



**एनएचपीसी लिमिटेड**

(भारत सरकार का उद्यम)

**NHPC Limited**

(A Govt. of India Enterprise)

फोन/Phone: \_\_\_\_\_

दिनांक/Date : **03.12.2021**

संदर्भ सं./Ref. No. एनएच/सीएस/12/

डॉ. रश्मि शर्मा रावल  
प्रगति रश्मि, रानी बाग कॉलोनी  
धामपुर, जिला- बिजनोर  
यू पी -246761

**विषय: एनएचपीसी लिमिटेड के बोर्ड में गैर-कार्यकारी स्वतंत्र निदेशक के लिए नियुक्ति पत्र ।**

महोदया,

हमें आपको यह सूचित करते हुए प्रसन्नता हो रही है कि बोर्ड ने आपको अगली आम बैठक में शेयरधारकों के अनुमोदन के अधीन दिनांक 30.11.2021 से बोर्ड में एक स्वतंत्र निदेशक के रूप में नियुक्त किया है । कंपनी अधिनियम 2013 की धारा 149 (8) के साथ पठित अनुसूची IV के तहत, स्वतंत्र निदेशकों की नियुक्ति को नियुक्ति पत्र के माध्यम से औपचारिक रूप दिया जाएगा । इस नियुक्ति पत्र में आपकी नियुक्ति सहित निबंधन एवं शर्तों का उल्लेख किया गया है, जो इस प्रकार हैं:

क) **नियुक्ति की अवधि-** शेयरधारकों के अनुमोदन के अधीन, विद्युत मंत्रालय के दिनांक 10.11.2021 का पत्र सं. 2/13/2021-एनएचपीसी के अनुसार 3 वर्ष की अवधि या अगले आदेश तक के लिए ।

ख) **स्वतंत्रता की घोषणा** - कंपनी अधिनियम, 2013 की अपेक्षाओं (समय-समय पर यथा संशोधित) और सेबी एलओडीआर (समय-समय पर यथा संशोधित) दोनों के अनुसार कंपनी के बोर्ड में कार्यकाल के दौरान 'स्वतंत्र' होने के सभी मानदंडों को पूरा करना । इस संबंध में, कंपनी के बोर्ड को वार्षिक आधार पर यह पुष्टि करते हुए घोषणा प्रस्तुत करनी होगी है कि स्वतंत्रता की अपेक्षाओं को पूरा किया जा रहा है । यदि किसी भी समय परिस्थितिवश कोई परिवर्तन होता है जो स्वतंत्र निदेशक की प्रतिष्ठा को प्रभावित कर सकता है, तो उसे तुरंत बोर्ड के ध्यान में लाया जाना चाहिए।

ग) **बोर्ड की अपेक्षा** - बोर्ड अपनी कार्यवाही में स्वतंत्र विचार एवं राय प्राप्त करने की अपेक्षा करता है। स्वतंत्र निदेशक से यह भी अपेक्षा की जाती है कि वह बोर्ड स्तर पर प्रभावी निर्णय लेने में अपना समय, विशेषज्ञता और अनुभव प्रदान करे। स्वतंत्र निदेशक से कंपनी अधिनियम, 2013 की अनुसूची IV के तहत प्रदान किए गए स्वतंत्र निदेशकों के लिए व्यावसायिक आचरण का अनुपालन करने की अपेक्षा की जाती है। (कंपनी अधिनियम, 2013 की अनुसूची IV **अनुलग्नक -क** पर संलग्न है)

पंजीकृत कार्यालय : एन एच पी सी ऑफिस कॉम्प्लेक्स, सैक्टर-33, फरीदाबाद - 121003, हरियाणा

Regd. Office : NHPC Office Complex, Sector - 33, Faridabad - 121 003, Haryana

CIN:L40101HR1975GOI032564; Website: www.nhpcindia.com

E-mail : webmaster@nhpc.nic.in; EPABX No. : 0129-2588110/2588500

बिजली से संबंधित शिकायतों के लिए 1912 डायल करें । Dial 1912 for Complaints on Electricity

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घ) **समितियों में शामिल करना** - बोर्ड कंपनी अधिनियम, एलओडीआर की अपेक्षाओं के अनुसार या प्रशासनिक सुविधा के लिए बोर्ड की विभिन्न उप-समितियों का गठन करता है। स्वतंत्र निदेशक से समय-समय पर इन समितियों में शामिल होने की आशा की जाती है। समिति (समितियां) बोर्ड द्वारा विचारार्थ विषय के अनुसार कार्य करती हैं। अपेक्षा के अनुसार, सदस्यता और विचारार्थ विषय को बोर्ड द्वारा समय-समय पर बदला जा सकता है।) वर्तमान में, कंपनी की संबंधित विचारार्थ विषय के साथ निम्नलिखित समितियां हैं।

क्र.सं.	समिति (यों) का नाम	विचारार्थ विषय
1	लेखापरीक्षा समिति	अनुलग्नक- ख
2	हितधारक संबंध समिति	
3	जोखिम प्रबंधन समिति	
4	कॉर्पोरेट सामाजिक उत्तरदायित्व समिति	
5.	एनएचपीसी सिक्योरिटीज के आवंटन और आवंटन के बाद की गतिविधियों के लिए निदेशकों की समिति	

**ड) भूमिकाएं, कर्तव्य और दायित्व**

आपकी भूमिका, कर्तव्य और दायित्व वे होंगे जो कंपनी अधिनियम, 2013 के लागू प्रावधानों और उसके तहत बनाए गए नियमों और लिस्टिंग समझौते/सेबी लिस्टिंग विनियम, समय-समय पर यथा संशोधित के तहत एक स्वतंत्र निदेशक के लिए अपेक्षित हैं। आपके सुलभ संदर्भ के लिए कंपनी अधिनियम, 2013 की अनुसूची IV के साथ पठित धारा 149(8) के तहत स्वतंत्र निदेशकों के लिए संहिता की प्रति संलग्न है।

**I. कंपनी अधिनियम, 2013 की धारा 166 के अनुसार आपके निम्नलिखित कर्तव्य होंगे:**

- कंपनी के आर्टिकल्स ऑफ एसोसिएशन के अनुसार कार्य करना।
- समग्र रूप से अपने सदस्यों के लाभ के लिए, और सर्वोत्तम हित में, और कंपनी, उसके कर्मचारियों, शेयरधारकों, समुदाय के सर्वोत्तम हित में कंपनी के उद्देश्यों को बढ़ावा देने के लिए, पर्यावरण की सुरक्षा के लिए सद्भावपूर्वक कार्य करना।
- यथोचित और उचित दायित्व, कौशल और परिश्रम के साथ अपने कर्तव्यों का पालन करना।
- ऐसी स्थिति में स्वयं को शामिल न करें जिसमें आपका प्रत्यक्ष या अप्रत्यक्ष हित हो सकता है जो कंपनी के हितों का टकराव करता है, या संभवतः संघर्ष हो सकता है।
- अपने या अपने रिश्तेदारों, भागीदारों या सहयोगियों को कोई अनुचित लाभ या लाभ प्राप्त करने या प्राप्त करवाने का प्रयास नहीं करना।
- निदेशक के रूप में आपके कार्यालय को नहीं सौंपें गए कार्य और इस प्रकार के कोई भी कार्य मान्य नहीं होंगे।

## II. निदेशक के दायित्व -

- क) बोर्ड और समितियों की कार्यवाही की गोपनीयता सुनिश्चित करें।
- ख) 'प्रतिभूतियों की इनसाइडर ट्रेडिंग' में प्रवेश नहीं करना। कंपनी के पास 'एनएचपीसी लिमिटेड की प्रतिभूतियों में इनसाइडर ट्रेडिंग की रोकथाम के लिए आचार संहिता' है, जिसमें अन्य बातों के साथ-साथ यह अपेक्षित है कि मूल्य-संवेदनशील जानकारी का उपयोग या प्रसारण ना किया जाए और इसे सुरक्षित रूप से रखरखाव किया जाए।
- ग) जब जानकारी आपके अधिकार में हो, आप मूल्य संवेदनशील जानकारी की गोपनीयता को हमेशा बनाए रखेंगे। आचार संहिता अलग से दी जाएगी।
- घ) कंपनी, इसकी सहायक कंपनी और/या सहयोगी कंपनी की प्रतिभूतियों के लेन-देन में शामिल नहीं होना।

च) निदेशकों और अधिकारियों (डी एंड ओ) का बीमा - कंपनी ने वार्षिक नवीकरणीय डी एंड ओ बीमा पॉलिसी ली है। पॉलिसी में कंपनी के सभी निदेशकों और अधिकारियों को कवर किया गया है।

छ) व्यापार आचार संहिता- कंपनी के पास एनएचपीसी के निदेशक मंडल और वरिष्ठ प्रबंधन कार्मिक द्वारा पालन की जाने वाली एक आचार संहिता है और इसे कंपनी की वेबसाइट पर दी गई है। आचार संहिता अलग से दी जाएगी। इस संहिता में निर्धारित सिद्धांत अनुपालन और नैतिकता के व्यापक मानकों को निर्धारित करते हैं। इस संहिता का उद्देश्य कंपनी के मामलों के प्रबंधन में नैतिक और पारदर्शी प्रक्रिया को बढ़ाना है।

## झ) पारिश्रमिक व व्यय

- I. आपको बोर्ड और उसकी समितियों की बैठकों में भाग लेने के लिए बैठक शुल्क के रूप में ऐसे पारिश्रमिक का भुगतान किया जाएगा जो बोर्ड द्वारा समय-समय पर लागू कानून के अनुपालन में तय किया जाएगा।
- II. वर्तमान में स्वतंत्र निदेशकों को दी जाने वाली बैठक शुल्क बोर्ड या उसकी किसी समिति की प्रति बैठक 20,000/- रुपये है।
- III. बैठक शुल्क के भुगतान के अलावा, आप बोर्ड और समिति की बैठकों में भाग लेने के लिए बोर्डिंग, आवास और यात्रा व्यय के लिए उन्हीं दरों पर पात्र होंगे जो कंपनी के पूर्णकालिक निदेशकों पर लागू मौजूदा प्रावधानों के अनुसार लागू हैं।



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### ज) स्वतंत्र निदेशकों के लिए परिचित कार्यक्रम

कॉरपोरेट गवर्नेंस मानदंडों की आवश्यकताओं को पूरा करने के लिए, कंपनी को विभिन्न कार्यक्रमों के माध्यम से स्वतंत्र निदेशकों को कंपनी, उनकी भूमिकाओं, अधिकारों, कंपनी में जिम्मेदारियों, कंपनी के संचालन की प्रकृति, कंपनी के बिजनेस मॉडल आदि से परिचित कराने की आवश्यकता है। कंपनी बोर्ड के सदस्यों के लिए प्रशिक्षण कार्यक्रम करवाएगी / प्रायोजित करेगी। बोर्ड/समिति के सदस्य के रूप में आप ऐसे परिचित कार्यक्रमों में भाग लेने का प्रयास करेंगे।

### ट) गोपनीयता

i) एक निदेशक के रूप में आपकी भूमिका में आपके पास कंपनी और उसके मामलों के बारे में गोपनीय जानकारी होगी। आप उस जानकारी का उपयोग केवल अपने कर्तव्यों के उचित प्रदर्शन में या कानून की आवश्यकता के अनुसार कर सकते हैं; आपको इसका उपयोग अपने या दूसरों के लिए लाभ प्राप्त करने, या कंपनी की हानि के लिए नहीं करना चाहिए।

ii) एक निदेशक के रूप में, आप भारतीय प्रतिभूति और विनियम बोर्ड ("सेबी") द्वारा जारी अधिनियम और विनियमों के तहत यथा निर्धारित इनसाइडर ट्रेडिंग और अप्रकाशित मूल्य संवेदनशील जानकारी के प्रकटीकरण के खिलाफ निषेध और प्रतिबंधों के अधीन और बाध्य हैं। आपको सेबी (इनसाइडर ट्रेडिंग का निषेध) विनियम, 2015 (समय-समय पर संशोधित या प्रतिस्थापित) के अनुसार अंदरूनी सूत्रों द्वारा व्यापार को विनियमित करने और रिपोर्ट करने और एनएचपीसी के निष्पक्ष प्रकटीकरण, 2015 के लिए आंतरिक आचार संहिता का कड़ाई से पालन करना होगा।

### ठ) बोर्ड मूल्यांकन

विषय वस्तु पर डीपीई दिशानिर्देश जारी करने के अधीन बोर्ड मूल्यांकन पर नीति को लागू करने और अपनाने पर, कंपनी वार्षिक आधार पर बोर्ड की समितियों और निदेशकों के समग्र रूप से बोर्ड के प्रदर्शन का मूल्यांकन करेगी।

### ड) समाप्ति

i. आप किसी भी समय अपने पद से इस्तीफा दे सकते हैं और यदि आप ऐसा करना चाहते हैं, तो आपसे अनुरोध है कि आप विद्युत मंत्रालय और बोर्ड को इस्तीफे का कारण बताते हुए एक उचित लिखित नोटिस दें।

ii. आपकी नियुक्ति की निरंतरता एक स्वतंत्र निदेशक के रूप में बने रहने की आपकी इच्छा पर निर्भर करता है, और आपको लागू कानून के अनुसार शेरधारकों द्वारा फिर से नियुक्त किया जाता है।

पंजीकृत कार्यालय : एन एच पी सी ऑफिस कॉम्प्लेक्स, सैक्टर-33, फरीदाबाद - 121003, हरियाणा

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**द) विविध:**

- i. आपकी नियुक्ति अधिनियम और सेबी एलओडीआर के प्रावधानों सहित लागू कानून के तहत अधिकतम अनुमेय निदेशक पद के अधीन है।
- ii. आप कंपनी के कर्मचारी नहीं होंगे और यह पत्र रोजगार के अनुबंध नहीं माना जाएगा।
- iii. आप सात से अधिक सूचीबद्ध संस्थाओं में एक स्वतंत्र निदेशक के रूप में काम नहीं करेंगे: बशर्ते कि यदि आप किसी सूचीबद्ध इकाई में पूर्णकालिक निदेशक के रूप में सेवा कर रहे हैं, तो आप तीन से अधिक सूचीबद्ध संस्थाओं में एक स्वतंत्र निदेशक के रूप में काम नहीं करेंगे।
- iv. आप दस से अधिक समितियों में सदस्य के रूप में कार्य नहीं करेंगे या उन सभी संस्थाओं में पांच से अधिक समितियों के अध्यक्ष के रूप में कार्य नहीं करेंगे जिनमें आप एक निदेशक हैं जो निम्नानुसार निर्धारित किया जाएगा:

क. उन समितियों की सीमा, जिन पर एक निदेशक सभी सार्वजनिक लिमिटेड कंपनियों में सेवा दे सकता है, चाहे सूचीबद्ध हों या नहीं, को शामिल किया जाएगा और प्राइवेट लिमिटेड कंपनियों, विदेशी कंपनियों और कंपनी अधिनियम, 2013 की धारा 8 के तहत कंपनियों सहित अन्य सभी कंपनियों को बाहर रखा जाएगा।

ख. सीमा के निर्धारण के प्रयोजन के लिए, लेखा परीक्षा समिति की अध्यक्षता और सदस्यता और केवल हितधारकों की संबंध समिति पर विचार किया जाएगा।

आपकी नियुक्ति, पारिश्रमिक, पेशेवर आचार संहिता, भूमिकाओं, कार्यों, कर्तव्यों और दायित्वों सहित उल्लिखित सभी निबंधन और शर्तें कंपनी अधिनियम, 2013 के प्रावधानों के तहत निर्दिष्ट नियमों (किसी भी सांविधिक संशोधन (संशोधनों) को फिर से लागू करने सहित) के साथ पठित आवश्यकताओं के अधीन होंगी और समय-समय पर यथासंशोधित एलओडीआर की कॉर्पोरेट गवर्नेंस आवश्यकताओं की आवश्यकताओं के अनुसार होगी।

**धन्यवाद,**

**भवदीय,**

हस्ता/-

(अभय कुमार सिंह)

अध्यक्ष एवं प्रबंध निदेशक

डीआईएन: 08646003

**संलग्नक: उपरोक्त अनुसार ।**

(अंग्रेजी या हिन्दी पत्र के अर्थ में कोई विसंगति होने पर, अंग्रेजी पत्र का अर्थ मान्य होगा ।)

पंजीकृत कार्यालय : एन एच पी सी ऑफिस कॉम्प्लेक्स, सैक्टर-33, फरीदाबाद - 121003, हरियाणा

Regd. Office : NHPC Office Complex, Sector - 33, Faridabad - 121 003, Haryana

CIN:L40101HR1975GOI032564; Website: www.nhpcindia.com

E-mail : webmaster@nhpc.nic.in; EPABX No. : 0129-2588110/2588500

बिजली से संबंधित शिकायतों के लिए 1912 डायल करें । Dial 1912 for Complaints on Electricity

THE GAZETTE OF INDIA EXTRAORDINARY

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SCHEDULE IV

[See section 149(8)]

**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent Directors. Adherence to these standards by independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent Directors.

**I. Guidelines of professional conduct:**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

**II. Role and functions:**

The independent Directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive Directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive Directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties :**

The independent Directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) <sup>1</sup>["acting within his authority"], assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

- (1) Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out :
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (*D and O*) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its Directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within <sup>2</sup>["three months"] from the date of such resignation or removal, as the case may be..
- (3) Where the company fulfils the requirement of independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.



## **VII. Separate meetings:**

- (1) The independent Directors of the company shall hold at least one meeting <sup>3</sup>["in a financial year"], without the attendance of non-independent Directors and members of management;
- (2) All the independent Directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent Directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

<sup>4</sup>["Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies."]

## Extracts of the provisions of the Companies Act, 2013

### Section 2 (60) – Definition.

**"officer who is in default "**, "officer who is in default", for the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any penalty or punishment by way of imprisonment, fine or otherwise, means any of the following officers of a company, namely:—

(i) whole-time director;

(ii) key managerial personnel;

(iii) where there is no key managerial personnel, such director or Directors as specified by the Board in this behalf and who has or have given his or their consent in writing to the Board to such specification, or all the Directors, if no director is so specified;

(iv) any person who, under the immediate authority of the Board or any key managerial personnel, is charged with any responsibility including maintenance, filing or distribution of accounts or records, authorises, actively participates in, knowingly permits, or knowingly fails to take active steps to prevent, any default;

(v) any person in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act, other than a person who gives advice to the Board in a professional capacity;

(vi) every director, in respect of a contravention of any of the provisions of this Act, who is aware of such contravention by virtue of the receipt by him of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with his consent or connivance;

(vii) in respect of the issue or transfer of any shares of a company, the share transfer agents, registrars and merchant bankers to the issue or transfer;

### Section 134 (5) – Financial statement, Board's report, etc.

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation.—For the purposes of this clause, the term “internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**TERMS OF REFERENCE**  
**OF COMMITTEES OF**  
**BOARD OF DIRECTORS**  
**OF NHPC LIMITED**

**(i) Terms of reference of Audit Committee:**

1. 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.
2. Recommending fixation of audit fees to the Board.
3. Approval of payment to auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the board's report;
  - 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 related to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of the internal audit function, if any, 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.

8. Discussion with Internal Auditors and/or Auditors of any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature, and reporting the matter to the Board.
10. Discussions with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
11. 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.
12. To review functioning of the Whistle Blower Mechanism.
13. To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit.
14. To review the follow-up action taken on the recommendations of Parliament's Committee on Public Undertakings (COPU).
15. Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.
16. Approval or any subsequent modification of transactions of the Company with related parties.
17. Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
18. Consider and review the following with Independent Auditor and management:
  - The adequacy of internal controls, including Computerized Information System Controls and Security and

- Related findings and recommendations of the Independent Auditor and Internal Auditor, together with management responses.
19. Consider and review the following with management, Internal Auditor and Independent Auditor:
    - Significant findings during the year, including the status of previous audit recommendations and
    - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
  20. Review and monitor the auditor's independence and performance and effectiveness of audit process.
  21. Scrutiny of inter-corporate loans and investments.
  22. Valuation of undertakings or assets of the Company, wherever it is necessary.
  23. Evaluation of internal financial controls and risk management systems.
  24. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
  25. Recommending with the Board the appointment and remuneration of the cost auditors of the company.
  26. Review of:
    - i) Management discussion and analysis of financial condition and results of operations.
    - ii) Management letters/letters of internal control weaknesses; issued by the statutory auditors.
    - iii) Internal Audit Reports relating to internal control weaknesses.
  27. Review of appointment and removal of the Chief Internal Auditor.
  28. Reviewing the utilization of loans and/or advances from/investment by

the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

29. To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year.
30. To verify that the systems for internal control to ensure compliance with the requirements given in SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively.
31. To carry out any other function as is mentioned in the terms of reference of the Audit Committee pursuant to the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE.



(ii) **Terms of reference of Nomination and Remuneration Committee:**

1. To formulate the criteria for determining positive attributes and independence of a Director.
2. To recommend distribution of the annual bonus/Performance Related Pay (PRP) and policy for its distribution across the Board and below Board level employees including key managerial personnel.
3. To formulate the criteria for evaluation of independent directors and the board.
4. To devise a policy on board diversity.
5. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the board their appointment and removal.
6. To examine and recommend other allowances and perks, etc. to the Board of Directors for approval.
7. To recommend to the board, all remuneration, in whatever form, payable to senior management.
8. To carry out any other function as may be required under the provisions of the Companies Act, 2013, listing agreement/SEBI (LODR) and Corporate Governance Guidelines issued by DPE.

**(iii) Terms of Reference of Stakeholders' Relationship Committee:**

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensure timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. To Carry out any other function, as required by the provisions of the Companies Act, 2013, SEBI (LODR) and Corporate Governance Guidelines issued by DPE.

**(iv) Terms of Reference of Risk Management Committee:**

1. To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. To approve and review risk disclosure statements in any public documents or disclosures.
8. To carry out any other function as required by the provisions of the Companies Act, 2013, SEBI LODR and Corporate Governance Guidelines issued by DPE.

(v) **Terms of Reference of Committee of Directors for Allotment and Post-Allotment Activities of NHPC Securities:**

1. Issue of certificate(s) relating to securities;
2. Transfer and transmission of securities;
3. Re-materialization of securities certificate(s);
4. Issue of duplicate certificate(s) relating to securities; and
5. Consolidation/splitting of NHPC's securities.

(vi) **Terms of reference of Appellate Authority:**

The Committee is to act as an appellate authority for the cases placed before it in terms of CDA rules