

## REPORT ON CORPORATE GOVERNANCE

### Corporate Governance Philosophy

In our Company, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence and accordingly, the Corporate Governance philosophy has been scripted as under:

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

Our company believes in Corporate Growth including all the key areas of Corporate Governance by combining best legal & management practices, ethics, wealth creation management and foresight. NTPC not only believes in adopting best corporate governance systems but also in proactive inclusion of public interest in its corporate priorities and has developed extensive societal outreach.

Besides adhering to provisions of Listing Agreement, we are also following guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India.

### 1.2 CORPORATE GOVERNANCE RECOGNITIONS

In recognition of excellence in Corporate Governance, the following accolades have been conferred on NTPC in recent years:

- (i) 'ICSI National Award for Excellence in Corporate Governance – 2009' by the Institute of Company Secretaries of India
- (ii) 'Golden Peacock Global Award for Excellence in Corporate Governance' by World Council for Corporate Governance in the years 2007 and 2009
- (iii) 'Golden Peacock National Award for Excellence in Corporate Governance' by World Council for Corporate Governance in the year 2008
- (iv) SCOPE Meritorious Award for Good Corporate Governance for the year 2005-06.

## 2. BOARD OF DIRECTORS

### 2.1 Size of the Board

We are a Government Company within the meaning of section 617 of the Companies Act, 1956 as the President of India presently holds 84.5% of the total

paid-up share capital. As per Articles of Association, the power to appoint Directors vests in the President of India.

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

- (i) Seven functional Directors including the Chairman & Managing Director,
- (ii) Two government nominees and
- (iii) Nine independent directors as per the requirement of the Listing Agreement.

### 2.2 Composition

The Board of Directors have an optimum combination of executive and non-executive Directors. As on 31<sup>st</sup> March 2011, the Board comprised eighteen Directors out of which seven were whole-time Directors including the Chairman & Managing Director. Two Directors are nominees of the Government of India. The Board also has nine independent Directors who have been appointed by the Government of India through a Search Committee constituted for the purpose. The Directors bring to the Board wide range of experience and skills.

The listing agreements with stock exchanges stipulate half of the Board members to be independent directors.

We are compliant with Clause 49 (IA) of the Listing Agreement regarding composition of the Board of Directors.

### 2.3 Age limit and tenure of Directors

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

The Chairman & Managing Director and other whole time Directors are appointed for a period of five years from the date of taking over the charge or until the date of superannuation of the incumbent, or until further orders from the Government of India, whichever event occurs earlier.

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

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

## 2.4 Resume of Directors

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

## 2.5 Board Meetings

The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency, resolutions are passed by circulation.

Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused decisions

at the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of CMD. Sensitive matters are discussed at the meeting without written material being circulated.

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

Sixteen Board Meetings were held during the financial year 2010-11 on April 21, April 30, May 17, June 3, June 21, July 26, August 17, August 30, September 21, October 26, November 12, December 7, 2010, January 31, February 24, March 3 and March 23, 2011. The maximum interval between any two meetings during this period was 55 days. Details of number of Board meetings attended by Directors, attendance at last AGM, number of other directorship/ committee membership (viz., Audit Committee and Shareholders Grievance Committee as per the Listing Agreement) held by them during the year 2010-11 are tabulated below:

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 23.09.10)	Number of other Director-ships held on 31.03.11	Number of Committee memberships in companies on 31.03.11 <sup>§</sup>	
						As Chairman	As Member
<b>Functional Directors</b>							
1.	Shri Arup Roy Choudhury Chairman & Managing Director (w.e.f. 01.09.2010)	8	8	Yes	7	-	-
2.	Shri R.S. Sharma Chairman & Managing Director (upto 31.08.2010)	8	8	NA*	NA*	NA*	NA*
3.	Sh. Chandan Roy Director (Operations) (upto 31.07.2010)	6	5	NA*	NA*	NA*	NA*
4.	Shri A.K. Singhal Director (Finance)	16	16	Yes	8	4	1
5.	Shri R.C. Shrivastav Director (Human Resources) (upto 30.06.2010)	5	5	NA*	NA*	NA*	NA*
6.	Shri I.J. Kapoor Director (Commercial)	16	15	Yes	6	-	-
7.	Shri B.P. Singh Director (Projects)	16	16	Yes	4	1	1
8.	Shri D.K. Jain Director (Technical) (from 13.05.2010)	14	13	Yes	5	-	1
9.	Shri S.P. Singh Director (Human Resources) (from 16.10.2010)	7	6	NA*	4	-	1
10.	Shri N.N. Misra Director (Operations) (from 19.10.2010)	7	7	NA*	6	-	3

S. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 23.09.10)	Number of other Directorships held on 31.03.11	Number of Committee memberships in companies on 31.03.11 <sup>§</sup>	
<b>Non-executive Directors (Government Nominees)</b>							
11.	Shri I.C.P. Keshari JS (Th.), Ministry of Power	16	15	Yes	1	-	-
12.	Shri Rakesh Jain JS&FA, Ministry of Power	16	15	Yes	5	2	3
<b>Independent Directors</b>							
13.	Shri M.N. Buch Former Secretary, GOI	16	15	No	-	-	-
14.	Shri Shanti Narain Former Member, Railway Board	16	12	Yes	2	-	4
15.	Shri P.K. Sengupta Former CMD, Coal India Ltd.	16	16	No	1	-	1
16.	Shri K. Dharmarajan Former DG, IIFT	16	11	No	2	1	-
17.	Dr. M. Govinda Rao Director, NIPFP	16	12	Yes	1	1	-
18.	Shri Kanwal Nath Ex Deputy, C&AG	16	10	Yes	1	-	1
19.	Shri Adesh Jain President, Project Management Associates, Centre for Excellence in Project Management	16	11	No	3	-	-
20.	Shri A.K. Sanwalka Ex-General Manager, Northeast Frontier Railway	16	13	No	-	-	1
21.	Shri Santosh Nautiyal Ex-Chairman, National Highway Authority of India	16	16	Yes	4	-	2

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

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

## 2.6 Information placed before the Board of Directors:

The Board has complete access to any information within the Company. The information regularly supplied to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Review of progress of ongoing projects including critical issues and areas needing management attention
- Annual Accounts, Directors' Report, etc.
- Quarterly financial results.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of meetings of Board of Directors of subsidiary companies.
- The information on recruitment and promotion of senior officers to the level of Executive Director which is just below the Board level and Company Secretary.
- Fatal or serious accidents, dangerous occurrences, etc.
- Operational highlights and substantial non-payment for goods sold by the Company.

- Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Award of large value contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Quarterly Report on foreign exchange exposures.
- Quarterly Report on Foreign Travel of NTPC Employees.
- Quarterly Report on Short Term Deposits and Investments.
- Quarterly Report on Contract awarded on nomination basis.
- Quarterly Report on Reconciliation of Share Capital Audit
- Quarterly Report on Business Activities of various Joint Venture Companies and Subsidiaries of NTPC
- Quarterly report on Compliance of various laws
- Any significant development in Human Resources/ Industrial Relations like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.
- Information relating to major legal disputes.
- Action Taken Report on all pending matters.
- Highlights of important events from last meeting to the current meeting.
- Any other information required to be presented to the Board for information or approval.

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees:-

- i) Audit Committee.
- ii) Shareholders' / Investors' Grievance Committee.
- iii) Remuneration Committee
- iv) Committee on Management Controls.
- v) Contracts Sub- Committee.
- vi) Project Sub-Committee.
- vii) Investment/Contribution Sub-Committee.
- viii) Committee of the Board for allotment and post-allotment activities of NTPC's Securities
- ix) Committee of Functional Directors for Contracts

### 3.1 AUDIT COMMITTEE

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

#### Scope of Audit Committee

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
2. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
3. Ensure Compliance of Internal Control Systems.
4. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
5. Noting appointment and removal of external auditors. Recommending audit fee of external auditors and also approval for payment for any other service.
6. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
7. Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggestion for improvement of the same.
8. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official

- heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on. Review of internal audit observations outstanding for more than two years.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  13. Review of Observations of C&AG including status of Government Audit paras.
  14. To review the functioning of the Whistle Blower mechanism.
  15. Investigation into any matter in relation to the items specified above or referred to it by the Board.
  16. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
  17. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
  18. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
  19. Consider and review the following with the independent auditor and the management:
    - a) The adequacy of internal controls including computerized information system controls and security, and
    - b) Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
  20. Consider and review the following with the management, internal auditor and the independent auditor:

- a) Significant findings during the year, including the status of previous audit recommendations.
  - b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
21. Reviewing with the management, statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), statement of funds utilised for purposes other than stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.

### Constitution

The Audit Committee has been constituted with the membership of:

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

### Composition

As on 31<sup>st</sup> March 2011, the Audit Committee comprised the following members:-

Shri K. Dharmarajan	Independent Director
Shri P.K. Sengupta	Independent Director
Shri Shanti Narain	Independent Director
Shri Kanwal Nath	Independent Director
Shri Rakesh Jain	Government Nominee

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

The Company Secretary acts as the Secretary to the Committee.

### Meetings and Attendance

Seven meetings of the Audit Committee were held during the financial year 2010-11 on April 30, May 17, July 19, July 26, October 26, 2010, January 19 and January 31, 2011.

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

Members of Audit Committee	Meetings held during his tenure	Meetings attended
Shri K. Dharmarajan	7	6
Shri P. K. Sengupta	7	7
Shri Shanti Narain	7	5
Shri Kanwal Nath	7	7
Shri Rakesh Jain	7	6

Shri K. Dharmarajan, Independent Director chaired all the meetings of Audit Committee held during the year 2010-11 except one Meeting which was chaired by Shri P.K. Sengupta, Independent Director. In the absence of Shri K. Dharmarajan, Chairman of the Audit Committee in the Annual General Meeting, three other members were present to answer the queries of the shareholders.

Director (Finance) and Head of Internal Audit were present in all Audit Committee Meetings held during the year under review as invitees as per requirement of Listing Agreement.

### 3.2 SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

#### Scope of the Committee

This Committee looks into redressal of Shareholders' and Investors' complaints like delay in transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc. as well as complaints/grievances of the Bondholders.

#### Constitution

The Committee has been constituted with the membership of:

- One Nominee Director of Ministry of Power represented on the Board of NTPC
- Director (Finance), NTPC and
- Director (HR) or Director (Technical), NTPC
- One Independent Director.

#### Composition

As on 31<sup>st</sup> March 2011, this committee comprised the following Directors:

Shri Rakesh Jain	Government Nominee
Shri A.K. Singhal	Director (Finance)
Shri S.P. Singh	Director (HR)
Shri A.K. Sanwalka	Independent Director

### Meeting and Attendance

Three meetings of the Shareholders' / Investors' Grievance Committee were held during the financial year 2010-11 on July 19, November 12, 2010 and February 24, 2011.

The details of the meetings of Shareholders'/ Investors' Grievance Committee attended by the members are as under:-

Members of Shareholders' / Investors' Grievance Committee	Meetings held	Meetings attended
Shri Rakesh Jain	3	3
Shri A.K. Singhal	3	3
Shri S.P. Singh (w.e.f. 16.10.2010)	2	1
Shri A.K. Sanwalka	3	3

### Name and designation of Compliance Officer

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

### Investor Grievances

During the financial year ending 31<sup>st</sup> March 2011, Company has attended its investor grievances expeditiously except for the cases constrained by disputes or legal impediments. The details of the complaints received, resolved and disposed off during the year are as under:

Particulars	Opening Balance	Received	Resolved	Pending
SEBI / Stock Exchange complaints	0	73	68	5
Other IPO related complaints	0	619	619	0
Other Dividend related complaints	5	8864	8862	7
Total	5	9556	9549	12

Investor complaints shown pending as on March 31, 2011 have been attended subsequently.

### Number of pending share transfers

As on March 31, 2011, no share transfer request was pending. Share Transfers have been affected during the year well within the time prescribed by the Stock Exchanges and a certificate to this effect duly signed by a Practising Company Secretary has been furnished to Stock Exchanges.

### 3.3 REMUNERATION COMMITTEE

Our Company, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. However, as per the provisions of the DPE Guidelines, a remuneration committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits. As on 31<sup>st</sup> March 2011, the Committee comprised the following Members:

Shri M.N. Buch	Independent Director
Shri P.K. Sengupta	Independent Director
Shri Kanwal Nath	Independent Director
Shri I.C.P. Keshari	Government Nominee

#### Meeting and Attendance

Two meetings were held during the year on August 17 and October 6, 2010.

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

Members of Remuneration Committee	Meetings held	Meetings attended
Shri M.N. Buch	2	2
Shri P.K. Sengupta	2	1
Shri Kanwal Nath	2	1
Shri I.C.P. Keshari	2	1

### 3.4 COMMITTEE ON MANAGEMENT CONTROLS

On being conferred enhanced autonomy by the Government of India under 'Navratna Guidelines', this committee was constituted for establishing transparent and effective system of internal monitoring. This Committee, inter alia, reviews the Management Control Systems, significant deviations in project implementation and construction, operation and maintenance budgets, etc.

As on March 31, 2011, the committee comprised the following Directors:

Shri Rakesh Jain	Government Nominee
Shri A.K. Singhal	Director (Finance)
Shri N.N. Misra	Director (Operations)
Dr. M. Govinda Rao	Independent Director

As our Company is diversifying in the areas like hydro power, coal mining, oil exploration, renewable energy, nuclear power etc and also has increased installed capacity to the tune of 30830 MW, the Board of Directors of our Company has revised the scope

of work of Contracts Sub-Committee, Projects Sub-Committee and has also constituted a Committee of Functional Directors for Contracts. The revised scope of work of Contracts Sub-Committee and of Projects Sub-Committee is mentioned hereinbelow. The scope of work and composition of Committee of Functional Directors for Contracts is also mentioned elsewhere in this Report.

### 3.5 CONTRACTS SUB-COMMITTEE

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

As on March 31, 2011, the Contracts Sub-Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri B.P. Singh	Director (Projects)
Shri D.K. Jain	Director (Technical)
Shri Rakesh Jain	Government Nominee
Shri I.C. P. Keshari	Government Nominee

### 3.6 PROJECT SUB-COMMITTEE

As per the revised scope of work, the Project Sub-Committee examines and makes recommendations to the Board on proposals for Investment in New/ Expansion Projects and Feasibility Reports of new projects. As on 31<sup>st</sup> March 2011, the Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri I.J. Kapoor	Director (Commercial)
Shri B.P. Singh	Director (Projects)
Shri D.K. Jain	Director (Technical)
Shri N.N. Misra	Director (Operations)
Shri Rakesh Jain	Government Nominee
Shri I.C.P. Keshari	Government Nominee
Shri M.N. Buch	Independent Director
Shri Adesh Jain	Independent Director

### 3.7 INVESTMENT/CONTRIBUTION COMMITTEE

The terms of reference of Investment/Contribution Committee of the Board is for deployment of surplus funds as per Govt. guidelines issued from time to time and also approves contribution/donation for national, public, benevolent or charitable cause, purpose or object or other funds not directly related to the business of the company or welfare of its employees between ₹ 5 lakh to ₹ 20 lakh subject to maximum limit of ₹ 1 crore in a year.

As on 31<sup>st</sup> March 2011, the Committee comprised the following Members:

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

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

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

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

As on 31<sup>st</sup> March 2011, the Committee comprised the following Members:

Shri A.K. Singhal	Director(Finance)
Shri S.P. Singh	Director (HR)
Shri N.N. Misra	Director (Operations)

### 3.9 COMMITTEE OF FUNCTIONAL DIRECTORS FOR CONTRACTS

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

As on 31<sup>st</sup> March 2011, the Committee comprised all the Functional Directors including the Chairman & Managing Director as under:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri I.J. Kapoor	Director (Commercial)
Shri B.P. Singh	Director (Projects)
Shri D.K. Jain	Director (Technical)
Shri S.P. Singh	Director (HR)
Shri N.N. Misra	Director (Operations)

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

### 4. GROUP OF DIRECTORS

Apart from Committees as explained above, the Board has constituted a number of Group of Directors for specific purposes. The scope of work of various Group of Directors and its Constitution as existed on 31.03.2011 is as under:

- (i) **Group of Directors for Corporate Social Responsibility:** This Group of Directors has been constituted to have a closer look into various related issues and prepare a roadmap for operating the scheme for Corporate Social Responsibility of NTPC. This Group of Directors comprises the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri S.P. Singh	Director (HR)
Shri Santosh Nautiyal	Independent Director

- (ii) **Group of Directors for Vigilance Matters and Non-Vigilance Matters:** Two Group of Directors have been constituted to examine all the petitions which are submitted before the Board as appellate/ reviewing authority in terms of CDA rules. The Chief Vigilance Officer of NTPC is being associated with the Group of Directors for Vigilance Matters. The Group of Directors for Vigilance Matters comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri I.C.P. Keshari	Government Nominee
Shri S.P. Singh	Director (HR)
Shri Kanwal Nath	Independent Director



The Group of Directors for non-vigilance matters comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri I.C.P. Keshari	Government Nominee
Shri S.P. Singh	Director (HR)
Shri N.N. Misra	Director (Operations)
Shri Adesh Jain	Independent Director

**(iii) Group of Directors for implementation of DPE Guidelines pertaining to Revision of Pay Scales:**

This Group of Directors has been constituted to work out the details with regard to implementation of various provisions as per DPE guidelines pertaining to revision of pay scales. This Group of Directors comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri S.P. Singh	Director (HR)
Shri N.N. Misra	Director (Operations)
Shri M.N. Buch	Independent Director
Shri Kanwal Nath	Independent Director
Shri I.C.P. Keshari	Government Nominee
Shri Rakesh Jain	Government Nominee

**(iv) Group of Directors for Import of Coal:** This Group of Directors has been constituted to approve the recommendations of Executive Directors level Committee authorized to hold discussions with the prospective PSU bidders viz. STC, MMTC and CIL in a pre-bid conference to explore (a) various options/ bidding strategies to be adopted by them by which they can ensure maximization of competition amongst the coal suppliers and (b) pricing methodology. This Group of Directors comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri Kanwal Nath	Independent Director
Shri A.K. Sanwalka	Independent Director

**(v) Group of Directors for appointment of Financial Consultant for carrying out due diligence of Coal Mines/ Blocks:**

This Group of Directors has been constituted to approve appointment of financial consultant for carrying out due diligence of coal mines/ blocks abroad on offer for acquisition of stake. This Group of Directors comprise the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri N.N. Misra	Director (Operations)
Shri A.K. Singhal	Director (Finance)
Shri D.K. Jain	Director (Technical)

**(vi) Group of Directors for Examination of proposal for Mine Developer cum Operator:**

This Group of Directors had been constituted to examine the award proposal for selecting Mining Developer cum Operator for development and operation of Pakri Barwadih Coal Mining Block. This Group of Directors comprised the following members:

Shri P.K. Sengupta	Independent Director
Shri K. Dharmarajan	Independent Director
Shri A.K. Sanwalka	Independent Director
Shri B.P. Singh	Director (Projects)

Upon selection of Thiess Minecs India Private Limited as Mine Developer cum Operator for Pakri Barwadih Coal Mining Project, the Group of Directors has ceased to exist.

## 5. REMUNERATION OF DIRECTORS

As already stated under the heading Remuneration Committee above, the remuneration of the Functional Directors and sitting fee payable to the Independent Directors is decided by the Government of India. The Ministry of Power, Government of India has authorized the Board of Directors of the Company to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 1956. Accordingly, the Board decides the sitting fee payable to the Independent Directors. Presently, sitting fee of ₹ 15,000/- for each meeting of the Board, Committees of the Board and Group of Directors constituted by the Board from time to time, is being paid to each Independent Director.

Details of remuneration of functional Directors of the Company paid for the financial year 2010-11:-

(in ₹)

Name of the Director	Salary	Benefits	Bonus/ Commission	Performance Linked Incentives	Total
Shri Arup Roy Choudhury (w.e.f. 01.09.2010)	854,463	3,99,580	-	31,948	12,85,991
Shri R.S. Sharma (upto 31.08.2010)	23,73,727	13,86,187	-	1,147,666	49,07,580
Shri Chandan Roy (upto 31.07.2010)	19,82,585	13,11,154	-	8,33,072	41,26,811
Shri A.K. Singhal	21,87,547	8,55,710	-	8,90,005	39,33,262
Shri R.C. Shrivastav (upto 30.06.2010)	23,42,051	13,64,483	-	8,33,020	45,39,554
Shri I.J. Kapoor	19,94,903	7,35,378	-	8,41,962	35,72,243
Shri B.P. Singh	19,64,540	7,03,494	-	7,29,933	33,97,967
Shri D.K. Jain (w.e.f. 13.05.2010)	17,71,121	6,78,586	-	4,09,540	28,59,247
Shri S.P. Singh (w.e.f. 16.10.2010)	7,32,684	3,18,855	-	40,393	10,91,932
Shri N.N. Misra (w.e.f. 19.10.2010)	7,24,103	3,07,845	-	39,223	10,71,171

Performance linked incentives paid is based on the incentive scheme of the company.

Details of payments towards sitting fee to Independent Directors during the year 2010-11 are given below:

(in ₹)

Name of Part-time non-official Directors	Sitting Fees		Total
	Board Meeting	Committee / Group of Directors Meeting	
Shri M.N. Buch	2,25,000	1,65,000	3,90,000
Shri Shanti Narain	1,80,000	75,000	2,55,000
Shri P.K. Sengupta	2,40,000	2,10,000	4,50,000
Shri K. Dharmarajan	1,65,000	1,80,000	3,45,000
Dr. M. Govinda Rao	1,80,000	15,000	1,95,000
Shri Kanwal Nath	1,50,000	1,65,000	3,15,000
Shri Adesh Jain	1,65,000	30,000	1,95,000
Shri A.K. Sanwalka	1,95,000	1,05,000	3,00,000
Shri Santosh Nautiyal	2,40,000	90,000	3,30,000

## 6. ACCOUNTABILITY OF DIRECTORS

An annual Memorandum of Understanding (MoU) is entered into by the Company with Govt. of India

(Gol) in the beginning of the year setting the targets in financial and non financial areas with weightages decided in consultation with Gol. The performance of the Company is measured at the end of the year vis-à-vis these targets.

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

At the end of each financial year, the MoU achievements report is furnished to Ministry of Power and performance of the company is evaluated by Ministry of Power and Department of Public Enterprises Task Force on the basis of actual achievement as per signed MoU.

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

## 7. RISK MANAGEMENT

As a diversified enterprise, your Company has always had a system-based approach to business

risk management as an integral part of its business processes. In order to strengthen the same, Enterprise-wide Risk Management Framework was devised by the Consultant appointed by NTPC. The objective of the Enterprise Risk Management is to identify and manage risks for sustainable value creation, assessment of key business risks through continuous measurement, monitoring of key performance indicators, focus on key risks and reporting to Board Members on risk assessment and minimization procedures.

The Risk Management Framework involves Risk Optimization, Risk Strategy, Risk Reporting Structure, Risk Measurement & Monitoring and Risk Portfolio.

A committee, namely Enterprise Risk Management Committee (ERMC), consisting of Regional Executive Directors (Risk Reporters), CEOs of subsidiaries and JVs and Functional Heads at Executive Director Levels (Risk Owners) has been constituted which identifies risks, makes risk assessment on the basis of certain criteria and devise methods for mitigation of risks.

A quarterly meeting of ERMC is being held where Risk Owners report to ERMC based on the reports by Risk Reporters of risks and action plans received from projects, stations, corporate functions and subsidiaries. ERMC evolves action plans for effective risk mitigation, which in turn, reports to the Board about the risks for its overseeing and approval of risk management strategies and policies.

Three meetings of Enterprise Risk Management Committee were held during the Financial Year 2010-11.

## 8. SUBSIDIARY MONITORING FRAMEWORK

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

Performance of the subsidiary companies is reviewed by the Board of the Company as under:

- (i) Minutes of the meetings of the Board of Directors of the subsidiaries are placed before the Company's Board periodically.
- (ii) A statement of all significant transactions and

arrangements entered into by the subsidiary companies are also reviewed by the Company.

- (iii) Subsidiary Companies sign an annual Memorandum of Understanding with NTPC in the beginning of the year setting the targets in financial and non-financial areas with weightages in consultation with NTPC.
- (iv) The Budget of the subsidiary companies are being approved by the Committee on Management Control of NTPC.
- (v) Certain decision as mentioned in the Articles of Association of the subsidiary companies can only be taken if they are approved by the Board of NTPC.

The Company does not have any material unlisted subsidiary companies in terms of the Clause 49 of the Listing Agreement.

## 9. GENERAL BODY MEETINGS

### Annual General Meeting

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

Date & Time	September 17, 2008	September 17, 2009	September 23, 2010
Time	11.30 A.M.	11.00 A.M.	10.30 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi - 110 010
Special Resolution	Increase in Borrowing Powers of the Board upto ₹1,00,000 crore and authority to the Board for mortgaging the assets of the company.	Amendments in Articles of Association regarding audit of accounts and appointment of auditors.	-

### Special Resolution passed through Postal Ballot

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

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

## 10. DISCLOSURES

The transactions with related parties contain (i) payment to companies under Joint Venture Agreement and on account of contracts for works/ services, (ii) remuneration to key management personnel and (iii) equity contribution, which are not in nature of potential conflicts with interest of the company at large. Details of related party transactions are included in the Notes to the Accounts (Schedule 26) as per Accounting Standard (AS) -18 in Companies (Accounting Standards) Rules, 2006.

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

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

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

**Schedule of Compliances with Presidential Directives during the last three years is at Annex-2**

### CEO/CFO Certification

As required by Clause 49 of the Listing Agreement(s), the certificate duly signed by Shri Arup Roy Choudhury, Chairman & Managing Director and Shri A.K. Singhal, Director (Finance) was placed before the Board of Directors at the meeting held on 10.05.2011 and is annexed to the Corporate Governance Report.

## 11. MEANS OF COMMUNICATION

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

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions as also participation at investor conferences from time to time. Annual analysts and investors meets are held during the month of August where Board of the Company interacts with the

investing community. Financial results are discussed by way of conference calls regularly after the close of each quarter.

Information and latest updates and announcement regarding the company can be accessed at company's website: [www.ntpc.co.in](http://www.ntpc.co.in) including the following:-

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

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

### Quarterly Results

Newspapers	Date of publication of results for the quarter ended		
	30.06.2010	30.09.2010	31.12.2010
Financial Express	27.07.2010	-	01.02.2011
Jansatta (Hindi)	27.07.2010	-	01.02.2011
Hindustan (Hindi)	27.07.2010	27.10.2010	01.02.2011
Navbharat Times (Hindi)	27.07.2010	-	01.02.2011
Business Standard	-	-	01.02.2011
Hindustan Times	-	27.10.2010	01.02.2011
Economic Times	27.07.2010	27.10.2010	01.02.2011
Financial Chronicle	27.07.2010	-	-
The Hindu	27.07.2010	-	01.02.2011
Mint	-	-	01.02.2011

### Official Releases and Presentations

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

In order to make the general public aware of the achievements of the company, a press conference is held after the close of the financial year where the highlights of the company for the year are briefed to the Press for information of the stakeholders with intimation to the Stock Exchanges.

## 12. CODE OF CONDUCT

The Board of Directors has laid down separate Code of Conduct - one for Board Members and the other

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

**Declaration as required under clause 49 of the listing Agreement**

All the members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the financial year ended on March 31, 2011.

New Delhi (Arup Roy Choudhury)  
May 06, 2011 Chairman & Managing Director

**13. Code of Internal Procedures and Conduct for Prevention of Insider Trading**

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

**14. SHAREHOLDERS' INFORMATION**

**i) Annual General Meeting**

Date : September 20, 2011  
Time : 10.30 a.m.  
Venue : Air Force Auditorium, Subroto Park,  
New Delhi – 110 010

**ii) Financial Calendar for FY 2011-12**

Particulars	Date
Accounting Period	April 1, 2011 to March 31, 2012
Unaudited Financial Results for the first three quarters	Announcement within a month from the end of each quarter
Fourth Quarter Results	Announcement of Audited Accounts on or before May 31, 2012
AGM (Next year)	September 2012 (Tentative)

**iii) Book Closure**

The Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2011 to September 20, 2011 (both days inclusive).

**iv) Payment of Dividend**

The Board of Directors of the Company has recommended payment of a final Dividend of ₹ 0.8 per share (8% on the paid-up share capital) for the financial year ended March 31, 2011 in addition to the Interim Dividend of ₹ 3.0 per share (30% on the paid-up share capital) paid on February 14, 2011 (Dividend paid in Previous Year is ₹ 3133.28 Crore).

The record date for the payment of Dividend is September 09, 2011.

**v) Dividend History**

Year	Total paid-up capital (₹ in crore)	Total amount of dividend paid (₹ in crore)	Date of AGM in which dividend was declared	Date of payment
2005-06	8245.46	2308.73	30.01.2006* 19.09.2006	27.02.2006 23.09.2006
2006-07	8245.46	2638.55	31.01.2007* 12.09.2007	14.02.2007 25.09.2007
2007-08	8245.46	2885.91	30.01.2008* 17.09.2008	13.02.2008 03.10.2008
2008-09	8245.46	2968.37	24.01.2009* 17.09.2009	13.02.2009 29.09.2009
2009-10	8245.46	3133.28	13.03.2010* 23.09.2010	23.03.2010 01.10.2010
2010-11	8245.46	2473.64#	31.01.2011*	14.02.2011

\* Date of Board Meeting

# amount represents the interim dividend paid for the year 2010-11

**vi) Listing on Stock Exchanges**

NTPC equity shares are listed on the following Stock Exchanges:

<b>National Stock Exchange of India Limited</b> Scrip Code: NTPC EQ	<b>Bombay Stock Exchange Limited</b> Scrip Code: 532555
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**Stock Code : ISIN – INE733E01010**

**vii) Market Price Data – NSE**

Month	High (₹)	Low (₹)	Closing (₹)
April' 10	212.55	202.90	207.55
May' 10	208.45	190.10	202.30
June' 10	204.90	194.10	199.60
July' 10	206.00	197.30	198.75
August' 10	201.00	192.20	195.95
Sept' 10	221.20	190.10	216.95
October' 10	222.30	192.30	195.30
Nov' 10	198.10	175.35	184.00
Dec' 10	203.80	182.00	200.65
January' 11	203.20	185.00	189.05
February' 11	190.75	168.30	169.85
March' 11	195.00	170.70	193.10

**viii) Market Price Data – BSE**

Month	High (₹)	Low (₹)	Closing (₹)
April' 10	212.20	201.50	206.95
May' 10	208.50	190.40	202.00
June' 10	203.90	194.00	199.15
July' 10	205.80	197.30	198.60
August' 10	200.50	192.90	195.75
Sept' 10	221.00	195.10	216.90
October' 10	222.20	193.90	194.95
Nov' 10	197.45	175.20	184.25
Dec' 10	202.95	182.05	200.60
January' 11	203.15	185.00	188.90
February' 11	190.00	168.60	170.05
March' 11	194.90	171.05	193.00

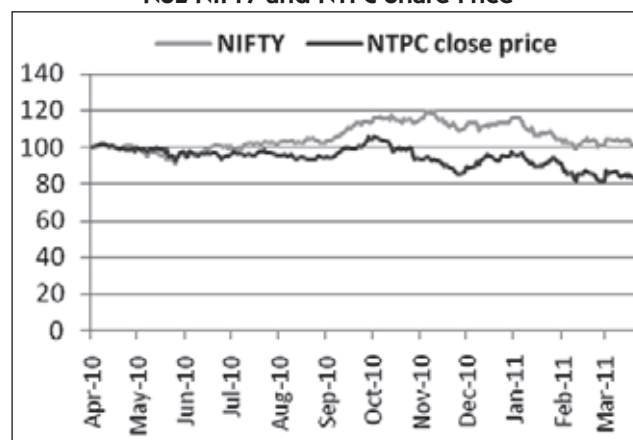
**ix) Performance in comparison to indices**

**BSE Sensex and NTPC Share Price**



Base=100 as on 01.04.10

**NSE NIFTY and NTPC Share Price**



Base=100 as on 01.04.10

**x) Registrar and Share Transfer Agent**

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

**xi) Share Transfer System**

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

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

## xii) Distribution of Shareholding

Shares held by different categories of shareholders and according to the size of holdings as on 31<sup>st</sup> March 2011 are given below:

### According to Size

#### a. Distribution of shareholding according to size, % of holding as on March 31, 2011:

Number of shares	Number of shareholders	% of share-holders	Total No. of shares	% of shares
1-5000	8,30,118	99.71	15,87,22,893	1.92
5001-10000	1,131	0.14	80,94,461	0.10
10001-20000	468	0.06	66,84,336	0.08
20001-30000	160	0.02	39,82,821	0.05
30001-40000	86	0.00	30,12,724	0.04
40001-50000	72	0.00	32,63,510	0.04
50001-100000	127	0.02	92,10,374	0.11
100001 and above	379	0.05	8,05,24,93,281	97.66
Total	8,32,541	100	8,24,54,64,400	100

#### b. Shareholding pattern as on March 31, 2011

Category	Total no. of shares	% to Equity
GOI	6,96,73,61,180	84.50
FIs	29,12,15,634	3.53
Indian Public	16,82,87,604	2.04
Banks & FI	56,99,68,125	6.92
Private Corp. Bodies	12,20,88,117	1.48
Mutual Funds	11,54,21,458	1.40
NRI / OCBs	42,65,686	0.05
Others	68,56,596	0.08
Total	8,24,54,64,400	100.00

#### c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on March 31, 2011 are given below:

Name of Shareholder	No. of Shares	% to Paid-up Capital	Category
Government of India	6967361180	84.50	Government
Life Insurance Corporation of India	293800741	3.56	IFI

## xiii) Dematerialisation of Shares and Liquidity

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

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

### No. of shares held in dematerialized and physical mode

	No. of shares	% of total capital issued
Held in dematerialized form in CDSL	4,06,95,429	0.49
Held in dematerialized form in NSDL	8,20,46,84,927	99.51
Physical	84,044	0.00
Total	8,24,54,64,400	100.00

### The names and addresses of the Depositories are as under:

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

## xiv) Demat Suspense Account:

Details (in aggregate) of shares in the suspense account opened and maintained after Initial Public Offering and Further Public Offering of Equity Shares of NTPC

as on 31.03.2011 is furnished below:

**Details of “KCL Escrow Account NTPC – IPO Offer”  
(account opened and maintained after IPO):**

Opening Bal (as on 01.04.2010)		Disposed off during 2010-2011		Closing Bal (as on 31.03.2011)	
Cases	Shares	Cases	Shares	Cases	Shares
189	33568	6	1181	183	32387

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

Opening Bal (as on 01.04.2010)		Disposed off during 2010-2011		Closing Bal (as on 31.03.2011)	
Cases	Shares	Cases	Shares	Cases	Shares
294	53116	208	39172	86	13944

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

**xv) Outstanding GDRs/ ADRs/ Warrants or any  
Convertible instruments, conversion date and  
likely impact on equity**

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

**Number of Shares held by the Directors as on  
March 31, 2011**

Directors	No. of shares
Shri Arup Roy Choudhury	3190
Shri A.K. Singhal	10329
Shri I.J. Kapoor	4608
Shri B.P. Singh	2765
Shri D.K. Jain	4188
Shri S.P. Singh	10507
Shri N.N. Misra	922
Shri I.C.P. Keshari	NIL
Shri Rakesh Jain	NIL
Shri M.N. Buch	NIL
Shri Shanti Narain	NIL
Shri P.K. Sengupta	NIL

Directors	No. of shares
Shri K. Dharmarajan	NIL
Dr. M. Govinda Rao	NIL
Shri Adesh Jain	700
Shri Kanwal Nath	NIL
Shri A.K. Sanwalka	NIL
Shri Santosh Nautiyal	NIL

**xvii) Locations of NTPC plants**

**National Capital Region (NCR-HQ)**

**Thermal Power Stations**

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

**Gas Power Stations**

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

**Eastern Region (ER-HQ)- I**

**Thermal Power Stations**

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

**Eastern Region (ER-HQ)- II**

**Thermal Power Stations**

- Talcher Super Thermal Power Station- Distt. Angul, Orissa
- Talcher Thermal Power Station- Distt. Angul, Orissa



- iii) Bongaigaon Thermal Power Project, Distt. Kokrajhar, Assam.
- iv) Gajamara Super Thermal Power Project, Distt. Dhenkanal, Orissa
- v) Darlipalli Super Thermal Power Project, Distt. Sundergarh, Jharsuguda, Orissa

#### **Northern Region (NR-HQ)**

##### **Thermal Power Stations**

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

#### **Southern Region (SR-HQ)**

##### **Thermal Power Stations**

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

##### **Gas Power Stations**

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

#### **Wind Energy Project, Belgaum, Karnataka**

#### **Western Region (WR-HQ)-I**

##### **Thermal Power Stations**

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

##### **Gas Power Stations**

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

#### **Western Region (WR-HQ)-II**

##### **Thermal Power Stations**

- i) Korba Super Thermal Power Station- Distt. Korba, Chhattisgarh

- ii) Sipat Super Thermal Power Project-Distt. Bilaspur, Chattisgarh
- iii) Vindhychal Super Thermal Power Station- Distt. Sidhi, Madhya Pradesh
- iv) Gadarwara Super Thermal Power Project, Kandeli-Narsinghpur, Madhya Pradesh
- v) Lara Super Thermal Power Project, Distt. Raigarh, Chattisgarh
- vi) Khargone Super Thermal Power Project, Khargone, Madhya Pradesh
- vii) Barethi Super Thermal Power Project, Chattarpur, Madhya Pradesh

#### **HYDRO PROJECTS**

- i) Koldam Hydro Power Project – Distt. Bilaspur, Himachal Pradesh
- ii) Tapovan – Vishnugad Hydro Power Project – Distt. Chamoli, Uttarakhand
- iii) Loharinag- Pala Hydro Power Project- Distt. Uttarkashi, Uttarakhand
- iv) Rupsiyabagar Khasiabara Hydro Power Project – Distt. Pithoragarh, Uttarakhand
- v) Kolodyne –II Hydro Power Project, Distt. Saiha Lunglei & Lawngtlai, Mizoram

#### **JOINT VENTURE POWER PROJECTS**

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

#### **POWER PROJECTS UNDER SUBSIDIARY COMPANIES**

##### **Thermal Power Projects**

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

### Hydro Power Projects

- i) Lata Tapovan Hydro Power Projects – Distt. Chamoli, Uttarakhand
- ii) Rammam Hydro Project – III- Distt. Darjeeling, West Bengal

#### xviii) Address for correspondence:

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

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

	Telephone No.	Fax No.
Registered Office	2436 0100	2436 1018
Investor Services Department	2436 7072	2436 1724
E- mail id	isd@ntpc.co.in	

	Telephone No.	Fax No.
Public Spokesperson Mr. K. Sivakumar Executive Director (Finance)	2436 9335	24365742
E-mail id	ksivakumar@ntpc.co.in	
Company Secretary Mr. Anil Kumar Rastogi	2436 0071	2436 0241
E-mail id	akrastogi@ntpc.co.in	

As per Circular of Securities & Exchange Board of India dated 22.01.2007, exclusive e-mail id for redressal of investor complaints is [isd@ntpc.co.in](mailto:isd@ntpc.co.in).

For and on behalf of Board of Directors

  
**(Arup Roy Choudhury)**  
**Chairman & Managing Director**

**Place: New Delhi**  
**Date: May 10, 2011**

### ANNEX-1

#### Non – Mandatory Requirements

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

1. **The Board:** The Company is headed by an Executive Chairman. No Independent Director has been appointed for the period exceeding, in the aggregate, a period of nine years, on the Board of the Company.
2. **Remuneration Committee:** Please refer to para 3.3 of this Report.
3. **Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under heading 'Means of Communication' and also hosted on the website of the Company. These results are not separately circulated. Significant events have been disclosed on the company website: [www.ntpc.co.in](http://www.ntpc.co.in) under "Announcements" in the "Company Performance" section.
4. **Audit Qualification:** It is always Company's endeavour to present unqualified financial statements.
5. **Training to Board Members:** The Board of Directors have the responsibility of strategic supervision of the Company and undertake periodic review of various matters including performance of various stations, construction of power projects, capacity expansion programme in line with targets set-up by Ministry of Power, resource mobilisation, etc. In order to fulfil this role, the Board of Directors undergo training from time to time. The Board of Directors are fully briefed on all business related matters, risk assessment and mitigating procedures and new initiatives proposed by the Company. Directors are also briefed on changes/developments in Indian as well as international corporate and industry scenario including those pertaining to the statutes/legislation and economic environment.
6. **Mechanism for evaluating non-executive Board Members:** Non-executive Board Members (Independent Directors) of NTPC are being appointed by the Search Committee of the Government of India for a tenure of three years at a time. Their performance is also evaluated by the Search Committee of the Government of India and based on their performance; they are considered for re-appointment on the Board.
7. **Whistle Blower Policy:** The Company has not adopted any separate "Whistle Blower" policy. However, under the provisions of "Fraud Prevention Policy" adopted by the Company, a Whistle Blower mechanism is in place for reporting of fraud or suspected fraud involving employees of the Company as well as representatives of vendors, suppliers, contractors, consultants, service provider or any other party doing any type of business with NTPC. All reports of fraud or suspected fraud are investigated with utmost speed. The mechanism for prevention of fraud is also included in the policy.

**Annex-II**
**Schedule of Compliances with Presidential Directive issued during last three years:**

Year	Content of Presidential Directives	Compliance
2010-2011	NIL	NIL
2009-10	<p>1. Vide Presidential Directive No.8/3/2002-TH.II (Vol.IV) dated 04.09.2009 read with letter of even no. dated 07.10.2009, Government of India had directed NTPC for induction of supercritical technology through bulk ordering of 660 MW generating units by NTPC Limited for itself and on behalf of its Joint Venture Companies and on behalf of Damodar Valley Corporation</p>	<p>In line with the Presidential Directive, tenders for Steam Generator (SG) package and Steam Turbine Generator (STG) package for 660 MW units were invited separately on International Competitive Bidding basis on 16.10.2009 (i.e within the stipulated period of 45 days from issuance of MOP letter dated 04.09.2009).</p> <p>In view of only one bidder being qualified for SG package in line with provision of bid documents, tenders were re-invited on 23.06.10 and subsequent to re-invitation three parties were determined as being qualified for submission of price bids. However, the matter is now sub-judice as the disqualified bidder filed a writ petition in the High Court of Delhi. NTPC has challenged the decision of High Court of Delhi in Hon'ble Supreme Court of India.</p> <p>In respect of STG Package, Letter of Intent has been issued for Solapur Super Thermal Power Project (2x660 MW), Mouda Super Thermal Power Project-II (2x660 MW) and Meja Super Thermal Power Project (2x660 MW). Letter of Intent for STG Package of Nabinagar Super Thermal Power Project (3x660 MW) shall be issued after availability of land. Further, Damodar Valley Corporation had been advised to take necessary action for issuance of LOI/ Notification of Award.</p>
	<p>2. Vide Presidential Directive No. 5/5/2004-Th.II dated 03.07.2009, Government of India permitted NTPC for winding up of Pipavav Power Development Company Limited (PPDCL) through striking off the name of PPDCL under Section 560 of the Companies Act, 1956.</p>	<p>Registrar of Companies, through its letter dated 28.01.2011, has informed that the name of Pipavav Power Development Company Limited has been struck off from the Register of Registrar of Companies, NCT of Delhi &amp; Haryana pursuant to Section 560 of the Companies Act, 1956 and the said Company stands dissolved.</p>
	<p>3. Contract relating to Main Plant Package for Barh Super Thermal Power Project, Stage-I (3x660 MW) awarded on Technopromexport, Russia by NTPC Limited</p>	<p>NTPC is implementing Main Plant Package Part-A (Steam Generator &amp; Auxiliaries) for Barh Super Thermal Power Project Stage-I (3x660MW) through Technopromexport, Russia. MOP/ GOI furnished decision of Cabinet Committee on Infrastructure (CCI) vide its letter dated 28.05.2010 directing NTPC to take all necessary actions for the early completion of the project in view of the CCI decision. In line with the directive, discussions were held between NTPC and Technopromexport, Russia and necessary amendments to Contracts have also been issued on 29.10.2010 for implementation of Barh STPP Stage-I.</p>
2008-2009	<p>1. Vide Presidential Directive No. 3/4/2009-TH.I dated 30.04.2009, Government of India has directed NTPC to implement revision of pay and revision of Board Level and below Board Level Executives and Non-Unionised Supervisors in Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2007</p>	<p>The process of pay revision of wage and benefit structure for employees in Executive category and for employees in unionized category (workmen) was completed on 16.09.2009 and 07.07.2010 respectively.</p>
	<p>2. Vide Presidential Directive No. 5/5/2004-TH.II dated 03.07.2009, Government of India permitted NTPC for winding up of Pipavav Power Development Company Limited (PPDCL) by NTPC Limited pending settlement of claims with Gujarat Power Corporation Limited/ Government of Gujarat.</p>	<p>Please refer compliance as mentioned under Point 2 in the year 2009-2010.</p>
2007-2008	NIL	NIL

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

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

- (a) We have reviewed the Balance Sheet and Profit and Loss Account (Stand Alone and Consolidated) and all its Schedules and Notes on Accounts and the Cash Flow Statement for the year ended March 31, 2011 and to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or violative of the company's various code(s) of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the company's auditors and the Audit Committee of NTPC's Board of Directors :
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi  
Date : May 06, 2011

(A.K. Singhal)  
Director (Finance)

(Arup Roy Choudhury)  
Chairman & Managing Director

## AUDITORS' CERTIFICATE

The Members

NTPC Limited

We have examined the compliance of conditions of corporate governance by NTPC Limited for the year ended on March 31, 2011 as stipulated in the clause 49 of the Listing Agreements in respect of Equity Shares of the said company with Stock Exchanges and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Agreements and in the Guidelines on Corporate Governance for Central Public Sector Enterprises.

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

For Dass Gupta & Associates  
Chartered Accountants  
Firm Reg. No. 000112N

(Ashok Kumar Jain)  
Partner  
M. No. 090563

For Parakh & Co.  
Chartered Accountants  
Firm Reg. No. 01475C

(V.D. Mantri)  
Partner  
M. No. 074678

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

(S. S. Soni)  
Partner  
M. No. 094227

For B. C. Jain & Co.  
Chartered Accountants  
Firm Reg. No. 001099C

(Rishabh Jain)  
Partner  
M. No. 400912

For Varma & Varma  
Chartered Accountants  
Firm Reg. No. 004532S

(C. G. Pankajakshan)  
Partner  
M. No. 020512

For S.K. Mehta & Co.  
Chartered Accountants  
Firm Reg. No. 000478N

(Rohit Mehta)  
Partner  
M. No. 091382

Place: New Delhi

Date : May 10, 2011