

ANNEXURE –I TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

To The Members

Corporate Governance is about promoting Fairness, Transparency and Accountability in best interest of various stakeholders of the company. We at THDC India Limited (“THDC” or “the Company”), believes that Corporate Governance is respect for the inalienable rights of the shareholders as the true owners of the Company. Besides adhering to provisions of the Companies Act,2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we also follow DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, Secretarial Standards issued by the Institute of Company Secretaries of India and adheres to all mandatory and most of the non-mandatory requirements.

Your Directors are pleased to present the Company’s Report on Corporate Governance for the Financial Year 2020-21 followed by Certificate on Corporate Governance by the Secretarial Auditor. It is our pleasure to share with you that the Company has got ‘Excellent’ rating by DPE for Compliance with Guidelines on Corporate Governance for the year 2020-21.

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. The Company’s philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, investors and the society at large. The Company’s corporate governance principles conform and adhere to all the relevant and applicable laws, rules and regulations. We believe that sound corporate governance is critical to enhance and retain stakeholders trust. We always strive to ensure that we attain our professional goals with integrity. The basic purpose of Company’s corporate governance policy is to continue and maintain the corporate culture of conscience and consciousness towards shareholders and other stakeholders.

The Corporate Governance Mechanism in your Company is based on following parameters:

- Transparency and Fairness
- Timely and Balanced Disclosures
- Role and Responsibilities of the Board to Add value
- Integrity in Financial Reporting
- Promote ethical and responsible decision making
- Obligations towards Environment
- Rights and Interests of stakeholders
- Compliances

The Board of Directors are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company. The Board functions in accordance with the powers delegated under the Companies Act 2013, AoA, DPE and other guidelines issued by the Government of India from time to time as may be applicable to the Company. The Board of Director of THDCIL comprises of Chairman and Managing Director, Functional Directors, Nominee Directors of NTPC and Nominee Directors of Govt. of India and Govt. of Uttar Pradesh. The Powers delegated by Board of Directors to CMD are further sub delegated to various executives with the concept, intent and purpose that it will effectively contribute to the smooth, expeditious and efficient implementation of company's laid down goals and targets within set policy framework. THDCIL has also prepared and implemented standard Policies and Procedures for procurement of goods and services with a view to make procedures more systematic, transparent and easy to administer with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.

As a Company we have always worked with ethics and have shunned resistance in any form. We believe that if something is important enough to be done, it is important that we do it ethically. We supplement our traditionally held values of ethical behavior and moral conduct with explicit rules and regulations that guide our efforts in financial, propriety, customer care and business excellence. Systems are in place for Strategic Planning, Risk Management, Financial Plans and Budgets, Integrity of Internal Controls and Reporting, Communications Policy with emphasis on transparency and full disclosure on the various facets of the Company's operations, its functioning and its financials and total compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit.

The compliance of the company with the conditions of the Corporate Governance and the disclosure requirements for the Financial Year 2020-21 are given below:

2. BOARD OF DIRECTORS

2.1 SIZE OF THE BOARD

Your Company is a Government Company within the meaning of Section 2(45) of Companies Act, 2013 with Equity Share Holding of 74.496% by NTPC Limited and 25.504% by Governor of Uttar Pradesh. The business of the company is superintended by the Board of Directors. As per the Share purchase agreement signed between NTPC Limited and Government of India on 25th March 2020, the power of appointment of Directors vests with the President of India acting through Administrative Ministry i.e. Ministry of Power. Further, as per the Articles of Association of the Company, the President of India shall from time to time determine the number of Directors of the Company, which shall not be less than seven and not more than fifteen.

2.2 COMPOSITION OF THE BOARD

The Board of Directors has an ideal combination of executive and non executive Directors and is in conformity with the provisions of Companies Act, 2013 which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director. Presently, the Board comprises of the Chairman and Managing Director, Functional Directors, Nominee Directors of NTPC and Nominee Director of Government of GoUP. THDCIL Board comprises of three Functional Directors including Chairman, one GoUP Nominee Director and two NTPC Nominee Directors. The Directors of THDCIL has the requisite qualification, expertise and experience that allow them to efficiently manage the business of the Company and make effective contribution to the Board.

Further, the composition of the Board of Directors of THDC India limited as on March 31, 2021 is as below in **Table 1**:

Table1: Details of Particulars of Directors as on 31.03.2021

SL. No	Name of Director	Designation	DIN NO.
1.	Sh. D.V. Singh	Chairman & Managing Director THDC INDIA Ltd., Rishikesh.	03107819
2.	Sh. Vijay Goel	Director (Personnel) THDC INDIA Ltd. , Rishikesh.	08073656
3.	Sh. Judhistir Behera	Director (Finance) THDC INDIA Ltd. , Rishikesh.	08536589
4.	Sh. Rajeev Kumar Vishnoi	Director (Technical) THDC INDIA Ltd., Rishikesh.	08534217
5.	Sh. Raj Pal	Economic Advisor (MoP) GoI Nominee Director	02491831
6.	Sh. Turamalla Venkatesh	Additional Chief Secy. (Irrigation & Water Resource Deptt.) GoUP Nominee Director	07551107
7.	Sh. Anil Kumar Gautam	NTPC Nominee Director	08293632
8.	Sh. Ujjwal Kanti Bhattacharya	NTPC Nominee Director	08734219

Changes in the composition of Board of Directors:

1. The Ministry of Power, Govt. of India vide its Order No. 14-11/30/2020-H.I (255493) Dated 12.04.2021 have conveyed for entrustment of the additional charge of the post of CMD, THDCIL to Shri Vijay Goel, Director(Personnel), THDCIL for a period of three months w.e.f. 01.05.2021, or till the appointment of regular incumbent to the post, or until further orders, whichever is the earliest.
2. Ministry of Power, Govt. of India vide its letter No. F.No.14-11/4/2020- H.I(251966) dated 06.08.2021 have appointed Shri Rajeev Kumar Vishnoi, Director (Technical), THDC India Limited (THDCIL) as Chairman and Managing Director (CMD) in THDCIL for a period of five years from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest
3. Due to attaining the age of superannuation, Shri D.V. Singh, has ceased to be Chairman and Managing Director of THDCIL w.e.f. 30.04.2021
4. Due to attaining the age of superannuation Shri Raj Pal has ceased to be Nominee Director, GOI in the Board of THDCIL w.e.f. 30.04.2021.
5. Govt. of India, Ministry of Power, vide its letter No. F.No.14-37/22/2017-H.I (238665) Dated 21.06.2021 have notified the appointment of Shri Jithesh John, Economic Adviser, MoP as Part-Time Director (Government Nominee Director) on the Board of THDCIL w.e.f. 21.06.2021 till his superannuation or until further orders

2.3 AGE LIMIT AND TENURE OF DIRECTORS

The age limit of Chairman & Managing Director and Whole Time Directors is 60 years. The Chairman & Managing Director and other Whole Time Directors are appointed for a period of five years from the date of assumption of the charge or till the date of superannuation, whichever event occurs earlier.

Non- Executive Directors serving in Ex-officio capacity as representative of Administrative Department of Govt. of India/Govt. of Uttar Pradesh will retire on ceasing to be an official of that Administrative Department. The directorship of Nominee Directors appointed by NTPC Limited in THDCIL shall be coterminous with directorship in NTPC Limited. Independent Directors are appointed by Government of India usually for tenure of three years.

2.4 TRAINING PROGRAMMES OF DIRECTORS

At the time of induction of a new Director, a welcome letter is addressed to them along with details of duties and responsibilities required to be performed as a director. The Board members based on their requirement, attend various seminars, conferences, training

programmes from time to time. Further, as per the requirement of Corporate Governance Guidelines issued by DPE, the Company has framed a Policy for Training to Board Members. The Company has framed a training policy for its Directors which aims at honing leadership qualities and providing a platform to share the knowledge, skills and experience gained by the Directors which consecutively familiarizes the new Director about the Company, its operations, various divisions of the Company and their roles and responsibilities, the governance and internal control, processes and other relevant important information concerning the Company.

2.5 APPOINTMENT AND CESSATION OF DIRECTORSHIPS

The details of appointment and cessation of directorship in THDCIL for the Financial Year 2020-21 are given in **Table 2:**

Table2: Appointment and Cessation of Directorship

Shri Anand Kumar Gupta NTPC Nominee Director	Appointment	23.04.2020
Shri Anil Kumar Gautam NTPC Nominee Director	Appointment	23.04.2020
Shri Anand Kumar Gupta NTPC Nominee Director	Cessation	31.07.2020
Shri Ujjwal Kanti Bhattacharya NTPC Nominee Director	Appointment	26.08.2020
Shri D.V Singh	Cessation	30.04.2021
Shri Rajpal	Cessation	30.04.2021
Shri Vijay Goel	Assumed Additional Charge of CMD	01.05.2021 – 05.08.2021
Shri Jithesh John	Appointment	21.06.2021
Shri Rajeev Kumar Vishnoi	Appointment	06.08.2021

2.6 BOARD MEETINGS AND ATTENDANCE

Eight Board Meetings were held during the Financial Year 2020-21. Details of Dates of Meeting, Strength of Board and No. of Directors Present are given in **Table 3:**

Table 3: Details of Board Meetings during the year 2020-21

S. No.	Date of Board Meetings	Strength of Board	No. of Directors Present
1.	June 24, 2020	8	7
2.	July 16, 2020	8	7
3.	September 4, 2020	8	7
4.	September 22, 2020	8	6
5.	October 29,2020	8	7
6.	December 14,2020	8	7
7.	December 28,2020	8	8
8.	February 20, 2021	8	7

Details of Categories of Directors, number of Board meetings attended by Directors, attendance at last AGM, number of other Directorship/ Committee Membership during the year 2020-21 are placed in **Table 4 :**

Table 4: Categories of Directors and the Directorships and Committee positions held by them.

Sr. No.	Directors	Number of Board Meeting held during the tenure	Number of Board meetings attended	Attendance at last AGM	Other Directorships held	Other Positions	
						Chairman	Member /Shareholder
FUNCTIONAL DIRECTORS							
1	Vijay Goel Additional Charge of CMD and Director (Personnel) (From 01.05.2021 – 05.08.2021)	8	8	Attended	-	1	1
2	Shri J. Behera Director (Finance)	8	8	Attended	1	-	1

Annual Report 2020-21

3	Shri Rajeev Kumar Vishnoi Director (Technical) Assumed the charge of CMD w.e.f. 06.08.2021	8	8	Attended	1	1	1
4	Shri D.V.Singh (Chairman & Managing Director) (till 30.04.2021)	8	8	Attended	-	1	1
NOMINEE DIRECTORS							
5	Shri T. Venkatesh	8	1	Not Attended	1	-	-
6	Shri Anil Kumar Gautam	8	8	Attended	3	2	2
7	Shri Ujjwal Kanti Bhattacharya (w.e.f 26.08.2020)	6	5	Not Attended	4	-	1
8	Shri Raj Pal (Ex- Nominee Director) Govt. of India	8	8	Attended	-	-	-
9	Shri Anand Kumar Gupta Ex- Nominee Director, NTPC Limited	2	2	Not Attended	-	-	-

2.7 DIRECTORS' COMPENSATION & DISCLOSURES:

Your Company, being a Government Company under the administrative control of Ministry of Power, Govt. of India, thus the appointment, tenure and remuneration of Chairman & Managing Director, Whole Time Functional Directors and other directors are decided by the President of India as per the Articles of Association of the Company and the same are communicated by the Administrative Ministry. The remuneration of Functional Directors and employees of the Company is fixed as per extant guidelines issued by DPE, from time to time. Further, the Part time Non Official Independent Directors are paid sitting fees @ Rs. 20,000

Annual Report 2020-21

per sitting for meetings of Board as well as Committee meetings (sitting fee is fixed by Board) as per Rule 4 of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with section 197 of Companies Act, 2013. Part-time Directors nominated by Government & NTPC Limited in Ex-officio capacity are not paid any kind of remuneration/sitting fee from the Company.

Presently, the Board level committees are not functional, due to the expiry of tenure of Independent Directors in THDCIL since 22.12.2019. The appointment of Independent Directors by the Ministry of Power is in process. Hence, no payment has been made towards sitting fees to Independent Directors during the year 2020-2021.

Details of remuneration of Whole-time Functional Directors, Chief Financial Officer and Company Secretary of the company paid for F.Y. 2020-21 are given below:

Table 5: Remuneration of Whole-time Directors and Key Managerial Personnel

(Amount in Rs.)

S. No.	Name of Directors	Designation	Salary & Allowances	Bonus/ Commission *	Performance Related Pay (PRP)	Gross Total
1.	Sh. Vijay Goel	Additional Charge of CMD & Director (Personnel)	4879848	-	1711857	6591705
2.	Sh. J. Behera	Director (Finance)/CFO	3902036	-	1496058	5398094
3.	Sh. Rajeev K. Vishnoi	Director (Technical)	4249933	-	1661688	5911621
4.	Sh. D.V. Singh (ceased to be CMD w.e.f 30.04.2021)	Ex - Chairman & Managing Director	5288301	-	2283749	7572050
5.	Ms. Rashmi Sharma	Company Secretary	1608508	-	193852	1802360

2.8 KMP (KEY MANAGERIAL PERSONNEL)

As per the Section 203(1) of Companies Act, 2013, and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every company belonging to prescribed class or classes of companies shall have the whole-time Key Managerial Personnel (KMP). Accordingly, THDCIL has designated following key managerial personnel.

1. Shri Rajeev Kumar Vishnoi, Chairman & Managing Director
2. Shri J. Behera, Director (Finance) & Chief Financial Officer
3. Ms. Rashmi Sharma, Company Secretary

2.9 BOARD MEETING PROCEDURES:

i) Decision making Process:

The Company has laid down a set of guidelines and follows secretarial standards for the meetings of the Board of Directors with a view to professionalizing all corporate affairs. These guidelines seek to systematize the decision making process in Board meetings in an informed and efficient manner.

ii) Scheduling and selection of agenda items for Board meetings:

1. The meeting dates are usually finalized after consultation with all Directors, in order to ensure presence of all Board Members in its meetings. The meetings are convened by giving appropriate notice after obtaining the approval of the Chairman of the Board. Detailed agenda notes, management reports and other explanatory statements are circulated in advance, normally 7 days, to the Directors to facilitate meaningful, informed and focused decisions during the meeting.
2. To address specific urgent business needs, sometimes meetings are also called at shorter notice in compliance of the applicable statutory provisions and utmost efforts are made to adhere to the minimum notice & agenda period. In some instances, resolutions are passed by circulations which are noted in the next Board Meeting.
3. Wherever it is not practical to attach voluminous documents to the agenda, such papers are placed on the table in the meeting. The agenda papers are circulated after obtaining the approval of the concerned Functional Director and CMD.
4. Presentations are given in the Board meetings on certain Agenda matters to enable members to take informed decisions.
5. The members of the Board have complete access to all information of the Company. The Board is also free to recommend any issue that it may consider important for inclusion in

the agenda. Senior Management officials are called to provide additional inputs to the matters being discussed by the Board, as and when necessary.

iii) **Recording of minutes of the Board/Committee meetings:**

The draft Minutes of the proceedings of each Board/Committee Meeting are duly circulated to all members for their comments within fifteen days from the conclusion of the Meeting. The Directors communicate their comments on the draft Minutes within seven days from the date of circulation thereof. A comparative sheet of all comments received from Directors are placed before the Chairman & Managing Director/Chairman of respective Committees for consideration and approval thereof. The approved minutes of proceedings of each Board/Committee Meeting are duly recorded in the minutes book.

iv) **Follow-up mechanism :**

Directions issued by the Board are regularly communicated to concerned Departments and an action-taken on the decisions of the Board is regularly placed before the Board which helps in effective reporting on follow-up and review of decisions.

v) **Compliance :**

It is our endeavor to ensure compliance of all applicable provisions of law, rules and guidelines. The company ensures compliance of all applicable provisions of the Companies Act, 2013 (to the extent these are applicable), SEBI Regulations & Guidelines, Listing Agreement and other statutory requirements under different laws. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Meetings of Board and Shareholders. The Board of Directors review the legal compliance report placed before it from time to time.

vi) **Information to be placed before Board of Directors :**

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Proposals relating to raising of funds.
- Proposals for sanction of financial assistance.
- Quarterly, Half Yearly and Annual Financial Results
- Minutes of Previous Board Meetings and Board meeting of Subsidiary Companies.
- The information of appointment or cessation of directors and Key Managerial personnel Minutes of meetings of Audit Committee and other Committees of the Board.
- Major investments, formation of subsidiaries, joint ventures and strategic alliances.
- Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
- Status of Progress report of projects
- Quarterly report on compliance of various laws
- Disclosure of interest by directors about their directorships.

- Significant capital investment proposals or award of large contracts.
- Status of arbitration cases.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Changes in significant accounting policies and practices along with reasons thereof.
- Any other information required to be presented to the Board either for information or approval as per the requirement of applicable laws.

3. COMMITTEES OF BOARD OF DIRECTORS

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them. The company has three Board Level Committees which are as under:

- i) Audit Committee
- ii) Remuneration Committee
- iii) CSR & Sustainability Committee

Presently, the above Board level committees are not functional, due to the expiry of tenure of Independent Directors in THDCIL since 22.12.2019. The appointment of Independent Directors by the Ministry of Power is in process.

The Company Secretary serves as the Secretary to Board Level Committees.

3.1 AUDIT COMMITTEE

3.1.1 Composition of Audit Committee

As per Companies Act, 2013 and DPE Guidelines on Corporate Governance, the Audit Committee shall have minimum three Directors as members. Two-thirds of the members of audit committee shall be Independent Directors and the Chairman of Audit Committee shall be Independent Director.

3.1.2. Terms of Reference

The Terms of Reference of Audit Committee are as under:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related Parties.
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.
- (ix) To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as notified by the DPE, as amended from time to time;

3.1.3 ROLE OF AUDIT COMMITTEE

The Role and Powers of the Audit Committee shall *inter-alia* include the following:

- a) The recommendation for remuneration of Statutory Auditors of the company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) Examination of all financial statements and the auditors' report thereon;
- d) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report u/s 134(3) (c) of the Companies Act, 2013;
- e) Changes, if any, in accounting policies and practices and reasons for the same;
- f) Significant adjustments made in the financial statements arising out of audit findings;
- g) Compliance with legal requirements relating to financial statements;
- h) The approval for appointment, audit fees, Terms of reference for audit by Chartered/Cost Accountants Firms as Internal Auditors, Physical Verifiers for fixed assets & stores/sub-stores.
- i) The recommendation for appointment, remuneration and terms of appointment of Cost Auditors of the Company and recommendation for approval of Annexure to Cost audit reports.
- j) Gist/ significant observation of Internal Audit.
- k) Reviewing the adequacy of internal audit function, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. Discussion with internal auditors and/or auditors any significant findings and follow up there on.

- l) Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies 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 Qualifications in the Draft Audit Reports.
- m) Approval or any subsequent modification of transactions of the company with related parties;
- n) Scrutiny of inter-corporate loans and investments;
- o) Valuation of undertakings or assets of the company, wherever it is necessary;
- p) Evaluation of internal financial controls and risk management systems;
- q) Monitoring the end use of funds raised through public offers and related matters.
- r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- s) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- t) To review the implementation of good Corporate Governance including functioning of the Whistle Blower Mechanism.
- u) To review the follow up action on the audit observations of the C&AG Audit. Review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- v) Any other matter as assigned by the Board from time to time.

3.1.4 POWERS OF AUDIT COMMITTEE:

Commensurate with its role, the Audit Committee shall exercise powers, which include the following:

- The Audit Committee shall have authority to investigate into any matter specified above or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company.
- To seek information on and from any employee.
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- The recommendations of the Audit Committee on any matter shall be considered by the Board.

3.1.5 REVIEW OF INFORMATION BY AUDIT COMMITTEE

The Audit Committee shall review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory

- auditors;
- Internal audit reports relating to internal control weaknesses;

3.2 REMUNERATION COMMITTEE

The composition of Remuneration Committee is in line with the provisions of Section 178 of the Companies Act, 2013. Composition, Quorum, Scope, etc. of the Remuneration Committee are in line with the Companies Act, 2013 and Guidelines on Corporate Governance, as issued by Department of Public Enterprises, Govt. of India. The powers and terms of reference of the Remuneration Committee are in accordance with DPE Guidelines on Corporate Governance and Companies Act, 2013.

3.2.1 COMPOSITION OF REMUNERATION COMMITTEE

As per Companies Act, 2013 and DPE Guidelines on Corporate Governance, the Remuneration Committee shall be consisting of three or more non-executive Directors out of which not less than one half shall be independent directors. The Committee should be headed by an Independent Director.

3.2.2 TERMS OF REFERENCE OF REMUNERATION COMMITTEE

The terms of reference of Remuneration Committee to the extent applicable to THDCIL are as under:

- a) To comply with the requirements in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- b) To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 including to decide the quantum of annual bonus, variable pay and policy for ESOP scheme, pension scheme, etc. within the prescribed limits across Whole Time Directors, executive and non-unionized supervisors, as notified by the DPE and as amended from time to time.

3.3 CSR & SUSTAINABILITY COMMITTEE

The CSR Committee has been constituted as per the requirements of Section 135 of the Companies Act, 2013 and DPE guidelines on sustainability (SD). CSR committee formulates and recommends the Corporate Social Responsibility & Sustainability Policy to the Board along with the amount of expenditure to be incurred on the activities specified in the CSR & SD Policy and monitors the CSR Policy of the Company apart from looking into such matter as the Board may delegate from time to time. THDCIL's

Policy on CSR & Sustainability can be viewed at the web link:
<https://thdc.co.in/sites/default/files/CSR-CD-policy28.05.13.pdf>

3.3.1 Composition of CSR Committee

As per Section 135 of the Companies Act Corporate Social Responsibility Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be Independent Director.

3.3.2 Functions of CSR & Sustainability Committee

The Board Level CSR & Sustainability Committee steers the Implementation and Monitoring of the CSR-SD Programs/ Activities of the Company, which include the following:

- Consideration of CSR & Sustainability Projects / Activities and Annual Plan/Budget.
- Consideration of Periodical CSR-SD Progress Report / Status Report.
- Monitoring of CSR-SD Activities.
- Consideration of Impact Assessment Report of CSR-SD Projects.
- Any other tasks deemed necessary etc..

4. GENERAL BODY MEETINGS

4.1 Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are given in

Table 6: Details of Last three Annual General Meetings:

Annual General Meetings	32 nd Annual Meeting held on 22 nd September, 2020	General on 22 nd	31 st Annual Meeting held on 27 th September, 2019	General on 27 th	30 th Annual Meeting held on 28 th September, 2018	General on 28 th
Time	12:00 Noon		6:00P.M		2:00 PM	
Venue	Through Video Conferencing		THDC INDIA LIMITED, 1 st Floor, East Tower, NBCC Place, Bhisma Pitamah Marg, New Delhi		THDC INDIA LIMITED, 1 st Floor, East Tower, NBCC Place, Bhisma Pitamah Marg, New Delhi	
Special Business	<ul style="list-style-type: none"> • To fix Remuneration of Cost Auditors for the F.Y. 2020-21. • To issue secured, Non-Convertible, Non-Cumulative Bonds on Private Placement Basis. 		<ul style="list-style-type: none"> • To fix Remuneration of Cost Auditors for the F.Y. 2019-20. • To issue secured, Non-Convertible, Non-Cumulative Bonds on Private Placement Basis. 		<ul style="list-style-type: none"> • To fix Remuneration of Cost Auditors for the F.Y. 2018-19. • To issue secured, Non-Convertible, Non-Cumulative Bonds on Private Placement Basis. 	

5. DISCLOSURES

5.1 SUBSIDIARY COMPANIES

TUSCO Limited, a joint venture company of THDCIL and UPNEDA is incorporated on 12.09.2020 to develop, operate and maintain Ultra Mega Solar Power Park(s)/Projects in the State of Uttar Pradesh under Solar Park Scheme of Ministry of New and Renewable Energy, Government of India. The equity shareholding in Joint Venture Company is shared between THDCIL and UPNEDA in the ratio of 74:26 respectively. The Minutes of Board Meetings of Subsidiary Company are placed before the Board of Directors of the Company for information.

5.2 SECRETARIAL AUDIT

M/s.PSR Murthy, Practicing Company Secretary, New Delhi has conducted Secretarial Audit for the financial year 2020-21 and has submitted their report to the Company. A copy of Secretarial Audit Report is annexed in this Annual Report for information of the shareholders.

5.3 DISCLOSURE UNDER POSH ACT,2013:

No complaints have been reported under Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 20-21.

5.4 VIGIL MECHANISM

The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service providers or any other party doing business with THDCIL.

The Company has a defined and established whistle blower policy (vigil mechanism) for reporting instances of unethical/improper conduct and for taking suitable steps to investigate and correct the same. The whistle blower policy is available on the Company's website at www.thdc.co.in. The provisions of this policy are in line with the provisions of section 177(9) of the Companies Act, 2013.

During the year 2020-21, no complaint has been reported under whistle blower policy. Further, no personnel has been denied access to the Audit Committee of THDCIL.

5.5 SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND DPE GUIDELINES ON CORPORATE GOVERNANCE:

The company has complied with the requirements of the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** & Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises. There

were no penalties or strictures imposed on the company by any statutory authority for non-compliance during the year.

5.6 ACCOUNTING TREATMENT:

In the view of management, all applicable Indian Accounting standards are being followed for preparation of Financial Statements.

5.7 PERFORMANCE EVALUATION OF BOARD MEMBERS:

Ministry of Corporate Affairs (MCA) vide General Circular dated 5th June, 2015 has exempted Government Companies from the provisions of Section 178 (2) which provides about manner of performance evaluation of Board of Directors, Committee of Board of Directors and Director by the Remuneration Committee. The aforesaid circular of MCA further exempted listed Govt. Companies from provisions of Section 134(3)(p) which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case maybe, the State Government as per its own evaluation methodology. In this regard, Department of Public Enterprise (DPE) has already laid down a mechanism for performance appraisal of all functional directors. DPE also evaluates Independent Directors. It may also be noted that THDC enters into Memorandum of Understanding (MoU) with NTPC Limited each year, containing key performance parameters for the company. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals. The internal MoU covers all operational and performance parameters like Plant Performance and Efficiency, Financial targets, Cost cutting targets, Environment, Welfare, Community development and any other relevant factor. The performance of the Company is evaluated by the Department of Public Enterprise vis-à-vis. MoU entered into with the NTPC Ltd .

5.8 SEPARATE MEETINGS OF INDEPENDENT DIRECTORS:

The tenure of Independent Directors expired on 22.12.2019. Therefore, there are no Independent Directors present in the Board of THDCIL. The appointment of Independent Directors by the Ministry of Power is in process. Therefore, no separate meeting of Independent Director was held during the Financial Year 2020-21.

5.9 INFORMATION FOR INVESTORS

5.9.1 LISTING ON STOCK EXCHANGES

THDC INDIA LIMITED Corporate Bonds are listed on the following stock exchanges:

BSE Limited

NSE Limited

Bond Series	Credit Rating	ISIN
Corporate Bonds Series-I	India ratings: AA CARE:AA	INE812V07013
Corporate Bonds Series-II	India Ratings : AA ICRA: AA	INE812V07021
Corporate Bonds Series-III	CARE: AA ICRA: AA	INE812V07039
Corporate Bonds Series-IV	ICRA:AA CARE: AA	INE812V07047
Corporate Bonds Series-V	India Ratings : AA CARE: AA	INE812V07054

The annual listing fee for the Financial Year 2020-21 and for Corporate Bonds Series-V has been paid to both Stock Exchange before due date.

5.9.2 REGISTRAR AND TRANSFER AGENTS

KFin Technologies Private Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad-500 032

5.9.3 DEBENTURE TRUSTEE

VISTRA ITCL (INDIA) LIMITED
A-268, 1ST Floor,
Bishma Pitamah Marg
New Delhi-110014.
Mobile: +919619105439
E-Mail- Sanjay.Dodti@vistra.com

5.9.4 INVESTOR GRIEVANCES:

During the Financial Year ending 31st March 2021, the company has not received any investors' grievances.

5.9.5 CENTRALIZED WEB BASED REDRESSAL SYSTEM-SCORES

The centralized web based Complaint Redressal System of SEBI i.e. SCORES is used in the company. Through SCORES, Bondholders can register their complaints against the Company for redressal. Status of every complaint lodged can also be viewed online .SEBI

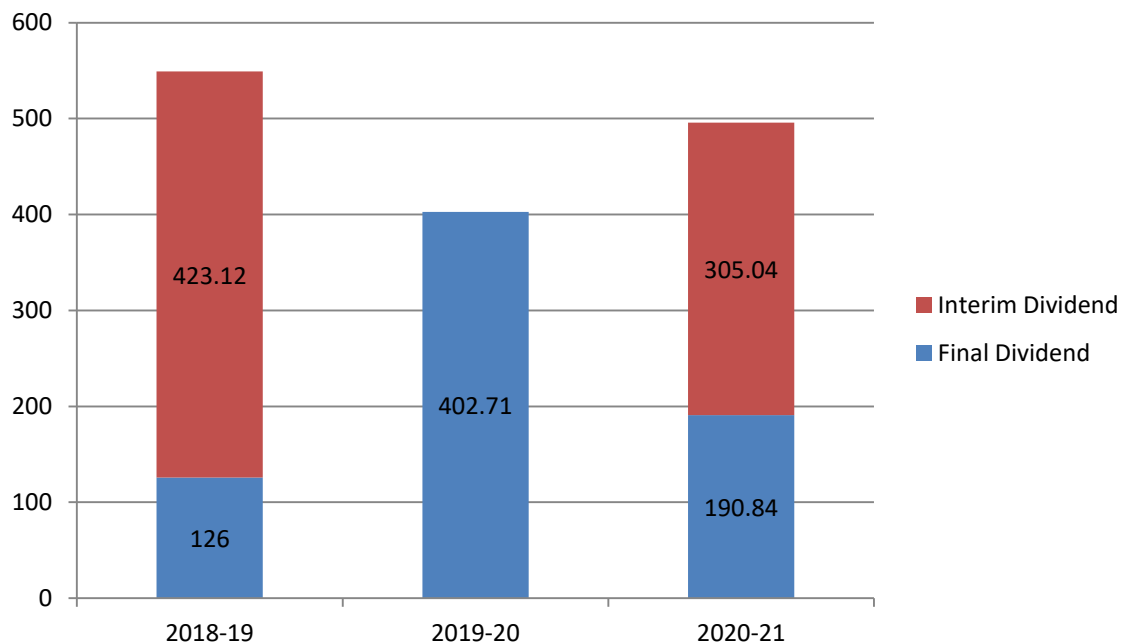
disposes off the complaints if it is satisfied that the complaints have been redressed adequately.

5.9.6 NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Rashmi Sharma, Company Secretary is the Compliance Officer in terms of Clause 6 of the Listing Agreement.

6. DETAILS OF DIVIDEND:

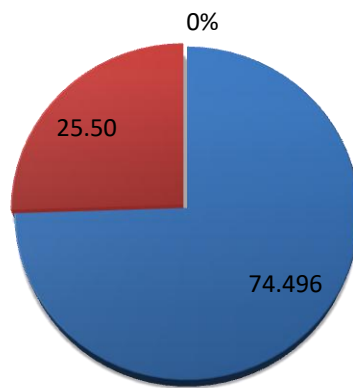
Year	Total Amount of Dividend Paid (in Crore)	Date of AGM in which dividend was declared
2018-19	423.12	Interim Dividend
2018-19	126.00	27 th September 2019
2019-20	402.71	22 nd September 2020
2020-21	305.04	Interim Dividend 20 th February,2021
2020-21	190.84	Final dividend to be declared in upcoming AGM on or before 30 th September,2021



7. SHAREHOLDING PATTERN:

S.No.	Category	Total Shares	% To Equity
1	NTPC Limited	27309406	74.49
2	Governor of U.P	9349401	25.50
3	Other Nominal share holders	10	-

■ NTPC Limited ■ Governor of U.P ■ Nominee Shareholder



8. WHISTLE BLOWER POLICY

The Company has a Board approved ‘Whistle Blower Policy’ for Directors and employees which enables Directors/ Employees of THDCIL and/ or its subsidiaries to raise concerns regarding unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy, which could affect the business or reputation of the Company. The complaint can be made to the Competent Authority in the manner prescribed under the Policy. It also provides safeguards against victimization of employees, who avail the mechanism and for direct access to the Chairman of the Audit Committee. The mechanism for prevention of frauds is also included in the policy.

- It provides necessary safeguards for protection of employees from victimization, for whistle blowing in good faith.
- An employee who knowingly makes false allegations shall be subject to Disciplinary Action.
- Facilitate highest possible standards of ethical, moral and legal business conduct in the company.

9. GRIEVANCE REDRESSAL MECHANISM

The Grievance Redressal Committee has been constituted in line with the DPE Guidelines with an objective to provide an easily accessible mechanism for expeditious settlement of employee grievances leading to increased job satisfaction and improvement in productivity and efficiency of the organization.

10. RISK MANAGEMENT:

The Company has adopted 'Risk Management Manual' in June, 2012. The Manual intends to maintain a uniform & structured Risk Management System in the Company at various Power Projects at different stages of implementation. As per the Manual, the Risk Management Committee comprising of members from Project, Finance, Planning, and Design etc. was constituted to develop and implement a 'Risk Management Plan'. Committee meetings are being held regularly with suggestions to improve the effectiveness of Risk Management Plan.

In line with the Manual, risk management plan is being implemented. Each Project has opened a Risk Register and nominated their Nodal Risk Officer for coordinating activities as mentioned in Risk Management Plan & 'Risk Management Manual'. In case of occurrence of any risk the same is being recorded in 'Risk Experience Register' and action is being taken to mitigate it for future. The Risk Management of the company is being reviewed periodically by the management. Board also reviews the Risk Management on a regular basis.

11. RECORD MANAGEMENT SYSTEM

THDC has adopted Record Management Manual in line with guidelines of National Archives of India. Chief Record Officer has been appointed to oversee the Record Management System of the company. Separate Record Office has been created in Rishikesh with all required facilities as per the Guidelines of National Archives of India.

12. MEANS OF COMMUNICATION

The Company recognizes the rights of shareholders/investors & communications as key elements of the overall Corporate Governance framework and therefore emphasizes on continuous, efficient and relevant communication with shareholders and other stakeholders. The Company communicates with its shareholders through its Annual Reports, General Meetings and disclosures on its website and through Stock Exchanges. All important information pertaining to the Company is also mentioned in the Annual Report for each financial year, which is circulated to the members and others entitled thereto. Investor's related information, announcements and latest updates regarding the Company can be accessed at Company's website at www.thdc.co.in which *inter-alia* includes the following:

- Corporate Disclosures made from time to time to the Stock Exchanges
- Annual Financial Results
- Official news releases, presentations made to institutional investors or to the analysts.
- Bondholder information
- Extract of Annual Return

The extracts of Half-yearly/Annual Financial Results of the Company are communicated to the Stock Exchanges and published in national daily newspapers. The Company also makes press releases and corporate presentations on important corporate developments, from time to time and the same are also displayed on its website at www.thdc.co.in.

13. COMPTROLLER AND AUDITOR GENERAL OF INDIA:

Your Company being a PSU comes under jurisdiction of Comptroller and Auditor General of India and is also subject to parliamentary oversight under Section 139 of Companies Act, 2013.

The Statutory Auditors of the company are appointed by the Comptroller and Auditor General of India, who gives the directions to the Auditors on the manner in which the audit should be conducted by them. The Comptroller and Auditor General of India are also empowered to Comment upon the Audit Reports of the Statutory Auditors. In addition, the Comptroller and Auditor General of India conduct a test audit of the accounts of your company and submit reports. The Audited Accounts of the Company are placed before both the Houses of Parliament within a prescribed time limit.

14. CORPORATE ETHICS POLICY

The Board of Directors of your company has adopted 'Corporate Ethics Policy' as a part of Corporate Governance initiative. The Policy will serve to guide the Employees of the Company to observe highest standard of Professional Ethics, Good Governance, Probity, Integrity and Impartiality while discharging official duties.

15. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company is committed towards conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company has in place Code of Conduct for Directors and Senior Management Personnel with a view to enhance ethical and transparent process in managing the affairs of the Board Members including Govt. Nominee(s) & Independent Directors and Senior Management Personnel of the Company. The Board of Directors has laid down Code of Conduct & Ethics for Board Members and Senior Management in alignment with Company's mission and objectives to enhance transparency in managing the affairs of

Annual Report 2020-21

the Company. A copy of the Code of Conduct is available at the website of the Company at the <https://thdc.co.in/sites/default/files/CodeBusinessConduct&Ethics.pdf>

Annual Affirmation is obtained regarding Compliance of Code of Business Conduct and Ethics from Board Members and Senior Management of the Company up to the level of AGM. All members of the Board and Senior Management i.e. 'Key Executives' have confirmed compliance with the Code of Conduct for the year under review. A declaration signed by chairman & Managing Director is given below:

Declaration as required under clause 3.4.2 of DPE Guidelines

'All the members of the Board have affirmed the compliance of the Code of Conduct for the Financial Year ended on March 31, 2021.'

Rajeev Kumar Vishnoi
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

The Certificate on Corporate Governance has been obtained from practicing company secretary as per DPE Guidelines which forms part of this report.

15. ADDRESS FOR CORRESPONDENCE

THDC INDIA LIMITED
Ganga Bhawan, Pragatipuram, By Pass Road,
Rishikesh- 249201
Uttarakhand

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

Company Secretary	Ms. Rashmi Sharma
<i>Office Contact Nos.</i>	0135-2439309, Fax- 0135-2439442
<i>E-Mail</i>	rashmi@thdc.co.in
For Public Grievances	Sh. Neeraj Verma,AGMIn charge (NCR)/ Director of Public Grievances
<i>Contact</i>	0120-2776490, Fax No.0120-2776433
<i>E-Mail</i>	neerajverma@thdc.co.in

P.S.R MURTHY
PRACTICING COMPANY SECRETARY
C.P. 13090

CORPORATE GOVERNANCE CERTIFICATE FOR 2020-21

To,

The Members,
THDC India Limited
Tehri – 249 001

THDC India Limited (the “company”) CIN.U45203UR1988GOI009822 is a Joint Venture of NTPC Limited and Government of Uttar Pradesh. The equity of the Company is held by NTPC Limited to the extent of 74.496% and by Government of Uttar Pradesh to the extent of 25.504%. Therefore, the Company is a Subsidiary Company of NTPC Limited. The Company is a Debt-listed Company.

I have examined the compliance conditions of Corporate Governance by THDC India Limited for the Financial Year 2020-21 in accordance with the provisions of the Companies Act 2013 and Guidelines Issued by the Department of Public Enterprises for Central Public Sector Undertakings in May 2010.

1. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementations 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 statement of the Company.
2. In my opinion and to the best of my information and according to the explanations and assurance given to me, I certify that the Company generally complied with the conditions of Corporate Governance excepting Women Director and requisite Independent Directors on the Board of Directors of the Company during the year under Report. Further, the Independent Directors whose term was completed on 22nd December 2019 were ceased as such and thereafter till the date of the Report, the appointment of Independent Directors is pending. Similarly, term of Women Director was on the Board till May 2018. During the year, the Registrar of Companies, Uttarakhand, issued a Show-Cause Notice dated 09th February 2021 for violation of Section 149 of the Companies Act 2013. The Company submitted its reply on 16th February 2021 that as per the Articles of Association, the powers to appoint Director vests with the Government of India and accordingly proposal for

Annual Report 2020-21

appointment was referred to the Government of India, Ministry of Power, where the proposal is pending.

3. As a result of non-availability of Independent Directors, the Statutory Committees, such as Audit Committee, where Independent Directors are required to be Chairman/Members are, thus, not functional including the Meetings and Training of the Independent Directors as mandated under the provisions of the Rules, Regulations referred to above.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

(P.S.R. Murthy)
A5880 CP 13090
UDIN A005880C000877993

Place: New Delhi
Dated: 02nd September 2021