



एनएचपीसी लिमिटेड

(भारत सरकार का उद्यम)

NHPC Limited

(A Govt. of India Enterprise)

फोन/Phone: 0129-2278018

Date: 24.05.2022

NH/CS/199

<p>Manager The Listing Department, M/s BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 मैनेजर, लिस्टिंग विभाग, बीएसई लिमिटेड पि.जे. टावरम,दलाल स्ट्रीट, मुंबई- 400 001 Scrip Code: 533098</p>	<p>General Manager The Listing Department M/s National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai- 400051 महाप्रबंधक, लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051 Scrip Code: NHPC</p>
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ISIN No. INE848E01016

Sub: Annual Secretarial Compliance Report for year ended March 31, 2022

विषय: 31 मार्च, 2022 को समाप्त वार्षिक सचिवीय अनुपालन रिपोर्ट के संदर्भ में

Sirs/महोदय,

In compliance to Regulation 24A of SEBI (LODR) Regulations, 2015 and SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019, please find enclosed herewith the Annual Secretarial Compliance Report for year ended March 31, 2022, issued by M/s Agarwal S. & Associates, Company Secretaries (Secretarial Auditor of the Company for the FY 2021-22).

सेबी [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] विनियम, 2015 के विनियम 24A और सेबी परिपत्र संख्या CIR/CFD/CMD1/27/2019 दिनांक 08.02.2019 के अनुसार, कृपया, मेसर्स अग्रवाल एंड असोसिएट्स, कंपनी सेक्रेटरीज (वित्त वर्ष 2021-22 के लिए कंपनी के सेक्रेटरीयल ऑडिटर) द्वारा जारी 31 मार्च, 2022 को समाप्त वर्ष के लिए वार्षिक सचिवीय अनुपालन रिपोर्ट प्राप्त करें (संलग्न)।

धन्यवाद,

संगलन: ऊपरोक्त अनुसार

भवदीय

(रूपा देव)

कंपनी सचिव



**SECRETARIAL COMPLIANCE REPORT
OF
NHPC LIMITED**

For the year ended 31st March, 2022

We, Agarwal S. & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **NHPC Limited** ("the listed entity/NHPC"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and circulars/ guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Board of Directors did not consist of an Independent Women Director during the financial year from 01.04.2021 to 29.11.2021 and the number of Non-executive Directors on the Board was less than fifty percent during the financial year from 01.04.2021 to 30.11.2021.	<p><i>The Board of Directors shall comprise of an Independent Women Director.</i></p> <p><i>Fifty percent of the Board of Directors shall comprise of non-executive directors.</i></p> <p>As informed by the management, the power to appoint Directors including Independent Directors (IDs) vests with the President of India and the said matter is being regularly pursued with the administrative Ministry i.e. Ministry of Power (MoP), Govt. of India. Consequent upon orders of MoP, four independent directors including one-woman independent director were appointed on the Board of NHPC in the month of November/ December 2021. Accordingly, fifty percent of the Board of directors comprised of non-executive directors including one-woman independent director w.e.f. 01.12.2021.</p>

2.	Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The number of IDs on the Board is less than fifty percent during the financial year.	<p><i>The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of IDs should have been at least 50% of the Board Members during the period under review.</i></p> <p>Consequent upon orders of MoP, four independent directors including one-woman independent director were appointed on the Board of NHPC in the month of November / December 2021.</p> <p><i>As on 31.03.2022, Board of Directors of the Company comprises of 9 Directors, including 1 CMD, 3 Whole Time Directors, 1 Part Time Government Nominee Director and 4 Independent Directors.</i></p> <p>As informed by the management, the power to appoint Directors including IDs vests with the President of India and the said matter is being regularly pursued with the administrative Ministry i.e. Ministry of Power, Govt. of India.</p>
3.	Regulation 18, 19, 20 and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.	<p>(a) The composition of the Audit Committee and Stakeholders' Relationship Committee of the company was not in terms of SEBI (LODR) Regulations, 2015 during the period from 01.04.2021 to 06.12.2021.</p> <p>(b) The Company did not have Nomination and Remuneration Committee during the period from 01.04.2021 to 06.12.2021.</p> <p>(c) The composition of Risk Management Committee was not in terms of SEBI (LODR) Regulations, 2015 during the period from</p>	<p><i>The Company did not have a Nomination and Remuneration Committee during the period from 01.04.2021 to 06.12.2021 and the composition of the Audit Committee, Stakeholders Relationship Committee, from 01.04.2021 to 06.12.2021 and Risk Management Committee from 05.08.2021 to 06.12.2021 was not in terms of SEBI (LODR) Regulations, 2015 due to non-appointment of IDs.</i></p> <p>Consequent upon orders of MoP, four independent directors including one woman independent director were appointed on the Board of NHPC and accordingly the company had reconstituted its Mandatory Committees in compliance to SEBI LODR and the</p>

	05.08.2021 06.12.2021.	to	Companies Act, 2013 w.e.f. 07.12.2021.
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- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar, as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	National Stock Exchange of India Limited	Regulation 17 (1), 17(2A), 18(1), 19(1)/19(2) & 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th June, 2021.	NSE vide their letter dated August 20, 2021 has imposed a fine of Rs. 12,04,780/- inclusive of GST.	The Company had submitted a response vide their letter dated 23.08.2021 and had requested NSE to waive off the penalty on the ground that the power to appoint Directors including Independent Directors and woman Director/ woman Independent Director on the Board of Company vests with the President of India.
2.	National Stock Exchange of India Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20 & 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th September, 2021.	NSE vide their letter dated November, 22, 2021 has imposed a fine of Rs. 13,52,280/- inclusive of GST.	The Company had submitted a response vide their letter dated 24.11.2021 and had requested NSE to waive off the penalty on the ground that the power to appoint Directors including Independent Directors and woman Director/ woman Independent Director on the Board of Company vests with the President of India.

3.	National Stock Exchange of India Limited	Regulation 17 (1), 17 (2A), 18(1), 19(1)/19(2), 20 & 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 31 st December, 2021.	NSE vide their letter dated February, 21, 2022 has imposed a fine of Rs. 11,87,080/- inclusive of GST.	The Company had submitted a response vide their letter dated 25.02.2022, and had requested NSE to waive off the penalty on the ground that the power to appoint Directors including Independent Directors and woman director/ woman Independent Director on the Board of Company vests with the President of India.
4.	BSE Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2) & 20(2)/(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th June, 2021.	BSE vide their email dated August, 20, 2021 has imposed a fine of Rs. 12,04,780/- inclusive of GST.	The Company had submitted a response vide their letter dated 23.08.2021 and had requested BSE to waive off the penalty on the ground that the power to appoint Directors including Independent Directors and woman Director/ woman Independent Director on the Board of Company vests with the President of India.
5.	BSE Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20(2)/(2A) & 21(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th September, 2021.	BSE vide their email dated November, 22, 2021 has imposed a fine of Rs. 13,52,280/- inclusive of GST.	The Company has submitted a response vide their letter dated 24.11.2021 and has requested BSE to waive off the penalty on the ground that the power to appoint Directors including Independent Directors and woman Director/ woman Independent Director on the Board of Company vests with the President of India.

6.	BSE Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2) 20(2)/(2A) & 21(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 31 st December, 2021.	BSE vide their email dated February, 21, 2022 has imposed a fine of Rs. 11,87,080/- inclusive of GST.	The Company has submitted a response vide their letter dated 25.02.2022 and has requested BSE to waive off the penalty on the ground that the power to appoint Directors including Independent Directors and woman Director/ woman Independent Director on the Board of Company vests with the President of India.
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(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended on	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	In term of Regulation 17(1) (a) of the SEBI (LODR), 2015, the Board of Directors does not consist of a Women Director and Independent Women Director from 18 th November, 2019 to 31 st March, 2021 and the number of Non-executive Directors on the Board is less than fifty percent during the period from 18 th November, 2019 to 31 st March, 2021.	31.03.2020 31.03.2021	As per Article 34 of the Articles of Association of the Company read with Ministry of Corporate Affairs notification dated 5 th June 2015, the Directors (including Independent Directors) on the Board of the Company are appointed by the President of India. The matter regarding appointment of Independent Directors (including Woman Independent Director)	As informed by the Company, Company has communicated to the Government of India from time to time. Consequent upon orders of MoP dated 08.11.2021 & 10.11.2021, four independent directors including one woman independent director were appointed on the Board of NHPC in the month of November/ December, 2021.
2.	In term of Regulation 17(1)(b) of the SEBI (LODR), 2015. The number of Independent Directors	31.03.2020 31.03.2021	was regularly pursued with the Administrative Ministry i.e. Ministry of Power vide letters dated 14.07.2020, 11.09.2020, 20.10.2020, 01.01.2021,	

	on the Board is less than fifty percent.		18.02.2021, 07.05.2021, 19.05.2021, 02.09.2021, 29.11.2021 and 17.02.2022.	
3.	<p>In term of Regulation 18,19,20, and 21 of SEBI (LODR), 2015</p> <p>The Company does not have the following Committees:</p> <p>a) Audit Committee & Stakeholders Relationship Committee during the period from 08.09.2020 to 20.03.2021</p> <p>b) Nomination and Remuneration Committee during the period from 08.09.2020 to 31.03.2021</p> <p>c) Risk Management Committee during the period from 08.09.2020 to 12.01.2021</p>	31.03.2021	<p>The Board of Directors had not re-constituted its mandatory committees during the mentioned period due to non-availability of Independent Directors. However, pending appointment of Independent Directors, the Board of Directors through Circular Resolution dated 11.01.2021 passed on 13.01.2021 reconstituted its Risk Management Committee. The Board of Directors in its meeting held on 21.03.2021 also reconstituted its other Mandatory Committees except Nomination and Remuneration Committee with existing Non-Independent Directors for substantial compliance of SEBI LODR, Companies Act, 2013 and DPE Guidelines for Corporate Governance. Further, subsequent to appointment of Independent Directors by MoP vide its order dated 08.11.2021 & 10.11.2021, the company had reconstituted its Mandatory Committees in compliance to SEBI LODR and Companies Act, 2013 w.e.f. 07.12.2021.</p>	<p>The Company had properly reconstituted its mandatory committees of the Board in compliance to SEBI LODR and Companies Act, 2013 w.e.f. 07.12.2021.</p>

4.	In term of Regulation 25 of SEBI (LODR), 2015. (a) No meeting of IDs was held during the Financial Year 2020-21 due to completion of tenure of Independent Directors on 07.09.2020.	31.03.2021	Consequent upon orders of MoP dated 08.11.2021 & 10.11.2021, four independent directors were appointed on the Board of NHPC in the month of November/ December, 2021. A separate meeting of Independent Directors was held on 27.01.2022.	No meeting of Independent Directors was held during the Financial year 2020-21 due to non-availability of Independent Directors in the Company. However, subsequent to appointment of Independent Directors in the month of November/ December, 2021, a meeting of Independent Directors was held on 27.01.2022.
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(e) As informed by the management, the Joint Statutory Auditors of the Company are being appointed by the Office of the C&AG, New Delhi. Accordingly, Company could not modify their terms of appointment as their terms of appointment are fixed by C&AG. Since, terms of appointment were fixed by the C&AG, compliance by listed entity with 6(A) and 6(B) of SEBI circular number CIR/CFD/CMD1/114/2019 dated August 07, 2020 is not applicable. Accordingly, we can't certify said compliance.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

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SACHIN AGARWAL
Date: 2022.05.23
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CS Sachin Agarwal
FCS No.:5774
C P No.: 5910

Place: New Delhi
Date: 23.05.2022
UDIN: F005774D000363725

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

“Annexure A”

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for expression of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events, etc. and relied upon.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Compliance Report is to be read along with Secretarial Audit Report of the corresponding period.
7. The Secretarial Compliance Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

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CS Sachin Agarwal
FCS No.:5774
C P No.: 5910

Place: New Delhi
Date: 23.05.2022