Company**

Tel No: 011-24360100; **Email:** ntpccc@ntpc.co.in; **Website:** www.ntpc.co.in

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,

The Equity Shareholders of the NTPC Limited, the Applicant Company.

Take notice that by order dated January 06, 2015, the Hon'ble Ministry of Corporate Affairs has directed that a meeting of the Equity Shareholders of NTPC Limited ("Applicant Company"), be convened for considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between NTPC Limited and its Members for issue of Secured, Non-Cumulative, Non-Convertible, Redeemable, taxable fully paid up Bonus Debentures out of free reserves to its members.

Take further notice that in pursuance of the said order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be convened and held at **YUGANTAR Auditorium, Badarpur Thermal Power Station, NTPC Limited, Mathura Road, New Delhi- 110 044 on Tuesday, the 10th day of February 2015 at 3:00 P.M.** at which time and place you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by a Proxy, provided that proxy in the prescribed form, duly signed by you is deposited at the Registered Office of the Applicant Company at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi- 110 003, not later than forty eight (48) hours before the time of the aforesaid meeting.

The Hon'ble Ministry of Corporate Affairs has appointed Dr. Arup Roy Choudhury, Chairman & Managing Director of the Applicant Company and in his absence Shri Kulamani Biswal, Director (Finance), to be the Chairman of the said meeting.

A copy each of the Scheme of Arrangement, Explanatory Statement under Section 393 of the Companies Act, 1956, form of proxy and attendance slip is enclosed.

Dated this 12th day of January, 2015.

(**Dr.Arup Roy Choudhury)**
Chairman appointed for the meeting

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

Enclosures: As above

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under section 105 of the Companies Act, 2013) at the aforesaid equity shareholders meeting.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with Rule 19(2) of Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Equity shareholders who are body corporates (such as companies, societies, etc.) shall be required to deposit certified copies of Board/Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of NTPC Limited at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi- 110 003 at least forty eight (48) hours before the time of holding the meeting.

BEFORE THE MINISTRY OF CORPORATE AFFAIRS

GOVERNMENT OF INDIA

SHASTRI BHAWAN, NEW DELHI

COMPANY APPLICATION DATED 30TH DECEMBER, 2014

{UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 (1 OF 1956)}

IN THE MATTER OF:

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Scheme of Arrangement between NTPC Limited and its Members

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IN THE MATTER OF:

NTPC Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered office at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003 **...Applicant Company**

Tel No: 011-24360100; Email: ntpccc@ntpc.co.in; **Website:** www.ntpc.co.in

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to order dated January 06, 2015 passed by the Hon'ble Ministry of Corporate Affairs ("Order") with respect to the Company Application referred to above, this statement is sent herewith with the notice calling a meeting of the Equity Shareholders of NTPC Limited (hereinafter referred to as the "Applicant Company"), which is being convened at **3:00 P.M. on Tuesday the 10th day of February 2015 at YUGANTAR Auditorium, Badarpur Thermal Power Station, NTPC Limited, Mathura Road, New Delhi- 110 044** for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between NTPC Limited and its Members for issue of Secured, Non-Cumulative, Non-Convertible, Redeemable, taxable fully paid up Bonus Debentures out of free reserves to its members ("Scheme").
2. Vide the above Order, dispensation has been granted from the convening of the meetings of the Secured and Unsecured Creditors of the Applicant Company to consider the Scheme at this stage.
3. The Applicant Company was incorporated on November 7, 1975 under the Companies Act, 1956 (the "1956 Act"). The Applicant Company has its Registered Office at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi- 110 003. The Equity Shares of the Applicant Company are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).
4. The share capital Structure of the Applicant Company as on March 31, 2014 is as under:

   a. Authorized Share Capital

1000,00,00,000 Equity shares of Rs.10/- each	Rs. 10000,00,00,000/-

   b. Issued, Subscribed and Paid-up Share Capital

824,54,64,400 Equity shares of Rs.10/- each	Rs. 8245,46,44,000/-

   There has been no change in the share capital structure of the Applicant Company after March 31, 2014.
5. The main objects of the Applicant Company as set out in the Memorandum of Association are as under :

   "1 To plan, promote and organize an integrated and efficient development of Thermal, Hydel, Nuclear power and power through Non-Conventional/ Renewable Energy Sources in India and abroad including planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation & maintenance, Renovation & Modernisation of power stations and projects, transmission, distribution, sale of power generated at Stations in India and abroad in accordance with the national economic polices and objectives laid down by the Central Government from time to time, the management of front and back-end of nuclear fuel cycle and ensure safe and efficient disposal of waste.

   2 To coordinate the activities of its subsidiaries, to determine their economic and financial objective/targets and to review, control, guide and direct their performance with a view to secure optimum utilization of all resources placed at their disposal.

   3 To act as an agent of Government/Public Sector Financial Institutions, to exercise, all the rights and powers exercisable at any meeting of any company engaged in the planning, investigation, research, design and preparations of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance, Renovation & Modernisation of power stations and projects, transmission, distribution and sale of power generated in respect of any share held by the Government, public financial institutions, nationalised banks, nationalised insurance companies with a view to secure the most effective utilisation of the financial investments and loans in such companies and the most efficient development of the concerned industries.

   4(a) To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and project reports, construction, generation, Operation & Maintenance &, Renovation & Modernization of Power Stations and Projects, Transmission, distribution, sale of Thermal, Hydro Nuclear power and power generated through Non-Conventional Renewable Energy sources, power development and also to undertake the business of other allied/ancillary industries including those for utilization of steam generated at power stations, and other by-products and install, operate and manage all necessary plants, establishments and works.

   4(b) To carry on the business of prospecting, exploring, developing, drilling, refining, distilling, purifying, converting, blending, purchasing, receiving, importing, storing, manufacturing, producing, processing, crushing, screening, marketing, selling, exporting, distributing, trading, supplying, organising, exploiting, liquefaction, re-gasification, compression, beneficiation, fractionation, transporting by rail/road, surface, sea and proving and estimating the reserves of petroleum/hydrocarbons, gaseous and coal and other mineral resources and implementing programmes for the efficient development of and deal in all kinds of petroleum products/services, hydrocarbons by whatever name called, oil and other related

liquid and gaseous substances and all other kinds/natures of fuels including but not limited to naphtha, natural gas (NG), compressed natural gas (CNG), liquefied natural gas (LNG), associated gaseous substances, syngas, Orimulsion, coal-bed methane, lignite, coal, coke etc. in all its aspects and in all their respective branches for supply of fuels to NTPC stations and to other users/buyers and also to undertake the business of other allied/ancillary industries including those for utilisation of coal ash and other by-products/co-products from any of any products, which the company is authorized to deal in and to own, acquire by purchase, lease, licence, grant or otherwise, to set up, participate in setting up, install, operate and manage all necessary plants/facilities equipment, wells, platforms, derricks, rigs, warehouse, depots, ports, wharves, jetties, terminals, compressors, stations, coal and other mines washeries, vessels, ships, railway lines, tankers, trucks, wagons, pipelines, storage and infrastructure facilities, establishments and works in India and abroad including from the sea or ocean bed in national or international waters in relation to any or all of the above areas of business and to acquire and maintain drilling and mine rights, exploration and production rights, rights of ways and other rights/interests of all descriptions."

6. The Applicant Company is a Government company within the meaning of Section 2(45) of the Companies Act, 2013 ("2013 Act"), as 74.96% of the issued, subscribed and paid-up share capital of the Applicant Company are held by the Government of India. The Applicant Company is a power generation company having installed capacity of 43,143 MW (group capacity) as on January 08, 2015.

7. The financial position of the Applicant Company as per the latest Audited financial statement i.e. for the financial year 2013-14 are as under:

(Rs. In Crore)

Particulars	**As at 31.03.2014**
EQUITY AND LIABILITIES	
Shareholders' funds	
Share capital	**8,245.46**
Reserves and surplus	**77,569.86**
	85,815.32
Deferred revenue	**1,609.88**
Non-current liabilities	
Long-term borrowings	**62,405.75**
Deferred tax liabilities (net)	**1,051.61**
Other long-term liabilities	**2,512.46**
Long-term provisions	**879.36**
	66,849.18
Current liabilities	
Trade payables	**6,633.34**
Other current liabilities	**11,343.86**
Short-term provisions	**7,302.60**
	25,279.80
TOTAL	**1,79,554.18**
ASSETS	
Non-current assets	
Fixed assets	
Tangible assets	**71,865.86**
Intangible assets	**244.97**
Capital work-in-progress	**44,886.74**
Intangible assets under development	**1.93**
Non-current investments	**8,120.90**
Long-term loans and advances	**12,776.22**
Other non-current assets	**1,786.77**
	1,39,683.39
Current assets	
Current investments	**1,636.96**
Inventories	**5,373.35**
Trade receivables	**5,220.08**
Cash and bank balances	**15,311.37**
Short-term loans and advances	**3,117.08**
Other current assets	**9,211.95**
	39,870.79
TOTAL	**1,79,554.18**

8. The Board of Directors of the Applicant Company has, at its meeting held on December 23, 2014 considered and unanimously approved the Scheme.

RATIONAL FOR THE SCHEME

9. The Applicant Company has entered in its 40th year of operations and is keen to reward its Members (as defined in the Scheme) for their continued support and is desirous of issuing and allotting, out of Free Reserves (as defined in the Scheme) of the Applicant Company, secured, non-cumulative, non-convertible, redeemable, taxable, fully paid-up debentures, by way of bonus to its Members on pro rata basis. The bonus issue of the Debentures (as defined in the Scheme) is proposed to be undertaken in terms of the Scheme, pursuant to and under the provisions of sections 391 to 394 of 1956 Act and the other provisions of 1956 Act or 2013 Act, as applicable.

10. Over the years, the Applicant Company has accumulated free reserves (general reserves & net surplus from Statement of Profit & Loss) of Rs. 7,24,18,32,75,442 (Indian rupees seventy two thousand four hundred and eighteen crore thirty two lakh seventy five thousand four hundred

and forty two) as on March 31, 2014, built from operational surplus. The opening balance of cash and bank balance as on April 01, 2014 was Rs. 1,53,11,36,80,375 (Indian rupees fifteen thousand three hundred eleven crore thirty six lakh eighty thousand three hundred and seventy five). Except for unforeseen circumstances, the Applicant Company is confident of generating incremental cash over the next few years.

11. The debt to equity ratio of the Applicant Company as on March 31, 2014 is 0.78 times. The Applicant Company's revenues are determined by the tariff regulations issued by Central Electricity Regulatory Commission from time to time. Under the aforesaid regulations, for computation of capital structure, debt to equity considered for generation projects is 70:30. Over the last five (5) financial years after adding over 9000 MW and net addition to total borrowings of approximately Rs. 3,00,00,00,00,000 (Indian rupees thirty thousand crore), the leverage has improved from 0.60 times as on March 31, 2009 to 0.78 times as on March 31, 2014. The Applicant Company's non-convertible debenture (also referred to as bonds) issued in domestic market are rated AAA (Triple A) by rating agencies CRISIL Limited, ICRA Limited and Credit Analysis & Research Limited. Keeping in view the strong balance sheet, the Applicant Company is also confident to retain its debt-raising capabilities at competitive interest rates in the future.

SALIENT FEATURES OF THE SCHEME

12. The salient features of the Scheme are as below:

A. The Scheme provides that upon the same becoming effective, the Applicant Company shall issue and allot by way of Bonus, one (1) Fully Paid-Up Debenture of face value of Rs.12.50 each, by utilizing an amount of Rs. 10,306,83,05,000 out of its free reserves, for every one (1) Fully Paid-Up Equity Share of face value of Rs.10/- each held by a Member as on Record Date (as defined in the Scheme) of the Applicant Company, i.e., the Applicant Company shall issue 824,54,64,400 debentures of Rs. 12.50 each, amounting to Rs. 10,306,83,05,000.

B. Bonus Debenture will carry a coupon which will be market linked and calculated based on the following formula:

Annualized 'Reference G-Sec' plus 50 basis points (bps) upto two (2) decimal places

The 'Reference G-Sec' rate shall be the average of the base yield (YTM- semi-annual) of G-sec (FIMMDA, PDAI GOI Base/Par Yield) for 10 year maturity reported by Fixed Income Money Market and Derivative Association of India (FIMMDA) on a daily basis for 5 working days immediately preceding the record date.

For calculating average coupon, the closing base yield for 10 year G Sec reported by FIMMDA for five (5) working days immediately preceding the record date will be summed up, divided by 5 and then annualized. The annualized rate so arrived will be restricted to two decimal places (without rounding off) to which fixed spread of 50 bps will be added .

C. The door to door maturity will be 10 years and the face value will be redeemed in three instalments, Rs. 2.50 per debenture at the end of 8th year, Rs. 5 per debenture at the end of 9th year and Rs. 5 per debenture at the end of 10th year from the date of allotment. The Scheme also contains a detailed term sheet for issue of Debentures.

D. The Scheme further provides that subject to receipt of regulatory approvals, the Applicant Company shall take steps towards listing of the Debentures.

E. **PROCESS OF ISSUANCE:** Subject to receipt of requisite approvals, if any, the Debentures shall be issued within a period of thirty (30) days from the Record Date to the Member(s) eligible to receive the same, in the following manner:

i. The Applicant Company shall deliver an amount of Rs. 1,03,06,83,05,000 (Indian rupees ten thousand three hundred and six crore eighty three lakh and five thousand), being the amount equal to the aggregate value of the Debentures required to be issued in terms of the Scheme, to a merchant banker to be appointed by the Applicant Company ("Merchant Banker") to act on behalf of and as agent and trustee of the Members. Subject to receipt of necessary regulatory approvals, if any, the Merchant Banker shall receive the aforesaid amount in an on-shore escrow account opened for this purposes with a scheduled commercial bank in India ("Escrow Account"). The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as "deemed dividend" within the meaning of the term under section 2(22)(b) of the Income Tax Act, 1961. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Applicant Company's obligation to make such payments to each Member.

ii. The Merchant Banker shall immediately after receipt of funds pursuant to sub-clause (i) above pay to the Applicant Company (without any lien, hold-back or deduction of any nature whatsoever), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures in terms hereof. The said payment for and on behalf of the Members by the Merchant Banker shall be appropriated/considered to be a payment by the Members entitled to the Debentures under the Scheme towards the cost of acquisition of the Debentures under the Scheme. Thus, the cost of acquisition of each Debenture in the hands of the Members shall be the face value of each such Debenture.

iii. Upon receipt by the Applicant Company of payment from the Merchant Banker in terms of sub-clause (ii) above, for and on behalf of and as trustee of the Members entitled to Debentures, the Applicant Company shall proceed to issue and allot to the Members, appropriate number of Debentures to which the concerned Member is entitled by virtue of his/her/its holding in the Applicant Company on the Record Date in the ratio stipulated in Clause12 A above.

iv. The Debentures issued to the Members pursuant to the Scheme shall be issued in dematerialized form to the Members who are holding equity shares of the Applicant Company in dematerialized form, or from whom the Applicant Company has received a notice in writing prior to the Record Date of details of their demat account with a depository participant and who have provided such other confirmations and details as maybe required, by direct credit to the account of each Member. For all Members holding equity shares in physical form, the Applicant Company shall issue Debentures in physical form to such Members. No letter of allotment shall be issued for the Debentures in such cases. In case of Members whose equity shares are lying in suspense/pool account due to any reason or whose demat details are incomplete/incorrect, the Debentures will be credited to a pool account specifically opened by the Applicant Company for credit of such Debentures.

F. **AMENDMENT IN ARTICLES OF ASSOCIATION:** As an integral part of the Scheme, and, upon the effectiveness of the Scheme, without any further act or deed, the following article, numbered as article 59B shall stand inserted in the Articles of Association of the Applicant Company after the existing article 59A:

"Article 59 B: Capitalisation of Reserves

(1) Subject to the provisions of the Companies Act, 1956 or Companies Act, 2013, as applicable, and upon the recommendation of the Board, members of the Company may, in any General Meeting, resolve that any amounts forming part of undivided profits (including profit or surplus

arising out of realization and from the appreciation in value of any capital assets of the Company) or any amount standing to the credit of the securities premium account or any amount standing to the credit of the capital redemption reserve or standing to the credit of the general reserve or any reserve fund or any other reserve of the Company or in the hands of the Company and available for dividend, be capitalized in either of the following way:

(a) by the issue and distribution, as fully paid-up shares, debentures or any other securities of the Company, or

(b) by crediting shares of the Company which may have been issued and are not fully paid-up, with the whole or any part of the sum remaining unpaid thereon.

(2) Notwithstanding anything contained in (1) above, any amount standing in the securities premium account may be applied by the Company for any other purposes as may be permitted under the Companies Act, 1956 or Companies Act, 2013, as applicable."

G. **BORROWING POWER:** The Debentures issued under the Scheme are well within the borrowing powers of the Board of Directors under section 180(1) (c) of 2013 Act, which is Rs. 15,00,00,00,00,000 (Indian rupees one lakh fifty thousand crore).

The aforesaid are only the salient features of the Scheme. You are requested to read the entire text of the Scheme, which is enclosed with this notice, to get fully acquainted with the provisions thereof.

13. The present details of the Directors of the Applicant Company and their shareholding in the Applicant Company, either singly or jointly, as on January 02, 2015 are as follows:

S. No.	Name of Director	Designation	No. of Shares held in the Applicant Company
1	Dr. Arup Roy Choudhury	Chairman & Managing Director	12630
2	Sh. I. J. Kapoor	Director (Commercial)	NIL
3	Sh. A. K. Jha	Director (Technical)	1440
4	Sh. U.P. Pani	Director (HR)	2362
5	Sh. S. C. Pandey	Director (Projects)	3804
6	Sh. K. Biswal	Director (Finance)	NIL
7	Sh. K. K. Sharma	Director (Operations)	369
8	Dr. Pradeep Kumar	Government Director	NIL
9	Sh. Anil Kumar Singh	Government Director	NIL
10	Sh. Ajit M. Nimbalkar	Non Official Part time Director	614
11	Sh. S. R. Upadhyay	Non Official Part time Director	NIL
12	Ms. Homai A. Daruwalla	Non Official Part time Director	560
13	Prof. Sushil Khanna	Non Official Part time Director	25
14	Sh. A. N.Chatterji	Non Official Part time Director	NIL
15	Dr. A. Didar Singh	Non Official Part time Director	426
16	Sh. Prashant Mehta	Non Official Part time Director	NIL

14. Except as stated above, none of the Directors are interested in or hold any shares in the Applicant Company. Any interests that the directors of the Applicant Company have in the Scheme, and the effect on those interests of the Scheme, are the same as the effect on the like interests of the shareholders and / or members of the Applicant Company.

15. The Shareholding Pattern of the Applicant Company as on January 02, 2015 is as follows:

S.No.	Description	Total Shares	% Equity
1	Government of India	61806,14,980	74.96%
2	Mutual Funds	511,82,462	0.62%
3	Banks/Financial Institutions	8850,45,462	10.73%
3	Foreign Institutional Investor	8504,93,178	10.32%
4	Resident Individual/ HUF	1683,84,205	2.04%
6	Bodies Corporate	262,49,902	0.32%
7	Others	834,94,211	1.01%
	Total	**8245,464,400**	**100.00%**

16. Upon the Scheme becoming effective, the Shareholding pattern of the Applicant Company will not alter on account of the implementation of the Scheme.

17. The Scheme is not prejudicial to the interests of the shareholders, creditors and stakeholders of the Applicant Company. The rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme as the Applicant Company is meeting and will be able to meet its liabilities as they arise in ordinary course of business. Further, the Applicant Company has issued certain non-convertible debenture ("Bond") in domestic market and the rights and interests of the relevant holders of the Bonds will not be prejudicially affected by the Scheme. Furthermore, the rights and interests of the shareholders (including public shareholders), creditors (including the holders of the Bonds) and other stakeholders of the Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

18. No winding up petition is pending and/or admitted against the Applicant Company.

19. In terms of Clause 24 (f) of the Listing Agreement, the Applicant Company approached BSE and NSE *vide* letter dated December 23, 2014 for approval. The BSE & NSE *vide* their communication dated December 29, 2014 have informed that clause 24(f) of the Listing Agreement is not applicable to the listed government companies desirous of undertaking a scheme of arrangement under Section 391 – 394 of the 1956 Act, under the current regulatory framework.

20. No investigations, proceedings have been instituted or are pending under Sections 235 to 251 of the 1956 Act or their equivalent provisions under the 2013 Act against the Applicant Company.

21. A copy of the Scheme and this Explanatory Statement may be obtained from the registered office of the Applicant Company at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi -110 003. A copy of the last audited annual accounts of the Applicant Company for the financial year ended March 31, 2014 may also be obtained from the registered office of the Applicant Company.

22. The following documents will be open for inspection at the registered office of the Applicant Company at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi -110 003 on any working day except on Saturdays and Sundays till the date of the meeting between 11.00 AM to 3.00 PM:

    a. Memorandum and Articles of Association of the Applicant Company;

    b. Latest audited annual accounts of the Applicant Company for the financial year ended March 31, 2014;

    c. Report of the Audit Committee;

    d. Minutes of the meeting of the Board of Directors of the Company held on December 23, 2014;

    e. Copy of the communication dated December 29, 2014 received from the NSE & BSE;

    f. Copy of Company Application dated 30th December, 2014;

    g. Certified Copy of the Order dated January 06, 2015 passed by the Hon'ble Ministry of Corporate Affairs; and

    h. The Scheme.

23. This statement may be treated as the Statement under Section 393 of the 1956 Act. A copy of the Scheme and this statement may also be obtained by the Equity Shareholder of the Applicant Company up to one day prior to the date of the meeting at the registered office of the Applicant Company on any working day except on Saturdays and Sundays between 11.00 AM to 3.00 PM.

(Dr. Arup Roy Choudhury)
Chairman appointed for the meeting

Place : New Delhi
Date : January 12, 2015

Registered Office:

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

CIN: L40101DL1975GOI007966

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956)

BETWEEN

NTPC LIMITED

AND

ITS MEMBERS

FOR ISSUE OF SECURED, NON-CUMULATIVE, NON-CONVERTIBLE, REDEEMABLE, TAXABLE, FULLY PAID-UP BONUS DEBENTURES OUT OF FREE RESERVES

1. OVERVIEW AND OBJECTS OF THIS SCHEME

1.1 Brief overview of the Company

1.1.1 NTPC Limited **("Company")** is a public limited company incorporated under 1956 Act (defined below), having its registered office at NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110 003. The CIN of the Company is L40101DL1975GOI007966. The Company was incorporated under the 1956 Act on November 7, 1975 as a private limited company under the name, 'National Thermal Power Corporation Private Limited'. The name of the Company was changed to 'National Thermal Power Corporation Limited' on September 30, 1976 consequent upon a notification issued by the Government of India exempting government companies from the use of the word 'private'. On September 30, 1985, the Company was converted from a private limited company into a public limited company. The name of the Company was changed to 'NTPC Limited', to reflect the diversification of business operations beyond thermal power generation, and a fresh certificate of incorporation was issued on October 28, 2005. The equity shares of the Company are listed on the Stock Exchanges (defined below).

1.1.2 The Company is a "Maharatna" company and Government of India holds 74.96% of the issued, subscribed and paid-up share capital of the Company. The Company is the largest power generation company in India, with an installed capacity of 43,128 MW (group capacity) as on date.

1.2 Overview, Objectives and Benefits of this Scheme

1.2.1 The Company has entered in its 40th year of operations and is keen to reward its Members for their continued support and is desirous of issuing and allotting, out of Free Reserves (defined below) of the Company, secured, non-cumulative, non-convertible, redeemable, taxable, fully paid-up debentures, by way of bonus to all its Members on pro rata basis. The proposed bonus issue of Debentures (defined below), in the absence of specific provisions in 1956 Act or 2013 Act (defined below), is proposed to be undertaken in terms of this Scheme, pursuant to and under the provisions of sections 391 to 394 of 1956 Act and the other provisions of 1956 Act or 2013 Act, as applicable.

1.2.2 Over the years, the Company has accumulated free reserves of Rs. 7,24,18,32,75,442 (Indian rupees seventy two thousand four hundred and eighteen crore thirty two lakh seventy five thousand four hundred and forty two) as on March 31, 2014, built from operational surplus. The opening balance of cash and bank balance as on April 01, 2014 was Rs. 1,53,11,36,80,375 (Indian rupees fifteen thousand three hundred eleven crore thirty six lakh eighty thousand three hundred and seventy five). Except for unforeseen circumstances, the Company is confident of generating incremental cash over the next few years. The debt to equity ratio of the Company as on March 31, 2014 is 0.78 times. The Company's revenues are determined by the tariff regulations issued by Central Electricity Regulatory Commission from time to time. Under the aforesaid regulations, for computation of capital structure, debt to equity considered for generation projects is 70:30. Over the last five (5) financial years after adding over 9000 MW and net addition to total borrowings of approximately Rs. 3,00,00,00,00,000 (Indian rupees thirty thousand crore), the leverage has improved from 0.60 times as on March 31, 2009 to 0.78 times as on March 31, 2014. The Company's non-convertible debenture (also referred to as bonds) issued in domestic market are rated AAA (Triple A) by rating agencies CRISIL Limited, ICRA Limited and Credit Analysis & Research Limited. Keeping in view the strong balance sheet, the Company is also confident to retain its debt-raising capabilities at competitive interest rates in the future.

1.2.3 This Scheme is segregated into the following five (5) parts:

(i) Part – I sets-forth the overview, objectives and benefits of this Scheme;

(ii) Part – II sets-forth the details pertaining to the Capital Structure and Free Reserves and the Amendment to Articles of Association;

(iii) Part – III deals with the issue, terms and conditions, and process pertaining to the allotment of Debentures;

(iv) Part – IV deals with accounting treatment; and

(v) Part – V deals with the general terms and conditions applicable to this Scheme.

1.3 Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following capitalised words and expressions have the meanings set forth below:

1.3.1 **"1956 Act"** means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto;

1.3.2 **"2013 Act"** means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;

1.3.3 **"Board of Directors"** in relation to the Company means the board of directors, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including committee of directors) or any person authorised by the board of directors or by any such committee;

1.3.4 **"Company"** has the meaning ascribed to such term in Clause 1.1.1;

1.3.5 **"Debenture Trustee"** has the meaning ascribed to such term in Clause 3.2.2;

1.3.6 **"Debenture Trust Deed"** has the meaning ascribed to such term in Clause 3.2.2;

1.3.7 **"Debentures"** means secured, non-cumulative, non-convertible, redeemable, taxable, fully paid-up debentures of Rs. 12.50 (Indian rupees twelve and paise fifty) each. The principal terms and conditions of these debentures have been set forth in Schedule 1 to this Scheme;

1.3.8 **"Effective Date"** has the meaning ascribed to such term in Clause 5.3. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or "after this Scheme becomes effective" means and refers to the Effective Date;

1.3.9 **"Escrow Account"** has the meaning ascribed to such term in Clause 3.3.1(i);

1.3.10 **"Free Reserves"** means reserves of the Company which have been built through retained undistributed profits and which forms part of the reserves and surplus of the Company, as set forth in Clause 2.2;

1.3.11 **"G-Sec"** means Government Securities issued by Government of India;

1.3.12 **"IT Act"** means the Income Tax Act, 1961 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;

1.3.13 **"MCA"** means Ministry of Corporate Affairs, Government of India;

1.3.14 **"Members"** mean the persons whose names appear as equity shareholders in the register of members of the Company or beneficial owners of equity shares in the record of depositories as on the closing hour of the Record Date;

1.3.15 **"Merchant Banker"** has the meaning ascribed to such term in Clause 3.3.1(i);

1.3.16 **"Record Date"** means the date to be fixed by the Board of Directors of the Company in terms of Clause 5.5;

1.3.17 **"RBI"** means the Reserve Bank of India;

1.3.18 **"Scheme"** means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the MCA and other relevant regulatory authorities, as may be required under 1956 Act or 2013 Act, as applicable, and under all other applicable laws;

1.3.19 **"SEBI Debt Regulations"** means the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time;

1.3.20 **"SEBI"** means the Securities and Exchange Board of India; and

1.3.21 **"Stock Exchanges"** means the National Stock Exchange of India Limited and the BSE Limited.

1.4 **Interpretation**

1.4.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under 1956 Act or 2013 Act, as applicable, and if not defined therein then under relevant statutes, such as the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.4.2 In this Scheme, unless the context otherwise requires:

(i) references to "persons" includes individuals, firms, body corporates (whether or not incorporated), Government, state or agency of a State or any joint venture, association and partnership;

(ii) heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;

(iii) the term "Clause" refers to the specified clause of this Scheme;

(iv) references to one gender includes all genders;

(v) the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the scope of the words and terms preceding or following such terms;

(vi) schedule(s) to this Scheme form an integral and inseparable part of this Scheme;

(vii) words in the singular shall include the plural and *vice versa;* and

(viii) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

PART – II

2 CAPITAL STRUCTURE, FREE RESERVES AND AMENDMENT TO ARTICLES

2.1 **Capital Structure**

The capital structure of the Company as of March 31, 2014 and November 30, 2014, is as under:

Share Capital	**Amount in Rs.**
Authorised	
10,00,00,00,000 equity shares of Rs. 10 each	1,00,00,00,00,000
Total	**1,00,00,00,00,000**
Issued, Subscribed and Paid-up	
8,24,54,64,400 equity shares of Rs. 10 each	82,45,46,44,000
Total	**82,45,46,44,000**

The equity shares of the Company are, at present, listed on the Stock Exchanges.

2.2 **Free Reserves**

The Free Reserves of the Company as per audited balance sheet as at March 31, 2014 is as follows:

Particulars	**Amount in Rs.**
General Reserves	7,17,02,80,57,677
Net surplus from the statement of profit and loss	7,15,52,17,765
Total	**7,24,18,32,75,442**

2.3 **Amendment to Articles of Association of the Company**

2.3.1 As an integral part of this Scheme, and, upon the effectiveness of this Scheme, without any further act or deed, the following article, numbered as article 59B shall stand inserted in the Articles of Association of the Company after the existing article 59A:

"Article 59 B: Capitalisation of Reserves

(1) Subject to the provisions of the Companies Act, 1956 or Companies Act, 2013, as applicable, and upon the recommendation of the Board, members of the Company may, in any General Meeting, resolve that any amounts forming part of undivided profits (including profit or surplus arising out of realization and from the appreciation in value of any capital assets of the Company) or any amount standing to the credit of the securities premium account or any amount standing to the credit of the capital redemption reserve or standing to the credit of the general reserve or any reserve fund or any other reserve of the Company or in the hands of the Company and available for dividend, be capitalized in either of the following way:

(a) by the issue and distribution, as fully paid-up shares, debentures or any other securities of the Company, or

(b) by crediting shares of the Company which may have been issued and are not fully paid-up, with the whole or any part of the sum remaining unpaid thereon.

(2) Notwithstanding anything contained in (1) above, any amount standing in the securities premium account may be applied by the Company for any other purposes as may be permitted under the Companies Act, 1956 or Companies Act, 2013, as applicable."

2.3.2 It is hereby clarified that consent of the Members to this Scheme shall be sufficient for the purposes of effecting the abovementioned amendments to the Articles of Association of the Company, and that no further resolutions under section 14 of 2013 Act or any other applicable provisions of 1956 Act or 2013 Act, would be required to be separately passed in connection with such alteration and amendment.

PART – III

3 ISSUE, TERMS AND CONDITIONS, AND PROCESS PERTAINING TO ALLOTMENT OF DEBENTURES

3.1 **Issue of Debentures from Free Reserves**

3.1.1 The provisions of this Clause 3.1 shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.

3.1.2 Upon this Scheme becoming effective, the Company shall, issue and allot by way of bonus, one (1) fully paid-up Debenture of face value of Rs. 12.50 (Indian rupees twelve and paise fifty) each, by utilizing its Free Reserves, for every one (1) fully paid-up equity share of face value of Rs. 10 (Indian rupees ten) each held by a Member.

3.1.3 The process of issue and allotment of Debentures is set out in Clause 3.3.

3.1.4 The issuance of Debentures pursuant to this Scheme will constitute "deemed dividend" as defined in section 2(22)(b) of the IT Act and as a consequence the Company shall be required to pay dividend distribution tax at the applicable rate on the aggregate value of Debentures allotted to the Members. However, such issue of Debentures in the manner contemplated in this Scheme will not entail declaration or payment of any dividend for the purposes of section 123 of 2013 Act, section 205A of 1956 Act or any other relevant provision of 2013 Act or 1956 Act, and accordingly the provisions pertaining to the Companies (Declaration and Payment of Dividend) Rules, 2014 are not applicable.

3.1.5 No Debentures will be issued under this Scheme in regard to any equity share of the Company that has been forfeited. The issuance of Debentures in terms of this Scheme in regard to any equity shares of the Company which are held in abeyance under the provisions of section 126 of 2013 Act or any other relevant provisions of 2013 Act or 1956 Act, shall pending allotment or settlement of dispute by order of a court or otherwise and subject to applicable laws, will be held in abeyance by the Company. In case any Member is ineligible by virtue of provisions of the Articles of Association of the Company, 2013 Act, 1956 Act, rules, regulations and guidelines formulated by SEBI or RBI or provisions of any other applicable laws to hold, acquire or accept the Debentures, then such a Member is solely responsible for liquidating the Debentures and ensure compliance with such applicable laws.

3.2 **Terms and Conditions of Debentures**

3.2.1 The Debentures shall be issued on the terms and conditions consistent with the principal terms and conditions which have been set forth in **Schedule 1** to this Scheme and the Board of Directors are hereby authorised to formalize the detailed terms and conditions of the Debentures in accordance with applicable laws.

3.2.2 The Board of Directors shall appoint a debenture trustee ("**Debenture Trustee**"). The role and responsibility of the Debenture Trustee shall be as set forth in the debenture trust deed ("**Debenture Trust Deed**") to be executed between the Company and Debenture Trustee. The Debenture Trust Deed and other relevant documents shall be provided by the Company to the Stock Exchange(s) and the same shall be uploaded by such Stock Exchange(s) on their website(s). In case the Debenture Trustee is required to take any action, grant any waivers or exercise any rights or privileges granted to it in regard to the Debentures, then the Debenture Trustee shall, prior to taking such actions, granting such waivers or exercising such rights or privileges seek the instructions of the debenture holders in the manner set forth in the Debenture Trust Deed. The rights and remedies of the debenture holders shall be set forth in the Debenture Trust Deed and such rights and remedies shall be exercisable by them only through the Debenture Trustee in accordance with the terms thereof. The approval of this Scheme by the Members in terms hereof shall be deemed as an irrevocable consent of each debenture holder/Member to the Debenture Trustee or any of its agents or authorized officials to do all acts, deeds and things necessary in respect of the Debentures in terms of the Debenture Trust Deed, and no further actions or affirmations will be necessary from the debenture holders/Members in this regard.

3.2.3 Subject to receipt of necessary regulatory approvals, as soon as practicable after the issuance of the Debentures and in any case within the time period prescribed under applicable laws, the Company shall take necessary steps towards listing the Debentures on both or any of the Stock

Exchanges in terms of the SEBI Debt Regulations with a view to provide liquidity to the debenture holders. The Debentures will not be registered in any jurisdiction outside India or listed on any stock exchange outside India.

3.3 **Process for Issuance of Debentures**

3.3.1 Subject to receipt of requisite approvals, if any, the Debentures shall be issued within a period of thirty (30) days from the Record Date to the Member(s) eligible to receive the same, in the following manner:

(i) The Company shall deliver an amount of Rs. 1,03,06,83,05,000 (Indian rupees ten thousand three hundred and six crore eighty three lakh and five thousand), being the amount equal to the aggregate value of the Debentures required to be issued in terms of this Scheme, to a merchant banker to be appointed by the Company ("**Merchant Banker**") to act on behalf of and as agent and trustee of the Members. Subject to receipt of necessary regulatory approvals, if any, the Merchant Banker shall receive the aforesaid amount in an on-shore escrow account opened for this purposes with a scheduled commercial bank in India ("**Escrow Account**"). The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as "deemed dividend" within the meaning of the term under section 2(22)(b) of the IT Act. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make such payments to each Member.

(ii) The Merchant Banker shall immediately after receipt of funds pursuant to sub-clause (i) above pay to the Company (without any lien, hold-back or deduction of any nature whatsoever), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures in terms hereof. The said payment for and on behalf of the Members by the Merchant Banker shall be appropriated/considered to be a payment by the Members entitled to the Debentures under this Scheme towards the cost of acquisition of the Debentures under this Scheme. Thus, the cost of acquisition of each Debenture in the hands of the Members shall be the face value of each such Debenture.

(iii) Upon receipt by the Company of payment from the Merchant Banker in terms of sub-clause (ii) above, for and on behalf of and as trustee of the Members entitled to Debentures, the Company shall proceed to issue and allot to the Members, appropriate number of Debentures to which the concerned Member is entitled by virtue of his/her/its holding in the Company on the Record Date in the ratio stipulated in Clause 3.1.2.

3.3.2 The Debentures issued to the Members pursuant to this Scheme shall be issued in dematerialized form to the Members who are holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their demat account with a depository participant and who have provided such other confirmations and details as maybe required, by direct credit to the account of each Member. For all Members holding equity shares in physical form, the Company shall issue Debentures in physical form to such Members. No letter of allotment shall be issued for the Debentures in such cases. In case of Members whose equity shares are lying in suspense/ pool account due to any reason or whose demat details are incomplete/incorrect, the Debentures will be credited to a pool account specifically opened by the Company for credit of such Debentures.

PART – IV

4 ACCOUNTING TREATMENT

4.1 The proposed issuance of Debentures out of Free Reserves and the restructuring of such Free Reserves shall be reflected in the books of account of the Company in the following manner.

(i) an amount representing the aggregate face value of the Debentures, being the "deemed dividend" payable to the Members under this Scheme, shall be transferred from the Free Reserves to the Shareholders Account; and

(ii) an amount representing the aggregate face value of the Debentures, being payment that is to be effected to the Members as deemed dividend under this Scheme, shall be transferred to the Shareholders Account (represented by the Merchant Banker) from the bank account of the Company.

4.2 The payment by the Company of dividend distribution tax on an amount equivalent to the aggregate face value of the Debentures, in lieu of such amount being treated as "deemed dividend", shall be reflected in the books of account of the Company in the following manner:

(i) an amount representing the dividend distribution tax payable by the Company in terms of this Scheme shall be transferred from the Free Reserves to the Dividend Distribution Tax Account; and

(ii) an amount representing the dividend distribution tax payable by the Company in terms of this Scheme shall be transferred from the Dividend Distribution Tax Account to the Central Government Account.

4.3 The proposed investment of the aggregate amount of the face value of the Debentures by the Merchant Banker by credit of such an amount into the bank account of the Company in terms of Clause 3.3.1(ii), for and on behalf of the Members, shall be reflected in the books of account of the Company in the following manner:

(i) an amount representing the aggregate face value of the Debentures, being payment by the Merchant Banker for and on behalf of the Members towards subscription to the Debentures, shall be transferred to the bank account of the Company from the Shareholders Account (represented by the Merchant Banker); and

(ii) an amount representing the aggregate face value of the Debentures shall be transferred from Shareholder Account to Debentures Account (being investment of the Members in Debentures under this Scheme).

4.4 For removal of doubts, it is expressly recorded and clarified that the payment of "deemed dividend" as contemplated in this Scheme and the reinvestment of such amounts towards subscription to Debentures does not in any manner involve distribution of capital reserves, bonds redemption reserve or securities premium account and the payment of the "deemed dividend" and issuance of Debentures shall be deemed to have been issued entirely by utilizing the Free Reserves in the manner provided in this Scheme.

4.5 Post the payment of the "deemed dividend" and issuance of the Debentures in terms of this Scheme, the Free Reserves of the Company shall stand reduced by Rs. 1,03,06,83,05,000 (Indian rupees ten thousand three hundred and six crore eighty three lakh and five thousand) and an amount equivalent to the dividend distribution tax, at the applicable rate prescribed under the IT Act, payable by the Company on an amount equal to the face value of the Debentures.

4.6 If the amount equivalent to the face value of Debentures is deployed/utilized for acquisition, construction or production of qualifying assets by the Company then the interest on Debentures net of interest earned on the proceeds of the Debentures, if any shall be capitalized till the time the asset is available for its intended use in accordance with the requirements of Accounting Standard 16 - Borrowing Cost (AS 16) applicable as per 2013 Act. Once the asset is available for its intended use, the interest on Debentures shall be debited to the Statement of Profit & Loss of the Company.

PART – V

5 GENERAL TERMS AND CONDITIONS

5.1 **Non Resident Members**

5.1.1 RBI *vide* A.P. (DIR Series) Circular No. 84 dated January 06, 2014 has permitted Indian Companies to issue non-convertible debentures to non-resident shareholders including by way of distribution as bonus from its general reserves under a scheme of arrangement approved by a court in India under the provisions of the Companies Act, as applicable, subject to no-objection from the Income Tax Authorities. Accordingly, the no objection of the Income Tax Authorities in terms of General Circular No. 1 of 2014 issued by the MCA shall be deemed to be a no objection for the purposes of the aforesaid RBI circular. The allotment of the Debentures to the Members in terms of this Scheme shall be made in accordance with the provisions of applicable laws, including the aforesaid RBI circular and accordingly the Company is not required to procure a specific approval from the RBI in regard to allotment of Debentures to non-resident Members. The Members shall be responsible for complying with the laws of India, including regulatory requirement of RBI and SEBI, and the laws of their country of residence at the time of the sale of Debentures or repatriation of money received from the sale of such Debentures and the Company shall not be responsible or liable for the same in any manner whatsoever.

5.1.2 In accordance with the regulations prescribed by SEBI and RBI the Company shall procure the listing of the Debentures within a period of fifteen (15) days of issue. In case the Debentures are not listed within fifteen (15) days of issuance, then the Company shall immediately redeem/buy back the Debentures or shall arrange for third parties to purchase such Debentures from non-resident Members who are not permitted to hold such Debentures beyond such period in terms of applicable regulations of RBI and SEBI, unless suitable exemptions are granted by RBI/SEBI.

5.2 **Application to MCA**

5.2.1 In terms of G.S.R No. 238 dated February 2, 1978 issued in terms of section 620 of the 1956 Act read with rule 3(1) of the Government of India (Allocation of Business) Rules, 1961 and Second Schedule thereto, MCA has exclusive jurisdiction under the provisions of sections 391 to 394 of 1956 Act with respect to 'government companies'. Thus, MCA has the jurisdiction to hear and decide this Scheme, as the Company is a 'government company'.

5.2.2 The Company, shall, with all reasonable dispatch, make relevant applications to the MCA, under sections 391 to 394 of 1956 Act, and other applicable provisions of 1956 Act or 2013 Act, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the MCA.

5.2.3 Upon this Scheme being approved by the requisite majority of the member and creditors of the Company, wherever required, the Company shall, with all reasonable dispatch, file a petition before the MCA for sanction of this Scheme under sections 391 to 394 of 1956 Act, and other applicable provisions of 1956 Act or 2013 Act, and for such other order or orders, as the MCA may deem fit for carrying this Scheme into effect. Upon this Scheme becoming effective, the Members of the Company shall be deemed to have also accorded their approval under all relevant provisions of 1956 Act or 2013 Act for giving effect to the provisions contained in this Scheme.

5.3 **Effective Date**

This Scheme shall become effective on the date on which the certified copies of the relevant orders of the MCA are filed with the Registrar of Companies, NCT of Delhi and Haryana, by the Company ("**Effective Date**").

5.4 **Sequencing of Events**

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred, become effective and operative only in the sequence and in the order mentioned hereunder:

(i) amendment to Articles of Association of the Company as provided in Clause 2.3;

(ii) transfer of an amount representing the aggregate face value of the Debentures, being payment that is to be effected to the Members as "deemed dividend" in terms of Clause 3.3.1(i);

(iii) investment of the aggregate amount of the face value of the Debentures by the Merchant Banker by credit of such an amount into the bank account of the Company in terms of Clause 3.3.1(ii);

(iv) issue and allotment of the Debentures to Members; and

(v) listing of the Debentures in terms of the SEBI Debt Regulations.

5.5 **Record Date**

Upon this Scheme becoming effective, the Board of Directors of the Company shall determine the record date for issue and allotment of the Debentures to its members in terms of this Scheme. On determination of such record date, the Company shall draw-up a list of its members as on the closing hour of the record date, and such members shall be entitled to receive Debentures in terms of the ratio stipulated in Clause 3.1.2 and the other relevant provisions of this Scheme.

5.6 **Modifications to this Scheme and removal of difficulties**

The Company, acting through its Board of Directors, may assent to any modifications or amendments to this Scheme, which the MCA and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. In case any of the provisions of this Scheme are inconsistent with any accounting standards, the Company, acting through its Board of Directors, may undertake appropriate steps to amend this Scheme to bring it in line with such accounting standards. The Board of Directors be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the MCA or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. Without prejudice to the generality of the above, the Board of Directors shall have the option and shall be entitled to make suitable accounting entries at the time of closing of the books of account for the first financial year post the effectiveness of this Scheme as they may deem fit to give effect to the intent herein.

5.7 **Withdrawal of this Scheme**

Notwithstanding anything else to the contrary in this Scheme, the Company, acting through its Board of Directors, shall be at liberty to withdraw this Scheme for any reason whatsoever, including but not limited to inordinate delays or any condition/alteration imposed by the MCA or any other

authority being not acceptable to it. In case of withdrawal of this Scheme by the Company, the entire Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred by the Company or its Members or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with this Scheme.

5.8 **Costs and Expenses**

All costs, charges and expenses of the Company in relation to or in connection with this Scheme and of carrying out and implementing/completing the terms and provisions of this Scheme and/or incidental to the completion thereof in pursuance of this Scheme, including the fees in connection with the appointment of the Merchant Banker and opening of the Escrow Account, if any, shall be borne and paid by the Company. For the avoidance of doubt it is clarified that Members will be required to bear and pay all taxes as may be applicable to them in relation to the Debentures.

5.9 **Binding Effect**

Upon this Scheme becoming effective it shall be binding on the Company, all its creditors, members and all other persons/stakeholders dealing/ concerning with the Company. In the event of any inconsistency between the provisions of this Scheme and any of the terms and conditions of any earlier arrangement, agreement or contract between the Company, its members, creditors and/or other stakeholders, then the provisions of this Scheme shall prevail.

5.10 **Severability**

If any part of this Scheme is invalid, ruled illegal by the MCA, any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Company, acting through its Board of Directors, shall attempt to bring about appropriate modification to this Scheme, so as to best preserve the benefits and obligations of this Scheme, including but not limited to such part.

5.11 **Declaration of Dividend**

Nothing contained herein shall be construed as restricting the Company from being entitled to declare and pay dividends, whether interim or final, to its members whether during the pendency of this Scheme or otherwise and the holders of the shares of the Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association of the Company, including the right to receive dividends. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Company to demand or claim any dividends which, subject to the provisions of 2013 Act or 1956 Act, as applicable, shall be entirely at the discretion of the Board of Directors and subject to the approval, if required, of the members of the Company.

5.12 **Miscellaneous**

5.12.1 This Scheme and issuance of Debentures hereunder is intended exclusively for the Members of the Company and does not constitute an offer or an invitation to the public to subscribe to the Debentures. Neither this Scheme, nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.

5.12.2 Since the Debentures being issued shall be secured by a first charge or charge *pari passu* with the first charge on specified fixed assets of the Company the same shall be treated as exempt deposits as per provisions of Chapter V of 2013 Act read with the Companies (Acceptance of Deposits) Rules, 2014 framed there under.

5.12.3 In the event of there being any pending share transfers due to any reason, of any Member of the Company, the Board of Directors shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of the share in the Company and in relation to the issuance of the Debentures after the effectiveness of this Scheme.

5.12.4 This Scheme is an "arrangement" between the Company and its Members under section 391 of 1956 Act and does not envisage the transfer or vesting of any properties and/or liabilities to or in favour of a transferee company as contemplated in section 394 of 1956 Act. The Scheme does not involve any "conveyance" or "transfer" of any property and does not relate to amalgamation or merger of companies under a sanction order in terms of section 394 of 1956 Act, and accordingly this Scheme and the order sanctioning this Scheme shall not be deemed to be a conveyance within the meaning of the Indian Stamp Act, 1899, as applicable to Delhi, and therefore no stamp duty shall be payable in terms thereof. However, stamp duty, if any, in regard to issue and allotment of Debentures shall be paid by the Company as per applicable laws.

5.12.5 The Debentures issued under this Scheme are well within the borrowing powers of the Board of Directors under section 180(1) (c) of 2013 Act, which is Rs. 15,00,00,00,00,000 (Indian rupees one lakh fifty thousand crore).

5.12.6 All actions taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any term and conditions or any other provisions of law.

5.12.7 To the extent applicable, the Company shall comply with the provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, while *inter alia* procuring the approval of the shareholders of the Company. The requirements stated at Para 5.16(a) of the aforesaid circular shall not be applicable in case of this Scheme.

Schedule 1
Principal terms and conditions of Debenture

(refer to Clauses 1.3.5 and 3.2.1)

Issuer	NTPC Limited
Type of instrument	Secured, non-cumulative, non-convertible, redeemable, taxable, fully paid-up debentures
Issue Size	8,24,54,64,400 debentures amounting to Rs. 1,03,06,83,05,000
Face Value	Rs. 12.50 per Debenture
Utilization	The proceeds of the issue of Debentures will be utilized for : (i) capital expenditure in new and/or on-going projects including coal mining projects, renovation & modernization; (ii) refinancing for meeting the debt requirement in on-going projects and renovation & modernization, including recoupment of expenditure already incurred; and (iii) investment in Joint Venture and Subsidiary Companies
Interim Use	Pending utilization of the Issue proceeds for the purposes described above, the funds will be invested temporarily in term deposits with Authorized Dealer - Category 1 banks in India, or otherwise as may be approved by the Board from time to time in accordance with applicable law.
Security	Debentures will be secured by a first charge or charge *pari passu* with first charge on specified fixed assets of the Company
Ranking/Seniority	The claims of the Debenture holders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank *pari passu inter se* to the claims of other secured creditors of our Company having the same security
Listing	Proposed to be listed on the Stock Exchanges
Credit Ratings	Proposed to be rated
Market Lot	One (1) Debenture
Coupon Rate	The coupon will be market linked and calculated based on the following formula: **Annualized 'Reference G-Sec' plus 50 basis points (bps) upto two (2) decimal places** The 'Reference G-Sec' rate shall be the average of the base yield (YTM- semi-annual) of G-sec (FIMMDA, PDAI GOI Base/Par Yield) for 10 year maturity reported by Fixed Income Money Market and Derivative Association of India (FIMMDA) on a daily basis for 5 working days immediately preceding the record date. To further clarify, for calculating average coupon, the closing base yield for 10 year G Sec reported by FIMMDA for five (5) working days immediately preceding the record date will be summed up, divided by 5 and then annualized. The annualized rate so arrived will be restricted to two decimal places (without rounding off) to which fixed spread of 50 bps will be added.
Coupon Type	The coupon determined as per above methodology would remain fixed throughout the tenure of the bonds
Coupon Payment Frequency	Annual, i.e., at the end of each twelve (12) calendar month period from the date of allotment of Debentures on the unredeemed balance of each Debenture
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited.
Redemption	The Debentures shall be redeemed in three (3) instalments from the date of allotment in the following manner: (i) Rs. 2.50 per Debenture at the end of 8th year; (ii) Rs. 5 per Debenture at the end of 9th year; and (iii) Rs. 5 per Debenture at the end of 10th year
Taxation	All payments of principal and interest in respect of the Debentures are subject to deduction of tax at source as per applicable provisions of Income Tax Act, 1961 as amended from time to time.
Debenture Trustee	A debenture trustee shall be appointed by the Board of Directors
Lock In Period	There is no Lock-In Period for the Debentures

BEFORE THE MINISTRY OF CORPORATE AFFAIRS
GOVERNMENT OF INDIA
SHASTRI BHAWAN, NEW DELHI
COMPANY APPLICATION DATED 30TH DECEMBER, 2014
{UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 (1 OF 1956)}

IN THE MATTER OF:

Section 391 (1) (b) of the Companies Act, 1956

AND IN THE MATTER OF:

Scheme of Arrangement between NTPC Limited and its Members

AND

IN THE MATTER OF:

NTPC Limited, a company incorporated under the provisions of the Companies Act, 1956, having its Registered office at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi-110 003 **... Applicant Company**
Tel No: 011 - 2436 0100; **Email:** ntpccc@ntpc.co.in; **Website:** www.ntpc.co.in

FORM OF PROXY

I/We, _____the undersigned, as Equity Shareholder(s) of NTPC Limited (the "Applicant Company"), hereby appoint _____ of _____, and failing him/her _____, of _____ , as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Company to be held at **YUGANTAR Auditorium, Badarpur Thermal Power Station, NTPC Limited, Mathura Road, New Delhi - 110 044 on Tuesday the 10th day of February 2015 at 3:00 P.M.** for the purpose of considering and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between NTPC Limited and Members for issue of Secured, Non-Cumulative, Non-Convertible, Redeemable, taxable fully paid up Bonus Debentures out of free reserves to its members and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name(s) _____ (here, if for, insert 'for'; if against, insert 'against', and in the latter case, strike out the words "with or without modification(s)" after the word 'the Scheme of Arrangement') the said Scheme of Arrangement, either with or without modification(s)*, as my / our proxy may approve.

* Strike out what is not necessary

Dated this_____day of _____ 2015.

Name:_____

Address:_____

_____

DP ID: _____ Client ID/ Folio No*: _____

No. of Shares held:_____

*Applicable for Investor holding in Physical Form.

Affix Re.1/- Revenue Stamp

Signature of shareholders:

Sole/ First Holder: _____

Second Holder:_____ Signature across stamp

Third Holder: _____

Notes:

1. Please affix Re.1/- revenue stamp before putting signature.
2. The proxy must be deposited at the Registered Office of the Company at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi- 110 003 at least forty eight (48) hours before the time of holding the meeting.
3. Proxy need not be a shareholder of the Applicant Company.
4. In case of multiple proxies, the proxy received later in time shall be accepted
5. All alterations made in the Form of Proxy should be initialled.
6. Equity shareholders who are body corporates (such as companies, societies, etc.) shall be required to deposit certified copies of Board/Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend & vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Company at NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi- 110 003 at least forty eight (48) hours before the time of holding the meeting.

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NTPC LIMITED

CIN: L40101DL1975GOI007966
Regd. Office: NTPC Bhawan, 7 Institutional Area, Lodi Road, New Delhi-110003
Tel. No.: 011-24360100 **Fax:** 011-24361018
Email: ntpccc@ntpc.co.in **Website:** www.ntpc.co.in

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

Ledger Folio/ DP & Client ID No.		**No. of Shares held**	

Name and Address of the Equity Shareholder(s) (IN BLOCK LETTERS)

_____

_____

_____

_____

Name and Address of the Proxy holder (IN BLOCK LETTERS, to be filled-in by the Proxy holder attending instead of the Equity Shareholder)

_____

_____

_____

_____

I hereby record my presence at the meeting of the Equity Shareholders of NTPC Limited, convened pursuant to the Order dated January 06, 2015 of the Ministry of Corporate Affairs on **Tuesday the 10th day of February 2015 at 3:00 P.M. at YUGANTAR Auditorium, Badarpur Thermal Power Station, NTPC Limited, Mathura Road, New Delhi - 110 044.**

Signature of the Equity Shareholder/ Proxy holder: _____

Notes:

1. The attendance slip should be signed as per the specimen signature registered with Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/ Depository Participant (DP). Such duly completed and signed Attendance Slip(s) should be handed over at the RTA counter(s) at the venue against which RTA will provide admission card. Entry to the hall will be strictly on the basis of admission card as provided by RTA. Members in person and Proxy holders may please carry photo-ID card for identification/verification purposes.
2. Shareholder(s) present in person or through registered proxy shall only be entertained.
3. Due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium. Shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).
4. No gifts will be distributed at the Meeting.