

## 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 sustainable corporate growth that emanates from top leadership down through the organization to the stakeholders which is reflected in its developed financial system, enhanced market reputation and improved efficiency. Our Corporate Governance system provides an implicit framework that allows stakeholders to assume their responsibilities and in turn we ensure that the rights and privileges of societies and environments are respected within which the Company operates.

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

### 1.2 CORPORATE GOVERNANCE AWARDS & RECOGNITIONS

In recognition of excellence in Corporate Governance, NTPC has bagged the following awards:

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

## 2. BOARD OF DIRECTORS

### 2.1 Size of the Board

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

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

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

### 2.2 Composition

As on 31<sup>st</sup> March 2013, the Board comprised seventeen Directors out of which seven were whole-time Directors including the Chairman & Managing Director. Two Directors are nominees of the Government of India. The Board has eight 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. As such, our Board must have nine Independent Directors as against eight Independent Directors presently on our Board. The appointment of one more Independent Director is being done by the Government of India.

Details regarding Independent Directors on the Board of the Company during the financial year 2012-13 is as under:

Period	Requirement	Actual
April 1, 2012 to August 22, 2012	9	8
August 23, 2012 to February 3, 2013	9	9
February 4, 2013 to March 31, 2013	9	8

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

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

Independent Directors are appointed by the Government of India for 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. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency, resolutions are passed by circulation.

Detailed agenda notes, management reports and other

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

Thirteen Board Meetings were held during the financial year

2012-13 on April 19, May 10, June 12, July 27, August 23, September 22, October 26, November 7, November 26, December 28, 2012, January 21, February 26, and March 22, 2013. The maximum interval between any two meetings during this period was 44 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 2012-13 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 18.09.12)	Number of other Directorships held on 31.03.13	Number of Committee memberships in companies on 31.03.13 <sup>s</sup>	
						As Chairman	As Member
<b>Functional Directors</b>							
1.	Shri Arup Roy Choudhury Chairman & Managing Director	13	13	Yes	8	-	-
2.	Shri A.K. Singhal Director (Finance)	13	13	Yes	8	4	1
3.	Shri I.J. Kapoor Director (Commercial)	13	12	Yes	5	-	-
4.	Shri B.P. Singh Director (Projects)	13	11	Yes	5	1	1
5.	Shri D.K. Jain Director (Technical) (upto 30.06.2012)	3	3	NA*	NA*	NA*	NA*
6.	Shri S.P. Singh Director (Human Resources) (upto 28.02.2013)	12	12	Yes	NA*	NA*	NA*
7.	Shri N.N. Misra Director (Operations)	13	13	Yes	9	-	5
8.	Shri A.K. Jha Director (Technical) (w.e.f. 01.07.2012)	10	10	Yes	5	-	1
9.	Shri U.P. Pani Director (Human Resources) (w.e.f. 01.03.2013)	1	1	NA*	2	-	1
<b>Non-executive Directors (Government Nominees)</b>							
10.	Shri I.C.P. Keshari JS (Th.), Ministry of Power	13	10	No	1	-	-
11.	Shri Rakesh Jain JS&FA, Ministry of Power	13	12	Yes	1	1	2

Independent Directors							
12.	Dr. M. Govinda Rao Director, NIPFP (upto 03.02.2013)	11	9	Yes	NA*	NA*	NA*
13.	Shri S.B. Ghosh Dastidar Former Member (Traffic), Railways	13	10	Yes	1	1	-
14.	Shri R.S. Sahoo Practising Chartered Accountant	13	11	Yes	3	-	1
15.	Shri Ajit M. Nimbalkar Ex-Chief Secretary, Government of Maharashtra	13	8	Yes	2	-	-
16.	Shri S.R. Upadhyay Ex-CMD, Mahanadi Coalfields Limited	13	12	Yes	2	-	-
17.	Ms. H.A. Daruwalla Ex-CMD, Central Bank of India	13	13	Yes	4	1	3
18.	Shri A.N. Chatterji Ex-Deputy, C&AG, Govt. of India	13	10	Yes	-	-	1
19.	Prof. Sushil Khanna Professor of Economics and Strategic Management, IIM, Kolkata	13	6	Yes	3	-	-
20.	Dr. A. Didar Singh Ex-Secretary to the Govt. of India (w.e.f. 23.08.2012)	9	7	Yes	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 to be able to take informed and meaningful decisions, exercise control over the organisation as well as to review the progress of implementation of the strategic decisions and corporate plans formulated by the Board. The information regularly supplied to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Review of progress of ongoing projects including critical issues and areas needing management attention
- Quarterly financial results.
- Annual Accounts, Directors' Report, etc.
- Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of meetings of Board of Directors of subsidiary companies.
- Fatal or serious accidents, dangerous occurrences, etc.
- Operational highlights and substantial non-payment for goods sold by the Company.
- Award of large value contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Quarterly Report on foreign exchange exposures.
- Quarterly Report on Foreign Travel of Functional Directors and Employees.
- Quarterly Report on Short Term Deposits and Investments.

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

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established the following Committees:-

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

#### 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 2013, the Audit Committee comprised the following members:-

Shri S.B. Ghosh Dastidar	Independent Director
Shri R.S. Sahoo	Independent Director
Shri A.N. Chatterji	Independent Director
Ms. H.A. Daruwalla	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

Eight meetings of the Audit Committee were held during the financial year 2012-13 on April 13, May 10, May 17, July 10, July 26, October 25, December 27, 2012 and January 21, 2013.

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 Rakesh Jain	8	7
Shri S.B. Ghosh Dastidar	8	7
Dr. M. Govinda Rao (upto 03.02.2013)	8	8
Shri R.S. Sahoo	8	5
Shri A.N. Chatterji	8	6
Ms. H.A. Daruwalla	8	7

Shri S.B. Ghosh Dastidar, Independent Director chaired seven Meetings of the Audit Committee out of eight Meetings held during the financial year 2012-13. One Meeting was chaired by Dr. M. Govinda Rao in the absence of Shri S.B. Ghosh Dastidar. Shri S.B. Ghosh Dastidar, Chairman of the Audit Committee was present in the Annual General Meeting 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 sheets, non-receipt of declared dividend etc. as well as complaints/grievances of the Bondholders.

#### Constitution

The Committee has been constituted with the membership of:

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

#### Composition

As on 31<sup>st</sup> March 2013, this committee comprised the following Directors:

Shri Rakesh Jain	Government Nominee and Chairman of the Committee
Shri A.K. Singhal	Director (Finance)
Shri U.P. Pani	Director (HR)
Ms. H.A. Daruwalla	Independent Director

#### Meeting and Attendance

Three meetings of the Shareholders' / Investors' Grievance Committee were held during the financial year 2012-13 on July 26, November 7, 2012 and March 22, 2013.

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

Members of Shareholders' / Investors' Grievance Committee	Meetings held during their tenure	Meetings attended
Shri Rakesh Jain	3	3
Shri A.K. Singhal	3	3
Shri S.P. Singh (upto 28.02.2013)	2	1
Ms. H.A. Daruwalla	3	3
Shri U.P. Pani (w.e.f. 01.03.2013)	1	1

#### 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 2013, 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 including those received, resolved and disposed off through SCORES are as under:

Particulars	Opening Balance	Received	Resolved	Pending
SEBI / Stock Exchange complaints	2	56	57	1
Other IPO related complaints	0	43	43	0
Other Dividend related complaints	0	4769	4769	0
Total	2	4868	4869	1

Investor complaints shown pending as on 31<sup>st</sup> March, 2013 have been attended subsequently.

#### Number of pending share transfers

As on 31<sup>st</sup> March 2013, 6 share transfer requests were pending, which were approved in the meeting held during April 2013.

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

#### SCORES – Automated System of Lodging Complaints against Listed Companies

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

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

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

During the financial year 2012-13, 42 nos. of complaints were received, 41 nos. of complaints were resolved and only one complaint remained pending to be resolved through SCORES as on 31.03.2013.

#### 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 2013, the Committee comprised the following Members:

Shri Ajit M. Nimbalkar	Independent Director
Shri S.R. Upadhyay	Independent Director
Shri A.N. Chatterji	Independent Director
Shri I.C.P. Keshari	Government Nominee
Shri Rakesh Jain	Government Nominee

#### Meeting and Attendance

Two meetings were held during the year on October 19, 2012 and December 28, 2012.

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

Members of Remuneration Committee	Meetings held during their tenure	Meetings attended
Shri I.C.P. Keshari	2	2
Shri Rakesh Jain	2	2
Shri Ajit M. Nimbalkar	2	-
Shri S.R. Upadhyay	2	2
Shri A.N. Chatterji	2	2

### 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 31<sup>st</sup> March 2013, the Committee comprised the following Directors:

Shri Rakesh Jain	Government Nominee
Shri A.K. Singhal	Director (Finance)
Shri N.N. Misra	Director (Operations)
Shri R.S. Sahoo	Independent Director

### 3.5 PROJECT SUB-COMMITTEE

This 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 2013, 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 N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri Rakesh Jain	Government Nominee
Shri I.C.P. Keshari	Government Nominee
Shri S.B. Ghosh Dastidar	Independent Director
Prof. Sushil Khanna	Independent Director

### 3.6 INVESTMENT/CONTRIBUTION COMMITTEE

The terms of reference of Investment/Contribution Committee of the Board is to approve deployment of surplus funds as per Govt. guidelines issued from time to time and also approves contribution/donation for national, public, benevolent or charitable cause, 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 2013, 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.

### 3.7 CONTRACTS SUB-COMMITTEE

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

As on 31<sup>st</sup> March, 2013, 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 N.N. Misra	Director (Operations)*
Shri A.K. Jha	Director (Technical)
Shri I.C. P. Keshari	Government Nominee
Shri Rakesh Jain	Government Nominee

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

### 3.8 COMMITTEE OF FUNCTIONAL DIRECTORS FOR CONTRACTS

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

As on 31<sup>st</sup> March 2013, 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 N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)

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.

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

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

As on 31<sup>st</sup> March 2013, the Committee comprised the following Members:

Shri A.K. Singhal	Director(Finance)
Shri N.N. Misra	Director (Operations)
Shri U.P. Pani	Director (HR)

### 3.10 COMMITTEE FOR CORPORATE SOCIAL RESPONSIBILITY

This Committee has been constituted to frame and review the CSR Policy from time to time and accept approval of the specific schemes for Corporate Social Responsibility of NTPC.

As on 31<sup>st</sup> March, 2013, the Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri A.K. Singhal	Director (Finance)
Shri U.P. Pani	Director (HR)
Ms. H.A. Daruwalla	Independent Director

### 3.11 COMMITTEE FOR VIGILANCE MATTERS

This Committee has been constituted to examine all the petitions which are submitted before the Board as appellate/reviewing authority in terms of CDA rules.

As on 31<sup>st</sup> March 2013, the Committee comprised the following members:

Shri Arup Roy Choudhury	Chairman & Managing Director
Shri I.C.P. Keashri	Government Nominee
Shri U.P. Pani	Director (HR)
Shri S.B. Ghosh Dastidar	Independent Director
In case of Vigilance cases, Chief Vigilance Officer is co-opted.	

### 3.12 COMMITTEE FOR MINE DEVELOPMENT

This Committee has been constituted to look into issues relating to Mine Development.

As on 31<sup>st</sup> March 2013, the Committee comprised the following members:

Shri N.N. Misra	Director (Operations)
Shri S.B. Ghosh Dastidar	Independent Director
Shri S.R. Upadhyay	Independent Director

### 3.13 SUSTAINABLE DEVELOPMENT COMMITTEE

This Committee has been constituted to oversee sustainable development activities as per Guidelines on Sustainable Development for CPSEs issued by Department of Public Enterprises, Govt. of India.

As on 31<sup>st</sup> March 2013, the Committee comprised the following Members:

Shri A.K. Singhal	Director(Finance)
Shri N.N. Misra	Director (Operations)
Shri A.K. Jha	Director (Technical)
Shri U.P. Pani	Director (HR)
Shri S.R. Upadhyay	Independent Director
Prof. Sushil Khanna	Independent Director

### 3.14 COMMITTEE FOR REVIEW OF COAL IMPORT POLICY

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

As on 31<sup>st</sup> March 2013, the Committee comprised the following Members:

Shri N.N. Misra	Director (Operations)
Shri Rakesh Jain	Government Nominee
Shri S.B. Ghosh Dastidar	Independent Director
Shri R.S. Sahoo	Independent Director
Shri S.R. Upadhyay	Independent Director

### 3.15 FOREIGN EXCHANGE RISK MANAGEMENT COMMITTEE

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

As on 31<sup>st</sup> March 2013, 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 R.S. Sahoo	Independent Director
Ms. H.A. Daruwalla	Independent Director

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

## 4. REMUNERATION OF DIRECTORS

As already stated under the heading Remuneration Committee above, the remuneration of the Functional Directors including the Chairman & Managing Director is decided by the Government of India. The Board of Directors of the Company, with the approval of the Ministry of Power, determines the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 1956. The Company has enhanced the sitting fee from ₹ 15,000/- to ₹ 20,000/- w.e.f. October 2012 for attending each meeting of the Board, Committees and Group of Directors of the Board constituted by the Board from time to time, which is being paid to each Independent Director.



Details of remuneration of functional Directors of the Company paid for the financial year 2012-13 are given below:-

(Amount in ₹)

Name of the Director	Salary	Benefits	Performance Linked Incentives*	Total
Shri Arup Roy Choudhury	30,03,600.64	7,60,047.00	16,24,011.36	53,87,659.00
Shri A.K. Singhal	28,05,034.81	15,18,750.00	11,75,716.19	54,99,501.00
Shri I.J. Kapoor	20,05,611.91	13,98,048.00	10,98,961.09	45,02,621.00
Shri B.P. Singh	26,27,407.43	14,68,150.00	11,49,773.57	52,45,331.00
Shri D.K. Jain (upto 30.06.2012)	22,82,615.37	4,73,970.00	10,00,126.63	37,56,712.00
Shri S.P. Singh (upto 28.02.2013)	23,59,386.62	8,15,997.00	11,04,827.38	42,80,211.00
Shri N.N. Misra	20,93,312.70	12,21,822.00	11,12,821.30	44,27,956.00
Shri A.K. Jha (w.e.f. 01.07.2012)	12,00,720.16	9,92,881.00	3,70,930.84	25,64,532.00
Shri U.P. Pani (w.e.f. 01.03.2013)	1,38,200.20	82,679.00	4,853.80	2,25,733.00

\*Performance linked incentives paid is based on the incentive scheme of the Company.

The Company has not issued any stock options during the financial year 2012-13.

Details of payments towards sitting fee to Independent Directors during the financial year 2012-13 are given below:

(Amount in ₹)

Name of Part-time non-official Directors	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Dr. M. Govinda Rao (upto 03.02.2013)	1,55,000	1,50,000	3,05,000
Shri S.B. Ghosh Dastidar	1,75,000	2,95,000	4,70,000
Shri R.S. Sahoo	1,90,000	1,35,000	3,25,000
Shri Ajit M. Nimbalkar	1,50,000	-	1,50,000
Shri S.R. Upadhyay	2,15,000	1,15,000	3,30,000
Ms. H.A. Daruwalla	2,30,000	2,80,000	5,10,000
Shri A.N. Chatterji	1,75,000	1,45,000	3,20,000
Prof. Sushil Khanna	1,05,000	90,000	1,95,000
Dr. A. Didar Singh (w.e.f. 23.08.2012)	1,30,000	-	1,30,000

## 5. ACCOUNTABILITY OF DIRECTORS

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

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

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

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

## 6. RISK MANAGEMENT

As a diversified enterprise, your Company has always had a system-based approach to Enterprise risk management as an integral part of its business processes. The Enterprise Risk Management Framework has been set up 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 Enterprise Risk Management Framework involves Risk Reporting Structure, Risk Measurement & Monitoring, Risk Portfolio and Risk Optimization. For reporting of risks, ERM framework has Risk Reporters and Risk Owners at Projects, Regions and Corporate functions.

A committee, namely Enterprise Risk Management Committee (ERMC), consisting of Regional Executive Directors and Functional Heads at Executive Director Level has been constituted which identifies risks, makes risk assessment on the basis of certain criteria and devises methods for mitigation of risks. ERMC meets every quarter to formulate action plans. For faster approval and implementation of the action plans formulated by the ERMC, risk responsibility centers have been identified as under:

- **Primary Risk responsibility:** Suggests risk mitigation measures and after approval of the action plans implements it.
- **Secondary Risk responsibility:** Formulates action plan and supports the process of approvals.
- **Overall Risk responsibility:** Responsible for driving timely approvals of ERMC recommendations and monitoring of Action plans for Risk Mitigation.

Chief Risk Officer (CRO) is the convener of ERMC and is responsible for reporting to CMD and Board of Directors based on deliberations in ERMC.

Through this mechanism, your Company has identified risks and this mechanism has enabled it to take pro-active steps in mitigating the risks including opting alternate measures to mitigate the risks.

Four meetings of Enterprise Risk Management Committee were held during the financial year 2012-13.

## 7. SUBSIDIARY MONITORING FRAMEWORK

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

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

- (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) A Report on Business Activities of Subsidiary which, inter-alia, includes investments is being given to the Board of NTPC in each quarter.
- (iv) Subsidiary Companies sign an annual Memorandum of Understanding with NTPC in the beginning of the year setting the targets in financial and non-financial areas with weightages in consultation with NTPC, which is submitted to DPE. At the end of the financial year, the actual performance vis-à-vis the targets set is evaluated by DPE.
- (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 or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India.

## 8. GENERAL BODY MEETINGS

### Annual General Meeting

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

Date & Time	September 23, 2010	September 20, 2011	September 18, 2012
Time	10.30 A.M.	10.30 A.M.	10.30 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi – 110 010	Air Force Auditorium, Subroto Park, New Delhi – 110 010
Special Resolution	-	-	Amendments in the Articles of Association by inserting provisions relating to buy-back of shares and appointment of additional directors.

### Special Resolution passed through Postal Ballot

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

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

## 9. DISCLOSURES

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

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

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

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

**Schedule of Compliances with Presidential Directive issued during the financial year 2012-13 and during last three years preceding the financial year 2012-13 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 10.05.2013 and is annexed to the Corporate Governance Report.

## 10. MEANS OF COMMUNICATION

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

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

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

- Quarterly / Half-yearly / Annual Financial Results
- Quarterly Shareholding Pattern
- Quarterly Corporate Governance Report

- Transcripts of conferences with analysts
- Corporate disclosures made from time to time to the Stock Exchanges

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

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

Quarterly Results have been published as per details given below:

Newspapers	Date of publication of results for the quarter ended		
	30.06.2012	30.09.2012	31.12.2012
Hindustan (Hindi)	28.07.2012	27.10.2012	22.01.2013
Hindustan Times	28.07.2012	27.10.2012	22.01.2013

In order to save trees and environment by cutting down the consumption of costly paper habits, our Company has sent the Annual Reports for the financial year 2011-12 and other communications like ECS credit information for dividend to large number of shareholders for the financial year 2011-12 and 2012-13 through e-mail of the shareholders registered with NSDL/ CDSL after seeking their consent to send the annual reports/ other communications through e-mail.

Through this, the Company had sent 3,42,543 number of Annual Reports, 3,05,088 number of ECS credit information for final dividend for the financial year 2011-12 and 3,10,502 number of ECS credit information for interim dividend for the financial year 2012-13 to the shareholders through email.

### 11. CODE OF CONDUCT

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

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

All the members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the financial year ended on March 31, 2013.

New Delhi  
04.05.2013

(Arup Roy Choudhury)  
Chairman & Managing Director

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

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Internal Procedures and Conduct for Prevention of Insider Trading" with the

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

### 13. SHAREHOLDERS' INFORMATION

#### i) a. Annual General Meeting

Date : September 17, 2013

Time : 10.30 a.m.

Venue: Manekshaw Centre  
Parade Road  
New Delhi – 110010

b. Pursuant to orders dated 20.12.2012 and 21.01.2013 passed by the Hon'ble Ministry of Corporate Affairs, a meeting of the equity shareholders of the Company will be held on Friday, 24.05.2013 at 3.00 P.M. at Yugantar Auditorium, BTPS, NTPC Limited, Mathura Road, New Delhi – 110044 for the purpose of considering and approving the Scheme of Amalgamation of NTPC Hydro Limited (a wholly-owned subsidiary of NTPC) with NTPC Limited.

#### ii) Financial Calendar for FY 2013-14

Particulars	Date
Accounting Period	April 1, 2013 to March 31, 2014
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 30, 2014
AGM (Next year)	September 2014 (Tentative)

#### iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from September 7, 2013 to September 17, 2013 (both days inclusive).

#### iv) Payment of Dividend

The Board of Directors of the Company has recommended payment of special dividend of ₹ 1.25 per share (12.5% on paid-up share capital) alongwith the final Dividend of ₹ 0.75 per share (7.5% on the paid-up share capital) for the financial year ended March 31, 2013 in addition to the Interim Dividend of ₹ 3.75 per share (37.5% on the paid-up share capital) paid on March 12, 2013 (Dividend paid in Previous Year is ₹ 3298.19 Crore).

The record date for the payment of Dividend is September 6, 2013.

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
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	3133.28	31.01.2011* 20.09.2011	14.02.2011 26.09.2011
2011-12	8245.46	3298.19	27.01.2012* 18.09.2012	09.02.2012 25.09.2012
2012-13	8245.46	3092.05#	26.02.2013*	12.03.2013

\* Date of Board Meeting

# amount represents the interim dividend paid for the year 2012-13

vi) Listing on Stock Exchanges

NTPC equity shares are listed on the following Stock Exchanges:

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

**Stock Code : ISIN – INE733E01010**

The Annual Listing Fee for the financial year 2013-14 was paid to both National Stock Exchange of India Limited and Bombay Stock Exchange Limited before April 30, 2013. Also, the Annual Custodian Fee for the financial year 2013-14 was paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited before April 30, 2013.

vii) Market Price Data – NSE

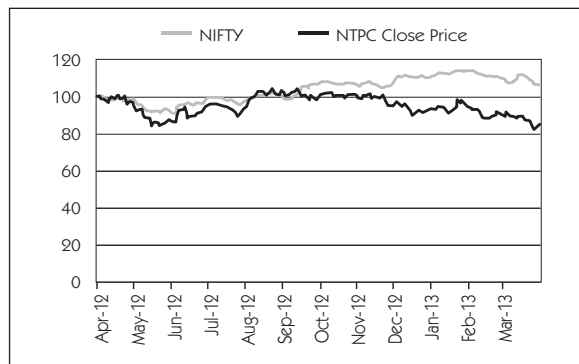
Month	High (₹)	Low (₹)	Closing (₹)
April' 12	169.75	160.40	162.50
May' 12	163.25	138.85	146.80
June' 12	160.40	141.40	159.45
July' 12	162.60	149.10	157.00
August' 12	174.80	156.20	168.05
Sept' 12	175.50	162.75	168.10
October' 12	174.10	137.00	165.35
Nov' 12	170.85	157.05	162.40
Dec' 12	162.50	149.35	156.45
January' 13	167.50	152.30	157.10
February' 13	158.60	146.50	150.90
March' 13	150.90	136.15	141.95

viii) Market Price Data – BSE

Month	High (₹)	Low (₹)	Closing (₹)
April' 12	169.55	160.10	162.40
May' 12	163.15	138.95	146.90
June' 12	160.35	141.40	159.75
July' 12	163.00	149.25	157.10
August' 12	174.85	156.25	168.10
Sept' 12	175.35	163.00	167.85
October' 12	173.70	165.00	165.20
Nov' 12	170.70	157.05	162.10
Dec' 12	162.40	149.40	156.45
January' 13	167.25	152.20	156.60
February' 13	158.80	146.55	150.75
March' 13	150.80	136.10	142.00

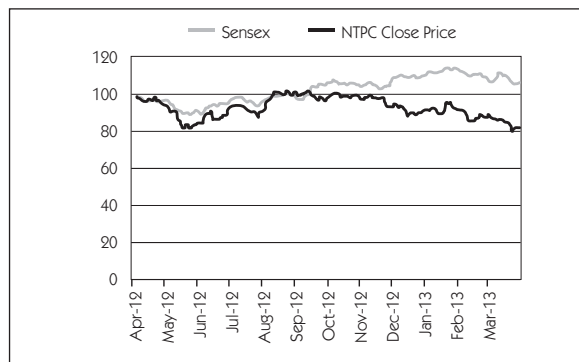
ix) Performance in comparison to indices

**NSE NIFTY and NTPC Share Price**



Base=100 as on 01.04.12

**BSE Sensx and NTPC Share Price**



Base=100 as on 01.04.12

x) Registrar and Share Transfer Agent

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

**xi) Share Transfer System**

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

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

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

In accordance with Section 205A read with Section 205C of the Companies Act, 1956, during the financial year 2012-13, an amount of ₹37.77 lac pertaining to unclaimed final dividend amount for financial year 2004-05 and an amount of ₹45.86 lac pertaining to unclaimed interim dividend amount for the financial year 2005-06 have been transferred to Investor Education and Protection Fund (IEPF), Government of India established under Section 205C of the Companies Act, 1956.

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

**xiii) Disinvestment of Holding by President of India**

President of India through Offer for Sale through Stock Exchange Mechanism had divested its 9.5% equity shareholding (78,32,62,880 equity shares) in the Company in February 2013. The holding of President of India has reduced from 84.5% of the paid share capital to 75% of the paid up share capital of the Company as on 31<sup>st</sup> March, 2013. Now, President of India holds 75% of equity share capital of the Company i.e. 6,18,40,98,300 number of shares. Balance equity is held by FIIs, Mutual Funds and Indian Public.

**xiii) Distribution of Shareholding**

Shares held by different categories of shareholders and according to the size of holdings as on 31<sup>st</sup> March 2013 are given below:

**According to Size**

**a. Distribution of shareholding according to size, % of holding as on 31<sup>st</sup> March, 2013:**

Number of shares	Number of shareholders	% of shareholders	Total No. of shares	% of shares
1-5000	7,67,341	99.63	14,86,60,594	1.80
5001-10000	1,198	0.16	84,91,200	0.10
10001-20000	521	0.07	75,50,678	0.09

20001-30000	172	0.02	43,55,373	0.05
30001-40000	92	0.01	32,19,271	0.04
40001-50000	81	0.01	37,18,319	0.05
50001-100000	184	0.02	1,34,57,086	0.16
100001 and above	568	0.07	8,05,60,11,879	97.70
<b>Total</b>	<b>7,70,157</b>	<b>100</b>	<b>8,24,54,64,400</b>	<b>100</b>

**b. Shareholding pattern on the basis of ownership**

Category	As on 31 <sup>st</sup> March, 2013		As on 31 <sup>st</sup> March, 2012		Change (%)
	Total no. of shares	% to Equity	Total no. of shares	% to Equity	
GOI	6,18,40,98,300	75.00	6,96,73,61,180	84.50	(9.5)
FII's	77,28,86,360	9.37	33,13,46,348	4.02	5.35
Indian Public	16,28,66,695	1.98	16,06,80,478	1.95	0.03
Banks & FI	75,38,15,219	9.14	54,65,48,149	6.63	2.51
Private Corp. Bodies	24,53,60,026	2.98	14,56,22,674	1.77	1.21
Mutual Funds	10,91,77,191	1.32	8,46,88,139	1.03	0.29
NRI / OCBs	46,95,449	0.06	38,52,739	0.04	0.02
Others	1,25,65,160	0.15	53,64,693	0.06	0.09
<b>Total</b>	<b>8,24,54,64,400</b>	<b>100.00</b>	<b>8,24,54,64,400</b>	<b>100.00</b>	<b>0.00</b>

**c. Major Shareholders**

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31<sup>st</sup> March, 2013 are given below:

Name of Shareholder	No. of Shares	% to Paid-up Capital	Category
President of India	6,18,40,98,300	75.00	Government
Life Insurance Corporation of India	63,12,94,191*	7.66*	IFI

\*includes shares held in various funds/ schemes

**xiv) 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	3,58,89,718	0.44
Held in dematerialized form in NSDL	8,20,94,70,236	99.56
Physical	1,04,446	0.00
<b>Total</b>	<b>8,24,54,64,400</b>	<b>100.00</b>

**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

**xv) 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<sup>st</sup> March, 2013 is furnished below:

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

Opening Bal (as on 01.04.2012)		Requests received and Disposed off during 2012-13		Closing Bal (as on 31.03.2013)	
Cases	Shares	Cases	Shares	Cases	Shares
180	31,939	1	214	179	31,725

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

Opening Bal (as on 01.04.2012)		Requests received and Disposed off during 2012-13		Closing Bal (as on 31.03.2013)	
Cases	Shares	Cases	Shares	Cases	Shares
44	6,412	17	2,660	27	3,752

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.

**(xvi) 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

**xvii) Number of Shares held by the Directors as on 31<sup>st</sup> March, 2013**

Directors	No. of shares
Shri Arup Roy Choudhury	3,190
Shri A.K. Singhal	10,329
Shri I.J. Kapoor	Nil
Shri B.P. Singh	2,765
Shri N.N. Misra	922
Shri A.K. Jha	NIL
Shri U.P. Pani	922
Shri I.C.P. Keshari	NIL
Shri Rakesh Jain	NIL
Shri S.B. Ghosh Dastidar	NIL
Shri R.S. Sahoo	NIL
Shri Ajit M. Nimbalkar	614
Shri S.R. Upadhyay	NIL
Ms. H.A. Daruwalla	140
Shri A.N. Chatterji	NIL
Prof. Sushil Khanna	NIL
Dr. A. Didar Singh	426

**xviii) Locations of NTPC plants**

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

**Thermal Power Stations**

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

**Gas Power Stations**

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

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

**Thermal Power Stations**

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

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

**Thermal Power Stations**

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

**Northern Region (NR-HQ)**

**Thermal Power Stations**

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

**Southern Region (SR-HQ)**

**Thermal Power Stations**

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

**Gas Power Stations**

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

**Wind Energy Project, Belgaum, Karnataka**

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

**Thermal Power Stations**

- Solapur Super Thermal Power Project – Solapur, Maharashtra
- 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, Chhattisgarh
- iii) Vindhyachal Super Thermal Power Station- Distt. Sidhi, Madhya Pradesh
- iv) Gadarwara Super Thermal Power Project, Kandeli-Narsinghpur, Madhya Pradesh
- v) Lara Super Thermal Power Project, Distt. Raigarh, Chhattisgarh
- vi) Khargone Super Thermal Power Project, Khargone, Madhya Pradesh
- vii) Barethi Super Thermal Power Project, Chattarpur, Madhya Pradesh

### HYDRO POWER 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, Lawngtlai, Mizoram

### JOINT VENTURE POWER PROJECTS

#### Thermal Power Stations

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

### Overseas Joint Venture Projects

#### Thermal Power Stations

- i) Trincomalee Power Project, Trincomalee, Sri Lanka
- ii) Power Project at Khulna, Bangladesh

### POWER PROJECTS UNDER SUBSIDIARY COMPANIES

#### Thermal Power Projects

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

#### Hydro Power Projects

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

#### COAL MINING SITES

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

#### xix) Address for correspondence:

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

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

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

For and on behalf of Board of Directors

Place: New Delhi  
Date: 10<sup>th</sup> May 2013

  
(Arup Roy Choudhury)  
Chairman & Managing Director

### 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 "Investors" section.
4. **Audit Qualification:** It is always Company's endeavour to present unqualified financial statements.

5. **Training to Board Members:** The Board of Directors have the responsibility of strategic supervision of the Company and undertake periodic review of various matters including performance of various stations, construction of power projects, capacity expansion programme in line with targets set-up by Ministry of Power, resource mobilisation, etc. In order to fulfil this role, the Board of Directors undergo training from time to time. The Board of Directors are fully briefed on all business related matters, risk assessment and mitigating procedures and new initiatives proposed by the Company. Directors are also briefed on changes/developments in Indian as well as international corporate and industry scenario including those pertaining to the statutes/legislation and economic environment. In addition, Directors are being imparted training organised by the Company and other agencies/ institutions etc which enables them to appreciate specific requirements of Power Sector as well as those of the Company. The Company has Board approved Training Policy in place for its members which aims at building leadership, qualities and providing a platform to share the knowledge, skills and experience gained by the Directors.
6. **Mechanism for evaluating non-executive Board Members:** Non-executive Board Members (Independent Directors) of NTPC are appointed by the Search Committee of the Government of India for a tenure of three years at a time. Their performance is also evaluated by the Search Committee of the Government of India and based on their performance; they are considered for re-appointment on the Board.
7. **Whistle Blower Policy:** The Company has 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. The mechanism for prevention of fraud is also provided in the policy. All reports of fraud or suspected fraud are investigated with utmost speed.

## Annex-II

### Schedule of Compliances with Presidential Directive issued during the financial year 2012-13 and during last three years preceding the financial year 2012-13:

Year	Content of Presidential Directives	Compliance
2012-13	NIL	NIL
2011-12	NIL	NIL
2010-11	1. Vide Presidential Directive No.11/2/2010-Th-1 dated 10 <sup>th</sup> January, 2011, Government of India had directed NTPC for induction of supercritical technology (with stipulation of Phased Manufacturing Programme) through Bulk ordering of nine 800 MW generating units by NTPC Limited as per road map given in the aforesaid directive.	In line with the Presidential Directive, tenders for Steam Generator (SG) package and Steam Turbine Generator (STG) package for 800 MW units were invited separately for Lara, Darlipali, Gajmara and Kudgi project on International Competitive Bidding basis on 4.02.2011 following two-stage bidding process. The award of Contract for SG and STG Packages have been placed for Kudgi (3x800 MW) and Lara (2x800 MW) projects. In view of difficulty being faced in getting land for Gajmara project, in place of Gajmara, award of contracts for SG and STG packages have been placed for Gadawara (2x800MW) project. Award of contracts for Darlipalli project could not be placed in absence of investment approval, environment clearance and physical possession of land. Further, the bid validity of M/s BGR who was selected for award of STG package for Darlipalli expired on 09.03.2013.
2009-10	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 eleven 660 MW generating units by NTPC for itself and on behalf of its Joint Venture Companies and on behalf of Damodar Valley Corporation.	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, following two stage bidding process (i.e within the stipulated period of 45 days from issuance of MOP letter dated 04.09.2009). In SG package, one disqualified bidder filed a writ petition in the High Court of Delhi. NTPC challenged the decision of High Court in Hon'ble Supreme Court of India, which subsequently gave the judgment in favour of NTPC. Accordingly, after opening price bid, award of contract for Mouda (2x660MW) and Solapur (2x660MW) have been placed. Award of Contracts for Meja (2x660 MW) have been placed by Meja Urja Nigam Private Limited and that for Nabinagar (3x660 MW) have been placed by Nabinagar Power Generating Company Private Limited. Further, award of contracts for Raghunathpur project have been placed by Damodar Valley Corporation.
	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.	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 & Haryana pursuant to Section 560 of the Companies Act, 1956 and the said Company stands dissolved.
	3. Contract relating to Main Plant Package for Barh Super Thermal Power Project, Stage-I (3x660 MW) awarded on Technopromexport, Russia by NTPC Limited	NTPC is implementing Main Plant Package Part-A (Steam Generator & 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 after taking approval from the competent authority, necessary amendments to Contracts have also been issued on 29.10.2010 for implementation of Barh STPP Stage-I.



## 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 the notes to the Financial Statements and the Cash Flow Statement for the year ended March 31, 2013 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

(A.K. Singhal)

(Arup Roy Choudhury)

Date : 8<sup>th</sup> May, 2013

Director (Finance)

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, 2013 as stipulated in the Clause 49 of the Listing Agreements in respect of Equity Shares of the said company with Stock Exchanges and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

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

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Listing Agreements and in the Guidelines on Corporate Governance for Central Public Sector Enterprises except that the Board of Directors did not comprise of the required number of independent directors due to vacancy created by retirement/resignation, delay in appointment as indicated in Para 2.2 of Corporate Governance Report and one independent director's position is vacant as on 31<sup>st</sup> March 2013.

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

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

(Rakesh Kumar)  
Partner  
M No. 087537

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

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

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

(V. Kothandaraman)  
Partner  
M No. 025973

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

(M.S. Balachandran)  
Partner  
M No. 024282

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

(Monika Agrawal)  
Partner  
M No. 093769

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

(Pawan K. Goel)  
Partner  
M No. 072209

Place : New Delhi

Date : 10<sup>th</sup> May 2013