NLC India Limited

('Navratna' - Government of India Enterprise)
Registered Office : No.135, EVR Periyar High Road, Kilpauk, Chennai-600 010.
Corporate Office : Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu.
CIN : L93090TN1956GOI003507, Website: www.nlcindia.in
email: investors@nlcindia.in Phone: 044-28360037, Fax: 044-28360057

Lr.No.Secy/LODR/2022 Dt.14.09.2022

To The National Stock Exchange of India Ltd. Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai-400 051. Scrip Code : **NLCINDIA**	To The BSE Ltd. Phiroze JeeJeebhoy Towers Dalal Street Mumbai-400 001. Scrip Code : **513683**

Dear Sirs,

Sub: Corrigendum to the Integrated Annual Report for the Financial Year 2021-22

In terms of Regulation 30 & 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that few typographical errors were noticed in the Integrated Annual Report FY 2021-22 filed with Stock Exchanges on 07.09.2022. The rectified Integrated Annual Report FY 2021-22 is submitted herewith for reference and record.

Thanking you,

Yours faithfully,
for NLC India Limited

Viswanath K
Digitally signed by Viswanath K
Date: 2022.09.14 18:03:13 +05'30'

Company Secretary

66th ANNUAL REPORT 2021-2022

NLCIL

Integrating people and planet

Azadi Ka Amrit Mahotsav

INTEGRATED ANNUAL REPORT

CREATING WEALTH FOR WELLBEING

NLC India Limited

'Navratna' - A Government of India Enterprise

VISION

To emerge as a leading mining and power company, with social responsiveness accelerating Nation's growth

Our ESG vision
To continue to be a socially responsiveness company

MISSION

- Continue to develop and sustain expertise in Power and Mining with focus on growth and financial strength
- Be socially responsive, achieve sustainable development and be sensitive to emerging environmental issues
- Strive to achieve excellence in processes and practices
- To nurture talent, encourage innovation and foster collaborative culture

Our ESG mission
To play an active role in society and be sensitive to emerging environment issues

VALUES

N National Orientation

L Learning and Development

C Commitment for Excellence

I Innovation and Speed

INDEX

CELEBRATING 75 YEARS OF INDIA'S INDEPENDENCE

ABOUT THE REPORT

NLC India Limited ('NLCIL') is pleased to publish its first Integrated Report for the FY 2021-22 (FY 2022). This report presents financial and non-financial performance from 1st April 2021 to 31st March 2022. The report provides the stakeholders with a comprehensive assessment of NLCIL's operations in line with its objectives and roadmap to make NLCIL a sustainable organization in the Power generation and Mining Sectors.

REPORTING SCOPE AND BOUNDARY

This report covers the NLCIL group including its Subsidiaries, Associates and Joint Ventures.

Subsidiaries:
- NLC Tamil Nadu Power Limited (NTPL)
- Neyveli Uttar Pradesh Power Limited (NUPPL)

Associate:
- MNH Shakti Limited

Joint Venture (JV):
- Coal Lignite Urja Vikas Private Limited (CLUVPL)

The report includes the businesses of Energy Generation (Thermal Power & Renewable Power) and Mining (Lignite & Coal)

FRAMEWORK AND STANDARDS

The Integrated report follows non-financial standards such as:
- The International Integrated Reporting Council's ('IIRC') Integrated Reporting Framework, which has now merged with Sustainability Accounting Standards Board ('SASB') to be called the 'Value Reporting Foundation', and
- Aligns with Global Reporting Initiative ('GRI') Standards. This report is aligned with GRI's core option requirement.

The financial and statutory information in this report is in accordance with the requirements of:
- The Companies Act, 2013,
- The Indian Accounting Standards,
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- The Secretarial Standards.

MATERIALITY ISSUE IDENTIFICATION

NLCIL's Internal and External stakeholders have been identified with assessment of peers and publicly available data for material topics in the Industry sector. NLCIL has identified 16 material topics and categorized them in six capitals of the Integrated Report.

RESPONSIBILITY STATEMENT

NLCIL strongly holds their stand to believe in precise and fair communication of financial, non-financial, ESG and operational performance to the stakeholders. Top management acknowledges that the content of this report is compiled in discussion with all business units and functions under the guidance of those responsible for Governance.

ASSURANCE

The report covers financial and non-financial information and the respective activities of the group. The financial information constituting the consolidated and standalone financial statements have been jointly audited by M/s. R. Subramanian & Company LLP and M/s. Manohar Chowdhry & Associates.

FORWARD-LOOKING STATEMENTS

Certain statements in this Report may contain forward-looking statements. These forward looking statements might use terminologies like, “may”, “aim”, “expects”, “could”, “intends”, “objective” or similar expressions. These forward-looking statements could depend on certain assumptions, methodologies or inputs used that involve a judgement which may not be precise to guarantee future results. Actual results could vary depending upon the risks and uncertainties which are beyond our control to which we do not provide any assurance.

GET IN TOUCH WITH US

NLCIL believes to maximize stakeholder engagement and improve it for future communications.

Shareholders / Investors may send their correspondence to the Company Secretary either to:

Registered Office
No. 135, EVR Periyar High Road,
Kilpauk, Chennai – 600 010
(Tel. No. 044 - 28360027)

Corporate Office,
Block-1,
Neyveli - 607 801,
Cuddalore District, Tamil Nadu

Shareholders may also send their communication electronically to **investors@nlcindia.in**

Investors may also communicate to Integrated Registry Management Services Private Limited, the Depository Registrar & Share Transfer Agent for redressal of their grievance, if any.

Integrated Registry Management Services Private Ltd.
II Floor,’Kences Towers’,
No.1, Ramakrishna Street,
North Usman Road, T.Nagar,
Chennai - 600 017.
Tel. No.: 044-28140801-03
Fax No.:044-28142479
E-mail id: csdstd@integratedindia.in

Trustees to NLCIL Bonds
SBI CAP Trustee Company Limited,
Apeejay House, 6th Floor, 3, Dinshaw Wachha Road,
Churchgate, Mumbai – 400 020

IDBI Trusteeship Services Ltd.,
Asian Building, Ground Floor, 17-R, Kamani Marg,
Ballard Estate, Mumbai – 400 001

Statutory Auditors
R Subramanian and Company LLP
Chartered Accountants,
New No.6, {Old No. 36},
Krishna Swamy Avenue, Luz Mylapore,
Chennai – 600004

Manohar Chowdhry & Associates
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

Secretarial Auditor
Kumar Naresh Sinha & Associates,
Company Secretaries,
121, Vinayak apartment,
Plot No. C-58/19, Sector-62, Noida – 201 309

Principal Bankers & Financial Institutions
State Bank of India
Axis Bank
Federal Bank
HDFC Bank
Power Finance Corporation Limited

Branch Auditors
Dhoot & Associates,
D-1, New Colony, Panch Batti,
MI Road, Jaipur – 302 001

Kadmawala & Co.
Budhram Oram Market, Kachery Road,
Rourkela – 769 012

Cost Auditor
Dhananjay V Joshi & Associates,
Cost Accountants, ‘CMA Pride’,
Ground Floor, Plot No. 6, S.No.16/6, Erandawana Co.op. Hsg. Soc., Erandawana, Pune – 411 004

MESSAGE FROM LEADERSHIP

Rakesh Kumar
Chairman-cum-Managing Director

Dear Shareholders,

It gives me great pleasure to share with you our first integrated annual report for the financial year 2021–2022. Our integrated annual report inter-alia, outlines our sustainability vision and objective with an aim to support our goal for long-term success. Embedding Environment, Social and Governance (ESG) goals and considering them as means to achieving business outcomes is imperative and will be the new normal. Your Company is committed to this journey and will strive to lead by example.

There has been a rising trend of demand for energy globally driven by expanding economies, increase in investment. Our country has been impacted by the coal crisis due to a multitude of reasons including sudden increase in the demand coupled with increase in the global prices of coal. Due to various reasons, the coal supply chain could not be augmented and in such a scenario your Company took the initiative to augment the production of coal from one of its mines in Odisha in response to the situation on hand and will continue to focus on increasing the output in the forthcoming financial year. In this regard, during the year, your Company commenced supply of coal to NTPC plant in Odisha.

Delivering value to shareholders despite current challenges

Your Company including its subsidiaries achieved many milestones in the year 2021-22. Few of them are;

- Highest ever power generation of 29.20 Billion Units (BU).
- Highest ever power generation of 2184 Million Units (MU) through RES.
- Increased lignite production by 30% and highest ever lignite sales of ₹ 830 crore.
- New high of coal production touching 6.36 Million Tonnes.

In the financial front as well, your Company during the year 2021-22, registered growth over the previous financial year as under:

- Registered a total income of ₹ 10,662.37 crore with a growth rate of 19% over the last year.
- Registered a Profit After Tax of ₹ 1,236.78 crore with a growth rate of 22% over the last year.

In the current fiscal upto 30th June, 2022, your Company achieved significant performances as under:

- Standalone power generation in this quarter registered a growth of 4.89% over the corresponding period of last year while the consolidated power generation during this quarter registered a growth of 5.35%.
- Highest ever power generation (6963.03 MU) for any quarter since inception.
- Lignite production during this quarter registered a growth of 27.47% over the corresponding period of last year.

- Coal sales during this quarter was 27.12 LT as against 4.31 LT in the corresponding period of the previous year.
- The average PLF of Standalone NLCIL Thermal Power Plants during this quarter was 80.32% as against the All India average of 69.50%.
- TPS-I Expn. secured the first position in performance among all thermal power plants in the Country for the Q1 of FY 2022-23 as per CEA Report.

In the financial front, during the quarter ended 30th June, 2022, the Standalone Total Income registered a growth of 26.84% over the corresponding period of the previous year, while the Consolidated Total Income registered a growth of 23.10%. The Standalone PBT and PAT for this quarter were ₹ 757.15 crore and ₹ 506.08 crore, respectively, registering a growth of 78.43% and 89.39% respectively, as compared to the corresponding period of the previous year 2021-22. The Consolidated Total Income for this quarter was ₹ 3,966.01 crore, registering a growth of 23.10% while the PBT & PAT for this quarter were ₹ 854.08 crore and ₹ 568.43 crore, registering a growth of 51.60% & 59.07% respectively as compared to the corresponding period of the previous year.

Outlook

In the mining front, your Company has drawn its Corporate Plan upto the year 2030 and as per the same your Company envisages to raise its lignite mining capacity to 40.10 MTPA by the year 2030 and the coal mining capacity (including of its Subsidiary) to 44.0 MTPA.

In the power generation front, your Company (including of its Subsidiaries) is aiming to raise its total thermal power generating capacity to 9820 MW and the renewable power generating capacity to 6031 MW, by the year 2030.

With focus on renewable energy gaining momentum, your Company, subject to the approval of Government of India, has initiated the setting up of a wholly owned subsidiary to undertake future renewable power projects as it continued to bag Wind & Solar hybrid power projects and solar projects during the year.

Focus on ESG

Our long-term ESG goal is to reinforce the motto that we are a socially conscious business. To plan, schedule, carry out, and keep track of our ESG performance, a separate ESG working group has been formed which would ensure to monitor our performance to our long-term goals. Integrated annual reporting with focus on Indian and global standards for measurement of such important non-financial information is a step in that direction and I am of the belief that it would enable disclosure of all such material information in a concise and complete manner and enable better appreciation of your Company's performance.

Approaching innovation, R&D, community development through sustainability lens

We strike a balance between our activities using conventional and green technologies, keeping a sufficient amount of attention on sustainable development and resource preservation. A full-fledged renewable energy system, in our opinion, would support our 2030 vision and help us achieve our environmental goals. The direct variables that complement the drive for sustainable growth are opportunities and rewards. We have designed and are putting into practice several awards that value innovation. As much as we think our primary business is vital, we put a lot of effort into capacity building of communities since we think it contributes to our success. We engage in ecologically friendly community initiatives that not only meet local needs but also advance our vision and goal.

A sustainable business is facilitated by efforts in the fields of alternative fuels, electronic transportation, and sustainable sourcing. Our involvement in the production of renewable energy aids in the development of smart city projects. Additionally, we have started the process of setting up an innovative incubator.

Our journey towards inclusive growth and community development

NLCIL as a socially responsible Corporate Citizen continued its outreach towards development of surrounding villages where the operation of the Company exists, focusing on the socio economic development of the region for achieving inclusive & sustainable growth. Your Company has a well laid out CSR Policy and as per the policy the CSR projects, programs and activities are selected for implementation. One of your Company's key focuses in this journey of inclusive growth is to champion skill development and I am pleased to mention that we continue to actively contribute in this regard including providing employment opportunities to project affected persons through skill development and contractual employment besides engagement in agriculture and farming.

Accomplishments and Awards

I am pleased to share that your Company was recognized with the notable awards during the year including the coveted National Safety Award consecutively for FY 2018, 2019 & 2020 received by Mine-I for achieving Lowest Injury Frequency Rate (LIFR) in Winner Category. Similarly, Mine-II was awarded with National Safety Award 2020 for achieving Longest Accident Free Period (LAFP) in Winner Category.

NLCIL - Corporate Environment Cell (CEC) was adjudged and conferred with "Platinum Award" in 10th Exceed Environment Awards – 2021 under Environment Preservation category in Mining & Power sector Organized by Sustainable Development foundation (A unit of Ek Kaam Desh Ke Naam) and supported by MoEF & CC, during the 10th EKDKN conference held during the year.

Acknowledgements

I take this opportunity to place on record my sincere thanks and gratitude to the Ministry of Coal, the Administrative Ministry and all other Ministries of Government of India and various State Governments. I also wish to convey my appreciation to all the Members of the Board of Directors of NLCIL and the Subsidiary Companies for their invaluable contribution in guiding the Boards of the Companies. I also wish to express my sincere thanks to all the Discoms, Customers, Investors, Bankers, Auditors, CERC, CEA and other authorities and agencies, for their continued trust and support. Lastly, I would like to record my deepest admiration for our employees and the Associations of Officers & the Recognised Unions for their continued support in the endeavors of the Company and with their support only NLCIL overcame challenges, particularly during the Covid-19 pandemic, and delivered value to all of our stakeholders. We have looked beyond a conventional business strategy to a comprehensive growth for all of our stakeholders as a responsible corporate citizen.

Thank you,

Rakesh Kumar
Chairman-cum-Managing Director

ABOUT NLCIL

JOURNEY SO FAR

Our company was incorporated in the year 1956. Our company is involved in fossil fuel mining and thermal power generation. NLCIL comes under the direct administrative control of the Ministry of Coal.

For more than six glorious decades, NLCIL has been a forerunner amongst the Public Sector Enterprises in the country in the energy sector, contributing to a lion's share in lignite production and significant share in thermal and renewable energy generation.

THE LIGNITE LEGEND OF TAMIL NADU

NLCIL has a long history behind the inception of the Coal facility with the arrival of lignite in coal-starved South India. The following is a gist of events that took place in the legend of Tamil Nadu before the formation of NLCIL as a Corporate body.

1828
Occurrence of peat, a low-calorific fuel of coal family, near Point Calimere, is reported to the then Madras Government, by the sub-collector of Thanjavur Mr.Nelson

1830
General Cullen discovers lignite deposits at the base of the cliffs on the sea-shore near Cannanore and later near Varkala, Quilon and Vaikom in Kerala

1840
Captain Newbold discovers Lignite at the foot of laterite cliffs on the river banks near Beypore.

1870
Peat bogs found in Nilgiris (Peat is considered to be the first stage in the formation of Coal from vegetable matter accumulating in swamps)

1877
Mr. W. King of the Geological survey of India takes up a study of artesian wells around Pondicherry. He comes across a carbonaceous strata.

1884
Mr. Poilay, a French engineer, encounters a lignite seam in a bore hole at Bahoor, the then French territory. Further exploration along the belt indicates possible Lignite deposits at Udharamanickam, Aranganur and Kanniakoil, near Cuddalore. Lignite deposits are indicated at Kasargod and the Collector of South Kanara reports this to the board of Revenue

1934
Industries Department of the then Government of Madras drills boreholes for tapping artesian water in the neighbourhood of Neyveli. Lignite particles encountered are taken as “black - clay” by unlettered workmen engaged in drilling.

1935
Borewells sunk in Jambulinga Mudaliyar’s land in Neyveli and the black particles gushing forth attract the attention of camping geologists engaged in some other mission in the Neyveli-Vriddhachalam area.

1937-38
Samples of the black substance taken from the above form were sent to the Government of Madras for analysis.

1941
M/s. Binny & Co., Madras, put down four or five boreholes at Aziz Nagar, near Neyveli. Two of them show evidence of Lignite deposits; but for want of casing pipes and drilling equipment, further work is given up.

1943-46
The Geological Survey of India starts drilling operations near Neyveli. Preliminary investigations indicate the existence of Lignite to the extent of about 500 tonnes in that area.

1947
Mr.H.K.Ghose, geologist and mining engineer, deputed by the Government of India, arrives in Neyveli and starts his operations

1948
The first bore-holes sunk by Mr. Ghose have to be abandoned because of water logging and sand-beds. The third one "September 1951" yields samples of Lignite

1949
Mr. Ghose draws experimental open-cut plans and calls for tenders to start excavation.

1951
Sinking 175 borewells in a cluster punctuating the chosen area, Mr. Ghose proves the existence of about 2000 Million tonnes of Lignite reserves in the area. State Government's Industries and Commerce Department also sinks over 150 borewells, south of Vriddhachalam. Mr. Paul Eyrich, a Mining Engineer is deputed by the Bureau of Mines, United States of America, to assist the Government of Madras under point four programme to determine the engineering and economic aspects of lignite mining in Neyveli. Upon his recommendation, the US Government sponsors a study on the subject under the direction of Mr. V.F.Parry.

1952
The High Power Committee for Lignite Mining recommends the Pilot Quarry project.

1953
Pilot Quarry being commissioned by Dr. U. KrishnaRao, Minister for Industries, Madras Government.

1954
Pandit Nehru visits the Pilot Quarry. Government of India's Committee comprising Mr. C.V. Narasimhan, ICS Mr. A.C. Guha and Mr. A. Lahiri inspect the Pilot Quarry and submit a report to the Government under the Colombo Plan. Services of the UK firm PDTS (M/s. Powell Duffryn Technical Services Limited) are availed for a Project report.

1955
Neyveli Lignite project's affairs, hitherto managed by the State Government, get passed on to the Central Government with full financial responsibility. Mr. T.M.S. Mani, ICS, Secretary, Department of Industries, Labour and Co-operation, takes over as the Chief Executive of the project.

1956
Formation of NLC as a Corporate body. NLC is born as a Government-sponsored commercial concern.

EVOLUTION AND KEY MILESTONES

The Company has a long history and has made significant contributions to the evolution of coal to provide millions of people with light across the nation. The landmark events that occurred from incorporation till date are summarised in the table below:

1956-57
A view of the Pilot Quarry

1956 – Incorporation

1962 – Mine I: 6.5 MTPA

1970 – TPS I: 600 MW

1993 – Mine II : 10.5 MTPA
TPS II : 1470 MW

2016 – Allocation of Coal Blocks Pachwara South (11 MTPA)- for NUPPL Talabira II & III (20 MTPA) for NLC

2017 – Wind 51 MW
Solar 130 MW

2018 – Solar 450 MW (TN))
Solar 1.06 MW –Roof Top
TPS-I 100 MW retired
Andaman Solar
BESS 2.5 MW

2019 – TN Solar 50 MW
TN Solar 709 MW
500 MW of NNTPS

2020 – TPS-I - 500 MW retired
Started Production of Coal (Talabira)
Andaman 17.5 MW Solar

2020 – CLUVPL - Formation of JV between NLCIL and Coal India Ltd.

2021 – NNTPS- Unit II (500 MW)
Talabira Mines – 20 MTPA

23-12-1961
Shri. Brezhnev, President of USSR having a look at Boiler House at TPS-I

1994
Listed on BSE

2000
Listed on NSE

2003
Mine I A : 3 MTPA
Mine I Expn : 4 MTPA
TPS I Expn : 420 MW

2005
Formation of NLC Tamil Nadu Power Limited

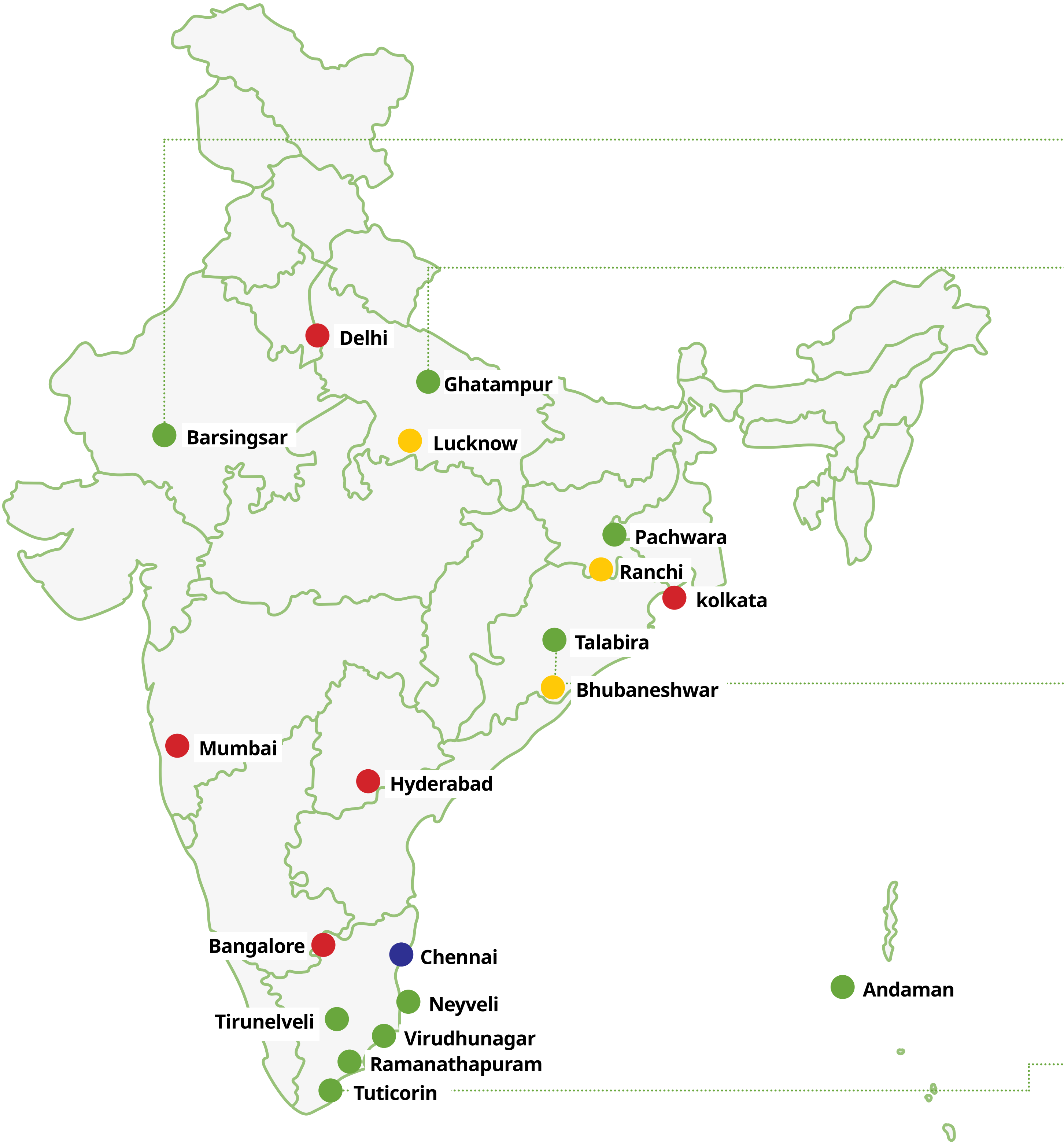
2010
Mine II Expn : 4.5 MTPA Barsingsar Mine : 2.1 MTPA

2011
Received Navratna Status

2012
Barsingsar TPS : 250 MW
Formation of NUPPL

2015
TPS II Expn : 500 MW
Solar : 10 MW
NTPL : 1000 MW

GEOGRAPHICAL COVERAGE



Map not to be scaled
Map is for representation purpose only.

Plants Registered Office Liaison Offices Project Liaison Offices

Barsingsar, Rajasthan

Mines

TPS

Ghatampur, Uttar Pradesh

Neyveli Uttar Pradesh Power Limited (JV with Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd.)

Talabira, Odisha

Coal Mines

Tuticorin, Tamil Nadu

NTPL (JV with Tamil Nadu Generation and Distribution Corporation Limited)

Neyveli, Tamil Nadu

Corporate Office

Lignite Mines

Mine I

Mine IA

Mine II

Power Stations

TPS I Expn

TPS II

TPS II Expn

NNTPS

Renewable Energy

Solar

Virudhunagar, Tamil Nadu

Solar

Ramanathapuram, Tamil Nadu

Solar

Tirunelveli, Tamil Nadu

Wind & Solar

Andaman

Solar

PERFORMANCE HIGHLIGHTS

Financial Capital

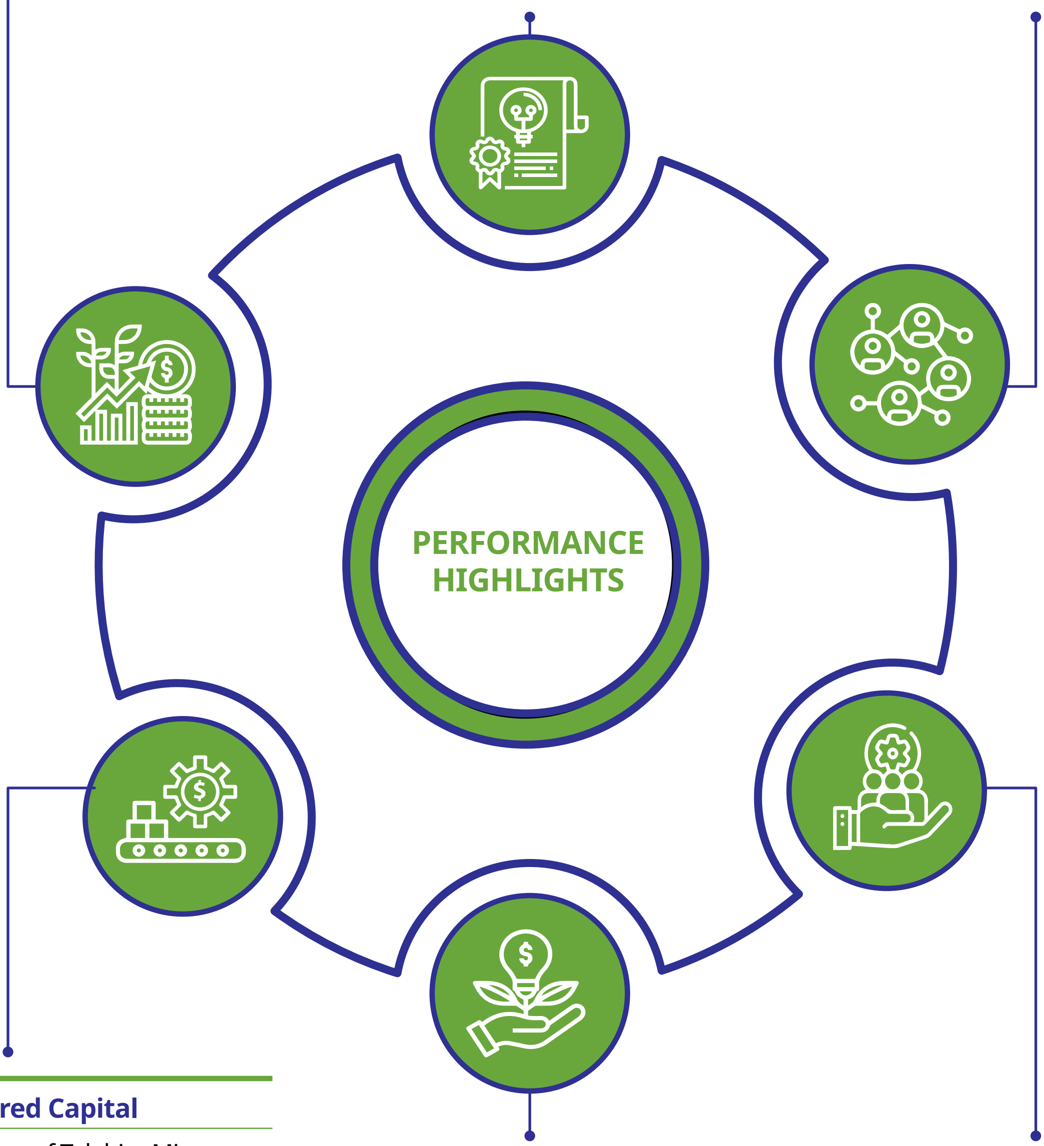
- 36% increase in revenue
- Increase in Earnings Per Share by 34%
- Dividend 30%
- Economic value added per employee ₹ 0.27 crore

Intellectual Capital

- Expenditure on R&D ₹ 23.26 crore
- Institutional collaboration for R&D
- Collection efficiency at 146%
- 27,687 trainees through digital training programmes
- Consultancy services for selection of MDO for coal blocks.

Social and Relationship Capital

- CSR expenditure of ₹ 40.80 crore
- R&R policy revised with a minimum enhanced compensation- ₹ 23 lakhs / acre
- Industrial Training Institute established in NLCIL Campus, Neyveli.
- 99.97% indigenous consumption as a Group



Manufactured Capital

- Commissioning of Talabira Mine
- Thermal gross generation increase by 32%
- Renewable energy projects won for 660MW
- Renewable energy increase by 6%
- Supply of Coal to NTPC on MoU basis
- Commercial sale of Lignite from Barsingsar Lignite Mine

Natural Capital

- Renewable energy capacity 1.4GW
- 2.40 lakh trees planted in a single day
- Water intensity reduced by 20%
- 100% Fly ash utilization
- Two Eco Tourism Park developed

Human Capital

- 11246 committed Human Resource
- Attrition rate at 0.52%
- Diversity percentage at 25%
- Gender diversity – 8% women

10 YEARS PERFORMANCE AT A GLANCE - PHYSICAL

PARTICULARS	UNIT	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
i . PRODUCTION:											
1. LIGNITE											
MINE-I	L.T	70.05	62.89	79.76	74.02	81.53	94.01	91.01	90.55	90.03	79.60
MINE-IA	L.T	40.82	25.74	29.70	29.97	27.46	27.80	28.17	29.15	30.01	29.40
MINE-II	L.T	125.48	91.62	125.70	126.42	126.70	140.23	123.09	132.21	130.52	139.44
Barsingsar Mine	L.T	14.77	12.37	13.48	12.08	15.84	14.13	12.24	13.52	15.53	13.79
TOTAL	L.T.	251.13	192.62	248.64	242.49	251.53	276.17	254.51	265.43	266.09	262.23
COAL											
Talabira II & III	L.T.	63.58	10.13								
2. POWER											
TPS I - GROSS	M.U	0.00	533.72	2710.81	3105.78	3379.15	3696.70	3160.98	3631.05	4058.14	4035.43
TPS I - NET	M.U	0.00	446.85	2327.65	2691.04	2939.29	3256.99	2776.89	3192.95	3594.55	3569.44
TPS I EXPN - GROSS	M.U	3267.70	2785.51	3328.58	2949.60	3247.15	3337.33	3268.16	3385.03	3292.10	3319.77
TPS I EXPN - NET	M.U	2984.93	2532.24	3047.59	2707.32	2972.80	3055.32	3000.07	3107.27	3013.59	3035.58
TPS II - GROSS	M.U	9724.21	6955.13	10425.38	10745.08	10259.02	11052.17	10583.15	11131.33	11179.16	11238.09
TPS II - NET	M.U	8788.32	6270.82	9392.09	9692.52	9245.40	9988.05	9546.47	10063.06	10104.37	10152.16
Barsingsar - GROSS	M.U	1627.86	1451.08	1527.82	1357.97	1648.09	1463.49	1285.57	1380.71	1438.24	1280.85
Barsingsar - NET	M.U	1426.13	1260.86	1333.05	1179.76	1435.43	1275.20	1106.09	1255.79	1256.96	1118.40
TPS II EXPN - GROSS	M.U	2040.25	2095.70	1616.96	1932.71	2007.86	1375.25	851.46	199.57	21.01	28.20
TPS II EXPN - NET	M.U	1724.76	1767.82	1345.89	1639.31	1685.20	1130.16	660.77	125.38	14.00	19.81
NNTPS - GROSS	M.U	6178.74	3439.17	827.40							
NNTPS - NET	M.U	5758.70	3176.32	783.42							
Wind - GROSS	M.U	85.23	96.91	84.61	113.89	129.04	91.28	24.02	1.44	-	-
Wind - NET	M.U	84.01	94.52	81.18	103.68	123.90	88.11	23.72	1.44	-	-
Solar - GROSS	M.U	2098.38	1964.78	1401.42	471.14	70.52	16.88	8.87	-	-	-
Solar - NET	M.U	2098.38	1964.78	1401.42	471.14	70.52	16.88	8.87	-	-	-
TOTAL - GROSS	M.U	25022.36	19322.00	21922.98	20676.18	20740.84	21033.10	19182.21	19729.13	19988.65	19902.34
TOTAL - NET	M.U	22865.22	17514.21	19712.29	18484.77	18472.55	18810.71	17122.88	17745.89	17983.47	17895.39
ii. SALES :											
1. LIGNITE	L.T	33.04	16.75	23.87	30.90	16.16	13.26	17.16	25.48	32.54	27.56
2. COAL	L.T	63.69	7.00								
3. POWER	M.U	22041.04	16723.92	18840.84	17505.30	17418.83	17719.46	16104.02	16671.23	16956.40	16841.51

L.T - Lakh Tonnes
M.U - Million Units

10 YEARS FINANCIAL PERFORMANCE AT A GLANCE

(₹ crore)

	2021-22	2020-21 (Restated)	2020-21	2019-20 (Restated)	2019-20
INCOME STATEMENT					
Sales	9,856.48	7,249.63	7,249.63	7,916.30	7,916.30
Other income	805.89	1,716.88	1,716.88	1,216.98	1,216.98
Total income	**10,662.37**	**8,966.51**	**8,966.51**	**9,133.28**	**9,133.28**
Operating expenses	6,407.40	5,300.12	5,296.00	5,142.07	5,142.07
Depreciation	1,528.13	1,231.62	1,204.41	958.39	958.39
Interest	783.78	980.63	980.63	820.38	820.38
Net Movement in Regulatory Deferral Account Balances - Income/ (Expenses)	273.53	314.72	314.72	-4.41	-4.41
Profit/(loss) before exceptional and tax	2,216.59	1,768.86	1,800.19	2,208.03	2,208.03
Exceptional items- income/(expenses)	389.83	-46.79	-46.79	-3.44	-3.44
Profit before tax	**2,606.42**	**1,722.07**	**1,753.40**	**2,204.59**	**2,204.59**
Provision for tax	1,369.64	711.61	711.61	790.74	790.74
Profit for the year	**1,236.78**	**1,010.46**	**1,041.79**	**1,413.85**	**1,413.85**
Other comprehensive income	26.76	32.04	32.04	-125.36	-125.36
Total comprehensive income	**1,263.54**	**1,042.50**	**1,073.83**	**1,288.49**	**1,288.49**
Earning before exception item, int., Deprn.& Tax (including regulatory)	4,528.50	3,981.11	3,985.23	3,986.80	3,986.80
Dividend	416.00	138.66	138.66	978.97	978.97
Dividend - tax	-	-	-	181.21	181.21
BALANCE SHEET					
Equity capital	1,386.64	1,386.64	1,386.64	1,386.64	1,386.64
Reserves & surplus	12,420.00	11,572.46	12,188.04	10,668.62	11,252.87
Free reserves	11,580.46	10,776.08	11,391.66	9,928.16	10,512.41
Net Worth	13,693.06	12,857.42	13,473.00	11,927.59	12,511.84
Loans outstanding	10,239.03	14,917.69	14,917.69	16,780.47	16,780.47
Net fixed assets	19,184.95	20,045.74	20,781.20	17,716.16	18,308.16
Investments	3,932.67	3,621.99	3,621.99	3,519.40	3,519.40
Net current assets	4,035.71	2,830.65	2,827.02	2,525.80	2,518.05
Capital employed #	26,576.02	30,207.88	30,823.46	30,820.59	31,404.84
RATIOS					
Operating Margin(OPM)(%)	21.66	13.65	14.07	22.90	22.90
Return on Capital Employed (ROCE)(%)	11.29	9.10	3.38	4.59	4.50
Return on Net Worth (RONW)(%)	9.03	7.86	7.73	11.85	11.30
Debt Equity (times)	0.75	1.16	1.11	1.41	1.34
Current Ratio	1.75	1.23	1.23	1.21	1.21
Quick Ratio	1.49	1.06	1.06	1.06	1.06
Value added per employee (in ₹ lakhs)	73.91	54.82	54.85	51.88	51.82
Book value per share (in ₹)	**98.75**	**92.72**	**97.16**	**86.02**	**90.23**
Earning Per Share (in ₹) After adjustment of Net Regulatory Deferral Balances	**8.92**	**7.29**	**7.51**	**5.98**	**10.20**
Dividend - (%) **	**30.00**	**25.00**	**25.00**	**70.60**	**70.60**

* Except otherwise stated
# Tangible Net Worth (Net Worth less Intangible asset), Deferred tax and Paid up debt capital (both long term and short term) from FY 2019-20 (restated) onwards.
** Dividend on accrual basis

(₹ crore)

2018-19	2017-18	2016-17	2015-16 (Restated)	2015-16	2014-15	2013-14	2012-13
7,145.92	8,496.20	8,652.59	6,652.05	6,669.05	6,087.68	5,967.23	5,590.07
913.35	586.85	674.57	525.15	525.15	709.29	1,024.76	582.95
8,059.27	**9,083.05**	**9,327.16**	**7,177.20**	**7,194.20**	**6,796.97**	**6,991.99**	**6,173.02**
5,611.79	5,386.66	5,267.38	4,462.90	4,452.35	4,162.53	4,011.03	3,581.01
745.72	861.15	683.07	641.49	599.23	440.62	517.28	512.31
390.09	204.98	169.06	188.36	188.36	156.06	181.58	193.39
859.41	-49.03	-873.56	-906.34	-	-	-	-
2,171.08	2,581.23	2,334.09	978.11	1,954.26	2,037.76	2,282.10	1,886.31
-35.21	59.44	-180.08	-28.38	-28.38	345.57	-72.97	161.34
2,135.87	**2,640.67**	**2,154.00**	**949.73**	**1,925.88**	**2,383.33**	**2,209.13**	**2,047.65**
868.90	791.89	-214.81	721.73	721.73	803.65	707.25	587.90
1,266.97	**1,848.78**	**2,368.81**	**228.00**	**1,204.15**	**1,579.68**	**1,501.88**	**1,459.75**
-34.20	61.03	-26.61	12.62	-	-	-	-
1,232.77	**1,909.81**	**2,342.20**	**240.62**	**1,204.15**	**1,579.68**	**1,501.88**	**1,459.75**
3,306.89	3,647.36	3,186.22	1,807.96	2,741.85	2,634.44	2,980.96	2,592.01
669.42	646.58	1,121.97	503.32	503.32	469.76	469.76	469.76
137.60	127.67	228.42	101.50	101.50	96.94	79.83	78.55
1,386.64	1,528.57	1,528.57	1,677.71	1,677.71	1,677.71	1,677.71	1,677.71
11,124.69	11,806.01	10,670.05	11,247.79	13,797.28	13,193.97	12,225.91	11,273.62
10,287.62	10,961.57	9,934.79	10,678.02	13,233.78	12,686.63	11,799.24	10,929.02
12,393.53	13,135.53	12,046.65	12,721.06	15,270.55	14,772.45	13,881.07	12,925.15
13,166.31	8,719.81	6,959.15	3,539.98	3,539.98	3,164.34	3,150.29	3,524.14
11,684.43	10,574.11	9,625.03	9,654.23	9,654.23	6,425.66	6,470.62	6,635.36
2,823.58	2,421.37	2,421.37	1,949.12	1,949.12	1,934.06	1,616.89	1,432.40
3,188.69	6,190.38	6,276.94	7,440.68	7,181.88	6,056.75	6,065.28	5,982.43
27,647.05	23,726.50	20,541.54	17,994.35	20,543.84	18,946.60	17,988.05	17,303.32
20.58	26.04	23.51	11.16	24.25	24.39	24.11	26.78
4.58	7.79	11.53	1.27	5.86	8.34	8.35	8.44
10.22	14.07	19.66	1.79	7.89	10.69	10.82	11.29
1.06	0.66	0.58	0.28	0.23	0.21	0.23	0.27
1.12	1.76	2.03	3.77	3.42	3.60	3.44	3.49
0.94	1.47	1.61	3.21	2.92	3.20	3.16	3.20
42.06	49.98	43.72	33.25	33.36	29.61	28.42	26.43
89.38	**85.93**	**78.81**	**75.82**	**91.02**	**88.05**	**82.74**	**77.04**
8.54	**12.09**	**14.14**	**1.36**	**7.18**	**9.42**	**8.95**	**8.70**
45.30	**45.00**	**73.40**	**30.00**	**30.00**	**28.00**	**28.00**	**28.00**

AWARDS/ ACHIEVEMENTS

Safety Award

21st Annual Green Tech Environment Award 2021

Apex India Excellence Awards

Shri. Rakesh Kumar awarded CEO of the year by Top Rankers Management Club

Quality circle teams of Mine I & Mine II have bagged the prestigious Par Excellence Awards at International level in the International Convention on Quality Concepts (ICQC) held in Hyderabad in November 2021

NLCIL represented by 3 team of Finance Executives bagged the Gold medals by Securing First Place in Business Simulation Competition (AIMA BizLab) under Corporate Management Olympiad 2022 conducted by the All India Management Association (AIMA)

GOVERNANCE

GOVERNANCE STRUCTURE

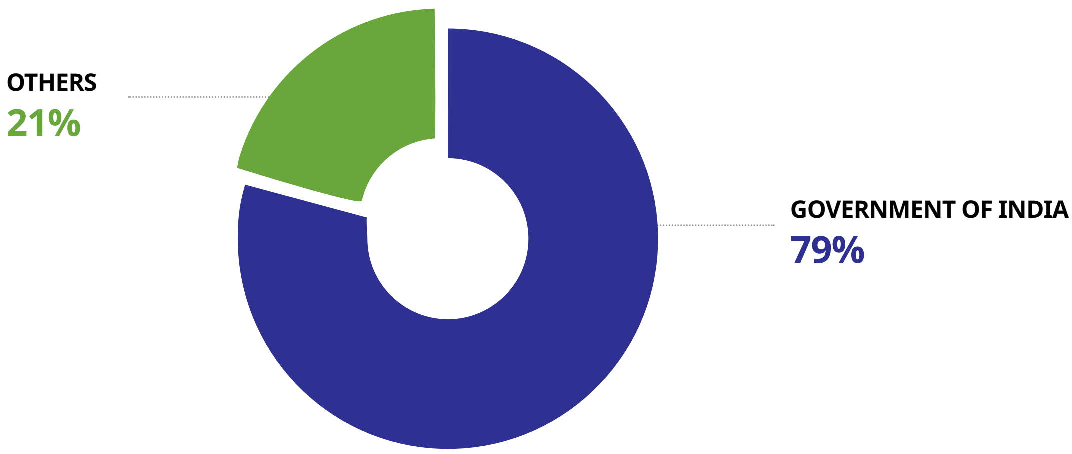
As a good Corporate Citizen, we embrace the highest standards of Corporate Governance and place the utmost trust in the values of Transparency, Accountability and Integrity. We operate our business operations according to our guiding principles of inclusivity, openness, social responsibility and responsiveness. To provide a foundation for sustainable governance, we firmly believe in establishing policies and processes.

Enhancing wealth for wellbeing has always been NLCIL's top priority when conducting business. We think that meeting the requirements of the stakeholders in the business should come first and we value inclusive growth for all stakeholders. As a mining and energy supply firm, it is crucial that we give top priority to the concerns of all stakeholders and manage business operations in the best possible way. Our governance model combines the principles of both centralised and decentralised management, which is advantageous for the company as a whole.

Our Board of Directors are responsible for the overall framework of Corporate Governance. The terms of reference of Audit Committee conform to the requirements of the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance. We have complied with all the conditions of Corporate Governance as stipulated in the SEBI Regulations and DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report.

Our Executive Directors are not part of the Shareholding in the Enterprise, 79.20% of the equity share capital is held by the Government of India as shown in below:

SHAREHOLDING PATTERN



BOARD MEMBERS

The Members of our Board manage the business and operations of the company. The Board presently comprise the Chairman-cum-Managing Director, three Executive Directors, two Non-executive Directors and four Independent Directors. Our Board Members are well-versed in areas related to mining, engineering, power generation and commerce.

Rakesh Kumar
CHAIRMAN-CUM-MANAGING DIRECTOR

NON-EXECUTIVE DIRECTORS

Nagaraju Maddirala

Ramesh Chand Meena

FUNCTIONAL DIRECTORS

Shaji John

K. Mohan Reddy

Suresh Chandra Suman

INDEPENDENT DIRECTORS

Subrata Chaudhuri

Prakash Mishra

Nivedita Srivastava

M.T.Ramesh

BOARD OF DIRECTORS PROFILE:

Shri. Rakesh Kumar, is a Commerce Graduate with Master Degree in Business Administration (Finance). He carries with him rich and varied experience of over 37 years working in five CPSEs spread across Power, Renewable, Mining, Oil & Gas sector. He served as a Board level Executive for more than a decade.

Prior to assuming charge as CMD in NLCIL, Shri Rakesh Kumar served the company as Director/ Finance for a period of over six years. He also held the position of Director/Finance of Brahmaputra Cracker and Polymer Limited (BCPL) prior to joining NLCIL. He had an illustrious span of over two and half decades with GAIL (India), entailing various finance functions spread across varied locations.

Under his leadership at NLCIL, the power generation capacity has increased manifolds, at present being 6061.06 MW and mining capacity enhanced to 52.60 MTPA. NLCIL has successfully adopted the SDO (Solar Developer cum Operator) and MDO (Mine Developer and Operator) models for Solar projects and Mining projects respectively under his stewardship. NLCIL has now set its footprint in 6th Indian State, Assam.

He has been instrumental in driving the company’s mixed business portfolio Thermal & Renewable Energy, apart from new initiatives of Lignite to Methanol, Lignite to Diesel, Consultancy in Solar & Mining Projects, etc. The Lignite to Methanol project is all set to take-off under his direction.

He has risen to occasion in ensuring NLCIL supplying coal from Talabira Mines to five NTPC Thermal Power Plants during the national coal crisis.

Shri Rakesh Kumar has capacitated national level positions and contributed valuable services as Convener of Energy PSU Task Force (EPTF) for optimization of cost in CPSEs of 5 Ministries in Energy Sector and also as part of five-member team selected by DPE to review the governance mechanism and financial architecture of CPSEs. He served as Chairman, SCOPE (Standing Conference of Public Enterprises), an apex body of CPSEs during the year 2019-21 and contributed largely in driving extensive efforts of web awareness during the pandemic period.

Shri Rakesh Kumar is honoured with many prestigious awards including the “CEO Leadership Excellence Award” instituted in the memory of Late Padmashri Dr. Pritam Singh. He has travelled extensively abroad.

Shri. M. Nagaraju is an IAS officer belonging to Tripura cadre. After graduating in Economics and post-graduation in Philosophy from the University of Hyderabad, he joined IAS in 1993.Over a period of more than 25 years, he had the opportunity to serve at local, state, national and international level in the areas of public order, revenue & development administration, tribal development, development finance, international economic relations, Industries and commerce, healthcare and State finances. In the State Government, he served as District Magistrate, Director, Tribal Welfare, Secretary /Principal Secretary of Health, Women and Child Development, Finance and Industries & Commerce. During 2004-08, he served in the Ministry of Finance, Department of Economic Affairs as Director Japan/North America and Director in the World Bank Division. Thereafter, he worked as Advisor to the Executive Director at the World Bank in Washington DC till 2012. He was a visiting fellow at the University of Pennsylvania, USA for one year in 2012-13 and Visiting Research Scholar in Stonehill College in 2018-19. During his sabbatical, he has conducted research on the context and impact of 1991 economic reforms and liberalization of Indian economy and also on Indian Tribal Development and Autonomous District Councils. He is working as Additional Secretary, Ministry of Coal. He is functioning as Government Nominee Director on the Boards of Mahanadi Coalfields Limited and NLC India Limited.

Shri. Ramesh Chand Meena is a Graduate in Electrical Engineering and Master in Communication Engineering. He is a member of Indian Administrative Service, has held various important positions in Government of Tamilnadu. Shri. Ramesh Chand Meena is presently serving as the Additional Chief Secretary to Government of Tamilnadu, Energy Department.

Shri. Shaji John is a graduate in Mechanical Engineering from MA College of Engineering, Kothamangalam, Kerala University and a Post Graduate in Thermal Engineering from Guindy College of Engineering, Anna University, Chennai. He started his career in NTPC in the year 1989 and has worked in different units of NTPC at various capacities prior to joining NLC India Ltd.

Shri Shaji John joined NLC India Ltd., in 2017 and has worked as General Manager in charge of O&M of NTPL Tuticorin, Tamilnadu (a Joint Venture company between NLCIL and TANGEDCO) and later on as the Chief Executive Officer of NTPL. Shri Shaji John took charge as Director (Power) of NLCIL from 17.04.2019. He has vast experience in Operation & Maintenance, Erection & Commissioning of Thermal Power Plants of Sub critical and Super Critical Technology. Shri. Shaji John has played a key role in the turnaround of Badarpur Thermal Power Plant, Delhi and also set new benchmarks in Boiler performance in Vindhyachal Super Thermal Power Station of NTPC. Under his leadership NTPL got stabilized and turned out to a profitable Company.

He has guided the team in commissioning the largest Lignite fired thermal Power plant (2x500 MW) of the country at Neyveli. As Director Power, Shri. Shaji John is in charge for the Operations of all running Thermal units of NLCIL and its JVs and also in-charge of the Power projects under construction, commissioning and responsible for the upcoming New Thermal Power Projects. He is also in-charge and the board member in the JVs NTPL (A JV between NLCIL and TANDGENDCO) and in NUPPL (A JV between NLCIL and UPRVUNL)

Shri.Shaji John has presented many papers in national and international conferences.

Shri. Kalasani Mohan Reddy, a Mining Engineer from the reputed The Institution of Engineers (India), Kolkata, holds the First Class Mine Manager Competency Certificate (Coal) from the Directorate General of Mines Safety (DGMS).

He holds MBA degree in Finance and has done nine months certificate course on Advanced Strategic Management for Business Excellence (ASMBE) from prestigious institution IIM Lucknow and two months certificate course on Strategic Business Leadership from ISB Hyderabad.
He has over 34 years of vast experience in Energy Sector including Mining and Power Generation.
Prior to his assuming charge as Director (Planning & Projects) on 21st February 2022, he was the Chief Executive Officer (CEO) of Neyveli Uttar Pradesh Power Limited (3x660 MW), a JV of NLCIL and UPRVUNL. He was instrumental in completion of the Unit-I Boiler Test Light up on 26.03.2021. He ensured inbound logistics with last mile connectivity for Coal supply, supply of raw water etc. and outbound logistic such as completion of 765 KV transmission line etc. During his time, Integrated Township with School, Hospital, and recreational facilities established.

On joining as Director (Planning & Projects), he is taking several initiatives to take leverage on industry 4.0 tools in procurement, contracts, performance evaluation etc. for better governance.

He took initiative for geographical expansion of the company by signing MoU with Assam state for establishing 1 GW Solar plants.

Initial career started with Western Coalfields the subsidiary of Coal India Limited, served in Singareni Collieries Company Limited for over 24 years holding various responsible positions in Mining Sector prior to joining NLC India Limited in the year 2013.

Dr. Suresh Chandra Suman has assumed charge as Director (Mines) of NLC India Limited on 11th May, 2022. He is a Mining Engineer, graduated with distinction from the reputed Bihar Institute of Technology, Sindri, Jharkhand. Dr. Suman holds a Doctorate in Coal Mining Safety from IIT (Indian School of Mines), Dhanbad. He also holds a First Class Mine Manager Competency Certificate (Coal) from the Directorate General of Mines Safety and a Post Graduate Diploma in Human Resource Management from IGNOU.

Dr. Suman started his career in one of the most challenging subsidiary of Coal India Limited, Eastern Coalfields Ltd. serving for 23 years. He also served 3 years at South Eastern Coalfields Ltd., prior to joining NLCIL in 2016. He held various responsible positions in CIL and NLCIL that include Manager of the Mines for 8 years and Agent of the mines for 7 years.

Prior to his appointment, he was Executive Director/Mines, NLCIL. He is having credentials of successful handling of challenging projects. As General Manager/Mine Planning, he was instrumental in successfully awarding the work order for Greenfield project Talabira II & III OCP (20 MTPA coal mining project) in Odisha and Pachwara South Coal Block (11.5 MTPA) in Jharkhand State. As Head of Talabira II & III OCP, he independently handled challenges in Land Acquisition and was instrumental in obtaining all clearances and permissions in record time to commence coal production ahead of the schedule. He introduced the State-of-art technology in reclamation by High tech Farming and hydroponic farming over 250 acres of mined out land. During his tenure as ED/Mines, two Neyveli mines received 5 star rating from MoC.

Dr. S C Suman hails from Koderma, Jharkhand and is a visionary leader and strategist, experienced in Greenfield and Brownfield Mining projects, MDO Contracts, Projects & Planning, Contract Management, Underground and Opencast Mining.

Shri. Subrata Chaudhuri is an MBA (PGDRM) from the Institute of Rural Management, (IRMA), Anand, Gujarat. He did his under-graduation in Agriculture from BCKV, Kalyani, West Bengal. He has been an alumnus of Purulia Ramkrishna Mission Vidyapith, West Bengal. As an entrepreneur, he has over 24 years of experience in the fields of exports, imports, International marketing of commodities, purchase & procurement, Agribusiness, business development & strategy, start-ups, FMCG, Commercial Contracts and international logistics. With hands-on experience of starting a business from scratch, he has wide International experience in purchase, imports and exports, from and to the Asian and African nations. Post-1999, as the promoter of Indica Exports, Mumbai, he gathered the unique experience of manufacturing, exporting and importing edible oil, copra, agri produce, coal, rubber, basmati rice, cocoa-butter-substitute oil, home appliances, caustic soda and other chemicals. Between 2007 and 2013, he took painstaking effort in setting up a Coconut processing manufacturing unit in Sulawesi Island — an Eastern island of Indonesia. As the managing director of PT Subrato, Indonesia, at a point in time, he has been one of the world's top ten coconut-related/ Laurics commercial professionals. During 2016-19, he had been an advisor with NCDEX e-Market Ltd, Mumbai and helped in the business development of an electronic market for the farmers' produce in the eastern India. As a Director of Brihaspati Pvt Ltd., he has exported cheese and various agri produce to Bangladesh. A multilingual novelist, Subrata Chaudhuri also keeps deep penchants for myriad of socio-economic issues, farmers' causes, global economy, employment creation, commodity markets, Forex, and political and Corporate Good Governance. He is a regular Television Debater on economy, petrol and energy, inflation and monetary policies.

Shri. Prakash Mishra is a post graduate in Applied Economics from Utkal University and is also a Bachelor in Law. He joined the Indian Police Service in the year 1977 and was born in Odisha Cadre. He held important assignments in Odisha and Govt. of India. He served with distinction as SP of Mayurbhanj and Rourkela Districts, DIG of Bhubaneswar Range, DIG to the Chief Minister, Odisha, IG Headquarters, CMD of the Orissa Police Housing Corporation, Director Intelligence and DGP Odisha. In Government of India, he held important assignments as SP and DIG in CBI for about 7 years in Delhi, Bhubaneswar, Hyderabad and Chennai, as IG in the South Eastern Railway, Kolkata, Joint Director of the National Police Academy, Hyderabad, Special DG NIA, New Delhi, DG, NDRF, Special Secretary, Internal Security, Ministry of Home Affairs, New Delhi and DG of CRPF. He retired in February 2016 and thereafter was employed as Advisor to the Governor, Uttarakhand and as DG of Civil Defense and Fire Services, Government of India for 2 years till September 2018. He is a recipient of the Indian Police Medal for Meritorious Service and the President's Police Medal for Distinguished Service. Since 2018 he has been engaged in public life and social service. He is Chairman of a Trust, Aastha Alok, engaged in feeding the underprivileged in Cuttack, Odisha.

Prof. Nivedita Srivastava, a post graduate in Chemistry and holding a Doctorate from Central Drug Research Institute, Lucknow is presently the Head & Professor of Department of Applied Chemistry, M.J.P. Rohilkhand University, Bareilly. Prof. Nivedita Srivastava has more than two decades of experience in academics as faculty at various levels. Prof. Nivedita Srivastava has published several Research Papers in prestigious National and International Journals and has presented Papers in various Seminars / Conferences. Besides the above, she has published a number of articles in newspapers / magazines etc. She is also on the editorial board of Magazine Vaqdhara. Prof. Nivedita Srivastava has been honoured with the "Distinguished Service Award" for her outstanding contributions in the field of Chemistry by the Society of Biological Sciences & Rural Development and "Sahityakar Gyan Swaroop Kumud Smriti Samman" by ABKMS and Sahityakar Gyan Swaroop Kumud Smriti Samman Samiti.

Shri. M.T.Ramesh hold Bachelor's degree in History. He is an eminent Social Worker who has been actively involved in various social service activities for the past three decades. He is also involved in various kinds of philanthropy works for the betterment of the society.

COMMITTEES OF BOARD OF DIRECTORS

We favour decentralising the functions of the organisation and streamlining the governance process. We have established the relevant committees to oversee the company's operations and lay a heavy emphasis on compliance with numerous laws and regulations. The various committees of the Board as on August 19, 2022 are listed below:

Audit Committee	**Shri. Prakash Mishra:** Chairman **Prof. Nivedita Srivastava:** Member **Shri. Subrata Chaudhuri:** Member **Shri. M.T. Ramesh:** Member
Nomination and Remuneration Committee	**Shri. Subrata Chaudhuri:** Chairman **Prof. Nivedita Srivastava:** Member **Shri. Prakash Mishra:** Member **Director (HR):** Permanent invitee **Director (Finance):** Permanent invitee
Corporate Social Responsibility Committee	**Prof. Nivedita Srivastava:** Chairperson **Shri. Prakash Mishra:** Member **Shri. M.T. Ramesh:** Member **Shri. Suresh Chandra Suman:** Member **Director (Power):** Permanent Invitee **Director (Finance):** Permanent Invitee
Risk Management Committee	**Shri. Subrata Chaudhuri:** Chairman **Shri. Shaji John:** Member **Prof. Nivedita Srivastava:** Member **Shri. Suresh Chandra Suman:** Member
Stakeholders' Relationship Committee	**Shri. M.T. Ramesh:** Chairman **Shri. K. Mohan Reddy:** Member **Shri. Suresh Chandra Suman:** Member
Committee of Directors for Issue of Share/Bond Certificates	**Shri M.T. Ramesh :** Chairman **Shri Shaji John :** Member **Shri Suresh Chandra Suman :** Member
Project Sub-Committee	**Shri. Rakesh Kumar :** Chairman **Shri. Shaji John :** Member **Shri Suresh Chandra Suman :** Member **Shri. K. Mohan Reddy :** Member **Shri. Subrata Chaudhuri :** Member **Prof. Nivedita Srivastava :** Member
Empowered Committee of Directors on Purchase and Contracts	**Shri. Rakesh Kumar :** Chairman **Shri. Shaji John :** Member **Shri Suresh Chandra Suman :** Member **Shri. K. Mohan Reddy :** Member
Sub-Committee for Purchase/Contracts	**Shri. Rakesh Kumar :** Chairman **Shri. Shaji John :** Member **Shri Suresh Chandra Suman :** Member **Shri. K. Mohan Reddy :** Member
Sub-Committee for Pricing of Lignite/Coal and Power	**Shri. Rakesh Kumar :** Chairman **Shri. Shaji John :** Member **Shri Suresh Chandra Suman :** Member **Shri. K. Mohan Reddy :** Member
Sub-Committee for Resource Mobilisation	**Shri. Rakesh Kumar :** Chairman **Shri. Shaji John :** Member **Shri Suresh Chandra Suman :** Member
Sub-Committee for Short-Term Investment	**Shri Rakesh Kumar :** Chairman **Director (Finance) :** Member **Any one of the Functional Directors:** Member
Sub-Committee for Contribution/Donation/ Sponsorship	**Shri. Rakesh Kumar :** Chairman **Shri Suresh Chandra Suman :** Member

The Committee of Directors for Disbursement of Fund to Retired Employees as per DPE Guidelines	**Shri. Prakash Mishra :** Member **Shri. Subrata Chaudhuri :** Member
Committee of Directors for Augmentation of Skill Development	**Director (HR) :** Member **Director (Power) :** Member **Director (Mines) :** Member
Committee of Directors	**Chairman-cum-Managing Director :** Chairman **Director (HR) :** Member **Director (Power) :** Member **Director (Finance) :** Member **Director (Mines) : Member** **Director (P&P) :** Member

RISK GOVERNANCE AND MANAGEMENT FRAMEWORK

Manage risk for sustainable development to pursue business objectives

To maintain sustainable growth and to accomplish corporate goals, we believe managing risk is essential. In order to accomplish the company's vision and goal in accordance with the risk-reward preferences of its stakeholders, we are committed to effective and efficient management of risks.

We firmly believe that mining and the provision of cleaner, more dependable and affordable energy bear responsibilities. We analyze, evaluate and recommend mitigation strategies for any environmental risks associated with the company's operations at its Thermal Power Plants and Mines.

NLCIL has a thorough Integrated Risk Management Policy and Framework defining the tasks and responsibilities in addition to risk prioritization. A quarterly risk evaluation is conducted as per policy by an Internal Risk Review Committee (below Board level). The Risk Management Committee (RMC), Audit Committee, and Board periodically examine the risk assessment along with the minimization process.

RISK GOVERNANCE STRUCTURE

Board of Directors	**Audit Committee**	**Risk Management Committee**	**Director/ Finance NLCIL**	**Internal Risk Review Committee** One member nominated from each of the Directorate	1. **Risk Cell** 2. **Chief Risk Officer** 3. **Risk Controller**	1. **Unit Level** 2. **Risk Owner** 3. **Risk Manager**

Risk Identification Process

Our Corporate Risk Cell collates the risks from various departments and presents them to the RMC of the Board on a periodic basis. The risks are categorised as Strategic, Business or Operational, and based on their impact, the risks are denoted under High or Low categories.

We have a risk cell overseen by the Chief Risk Officer, with assistance from two risk officers for the corporate level of the mining and thermal power generation businesses. We have identified Risk Owners and Risk Managers across the whole organisation as part of the process of identifying risk for the organization's operations.

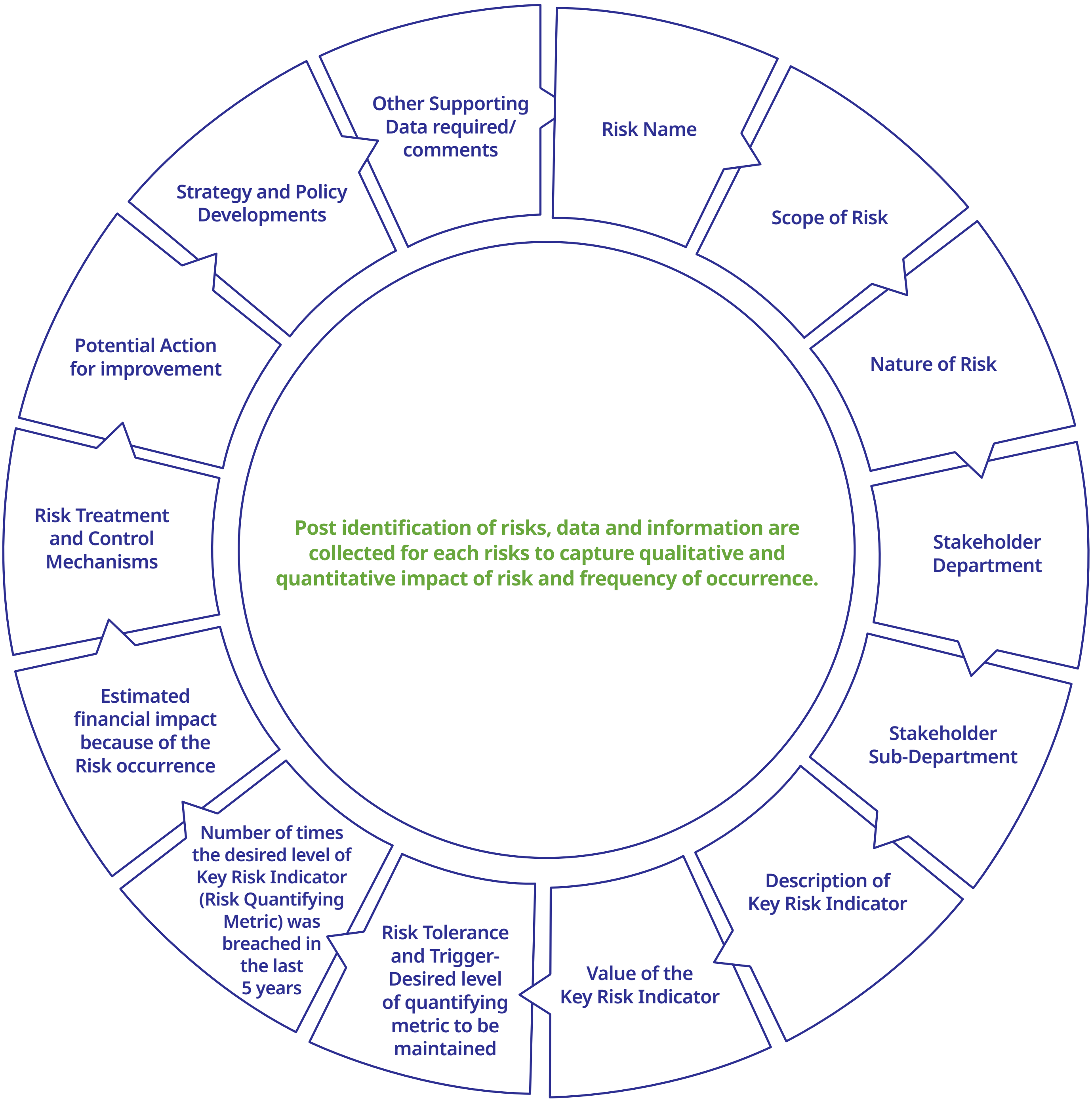
The identified risks are grouped among 9 functional operations. The importance, criticality and the impact of the risk are considered to further categorise these risks. The risks are distributed across categories and their occurrence frequency and impact into four categories:

1. Active Risk	2. Passive High Risk	3. Passive Low Risk	4. Mitigated Risk

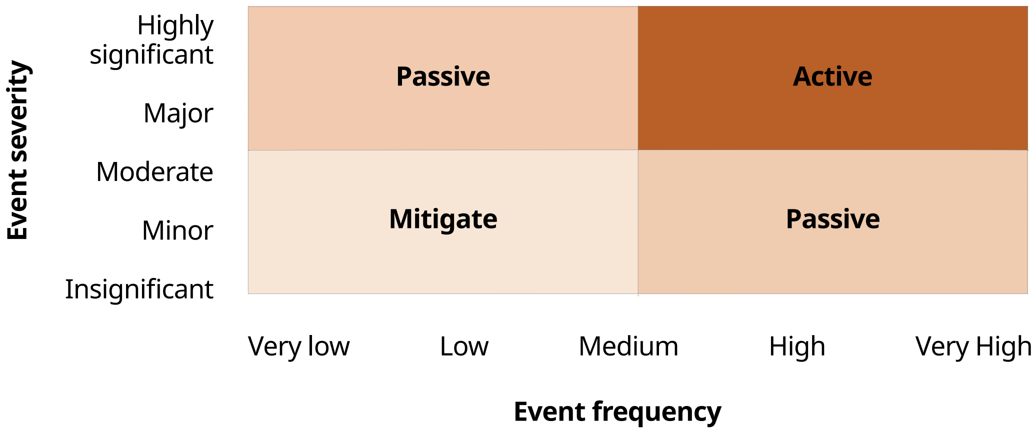
We are dedicated to a structured Risk Management System and Process are in place across all of our operational businesses. To address the overall coverage, the risks have also been classified against nine functional areas identified as follows:

i. Organisational
ii. Mining
iii. Thermal Power
iv. RE Power
v. Contracts & Purchase
vi. Finance
vii. Commercial
viii. Human Resources (HR), and
ix. Information Technology (IT)

ANALYSIS AND PRIORITISATION



Based on the categorization, the impact and frequency analysis of the risks are plotted on a map as shown below:



Details of identified risks, mitigation strategies for the active risks are provided below:

Risk category	Description	Mitigation strategy
Mining	Land acquisition and availability delay for operations (BHH)	Land compensation increased from ₹ 15 lakh/acre to ₹ 23 lakh/acre
Organisational	Capex overrun due to delay	Strategic control over the completion of works. Legal safeguards in place to ensure the progress of capex projects Tenders awarded to professionals to oversee the projects SPVs formed to support targeted support activities
Thermal power	Non-Compliance to New Environmental emission norms for Neyveli Thermal Power Stations	Installation of FGDs through tenders with reputed service providers
Commercial	Non realisation of EB dues	Effective treasury management functions like Letters of Credit, direct debit mechanism, Bill discounting undertaken to realise the dues on a timely manner Late payment surcharge to be decided to compensate the credit delay
Thermal power	Sustained Operation of CFBC Boiler in TPS II Expn	Appointment of experts to conduct a study and give recommendations on technical issues associated with CFBC Boilers, viz: frequent boiler tube puncture in Fluidised Bed Heat Exchangers, which results in heavy generation losses
Thermal power	Increasing trend of Power Surrender	Strategy set to mitigate through power trading in open market
RE Power	Forfeiture of agreed tariff due to delay in commissioning of project within the control period prescribed by TNERC for tariff purpose when the projects are executed under the preferential tariff scheme	Legal solutions sought for realization of the dues
Commercial	Falling Power Tariff	Long term Power Purchase Agreement (PPA) present to adequately cover and realise the costs incurred Better merit order position amongst other interstate thermal generating stations in southern region for a sustained production Investment in RE segment, to be competitive commercially

INTERNAL RISK CONTROL SYSTEMS

We have adequate internal control systems and practices in place for internal risk control systems. Contracts, Purchase and HR manuals have all been put in place and authorized.

By periodically reviewing the financial statements and consulting with internal and statutory auditors to assess the effectiveness of internal control systems, our Audit Committee monitors the financial reporting procedure.

To encourage transparency in our Financial System, our internal audit is conducted by outside firms of Chartered Accountants, covering all offices and units. The findings are frequently reviewed by the Audit Committee.

BUSINESS ETHICS AND STANDARDS

We commit to conduct business in the most ethical way possible and to always treat our suppliers, contractors and bidders of products and services equally and fairly. To achieve these goals, we run the Integrity Pact Programme in conjunction with the Central Vigilance Commission (CVC) and renowned global non-governmental organization, viz., Transparency International India. An Integrity Pact with the vendors or contractors is monitored for all tenders with an estimated value of ₹ 1 crore or more.

The vision and mission that serve as the cornerstones of our corporate behaviour are reflected in our policies. In order to comply with legal requirements and industry standards as a law-abiding corporate citizen, we have established the essential concepts and policies, including the National Guidelines on Responsible Business Conduct (NGRBC) Principles.

We have created policies and procedures across the organisation that apply to all of our vendors, suppliers, contractors, employees, Board of Directors, and other stakeholders in the operation of the organisation in order to reinforce our business ethics.

Code of Conduct for Board Members and Senior Management Personnel	Anti-Corruption Policy	Rehabilitation and Resettlement Policy	Archival Policy
Prevention of Sexual Harassment	Anti-Bribery Policy	Corporate Social Responsibility Policy	Nomination and Remuneration Policy
Environment Policy	Parental Leave and Maternity Policy	Whistle blower Policy	Dividend Distribution Policy
Business Continuity and Disaster Management Plan	Learning and Development Policy for Employees & Career advancement Advocacy Policy	Complaint handling Policy	Equal Opportunity Policy

ANTI-CORRUPTION PROCESS AND PRACTICES

At NLCIL, we have extensive policies and procedures in place to address any anomalies that might occur when conducting business. We have put in place a code of conduct for top management personnel and Board level executives in order to boost morale and open process management inside the firm. We have provided our personnel with access to a Personnel Manual, which they are required to follow, to involve them in the anti-corruption effort. Our ethics, anti-bribery and anti-corruption policies and guidelines apply to all corporate employees as well as the Group, Joint Ventures, Suppliers, Contractors and NGOs. The Central Vigilance Commission's regulations also apply to us and our businesses.

VIGILANCE

Our Vigilance Department functions to maintain the integrity of operations and activities while preventing corruption and other misconduct in the organisation. Eleven preventive vigilance programs/workshops with a total of 586 participants were held in the FY 2022, including 7 programmes at L&DC and 4 on-site programmes at other units. The 254 GETs who joined the organisation in the 2021 cohort took these courses, which contain the Induction Level programmes. On an average, there were over 53 participants for each programme. Additionally, these activities aim to spread employees of the company's anti-corruption policies.

Our vigilance section formed an "Ethical Forum" made up of students from Neyveli Schools & College and the NTPL project in order to increase vigilante awareness among the student population.

VALUE CREATION MODEL

Social responsiveness for a sustainable future
We are committed to a sustainable growth path and providing value to all the stakeholders. NLCIL ensures achieving this objective through careful planning, diligent utilisation of resources, socially responsive business practices and creating sustainable solutions. The capitals are the enablers which guides the vision and mission of NLCIL.

OUR VALUE DIMENSIONS

INPUTS

Financial Capital

Net Worth ₹ 13,693.06 crore
Debt ₹ 10,239.03 crore
Capex ₹ 560.73 crore

Manufactured Capital

5 TPS plant capacity of 3,640 MW
Renewable energy capacity of 1,421 MW
5.06 GW installed capacity

Intellectual Capital

R&D Exp is ₹ 23.26 Crore
Dedicated CARD centre
Institutional research team: IIT Madras, NIT Trichy, BHEL, Anna University, SID-IISC, ICSRISAT

Human Capital

Total workforce 22,794
30,544 Man-hours of training

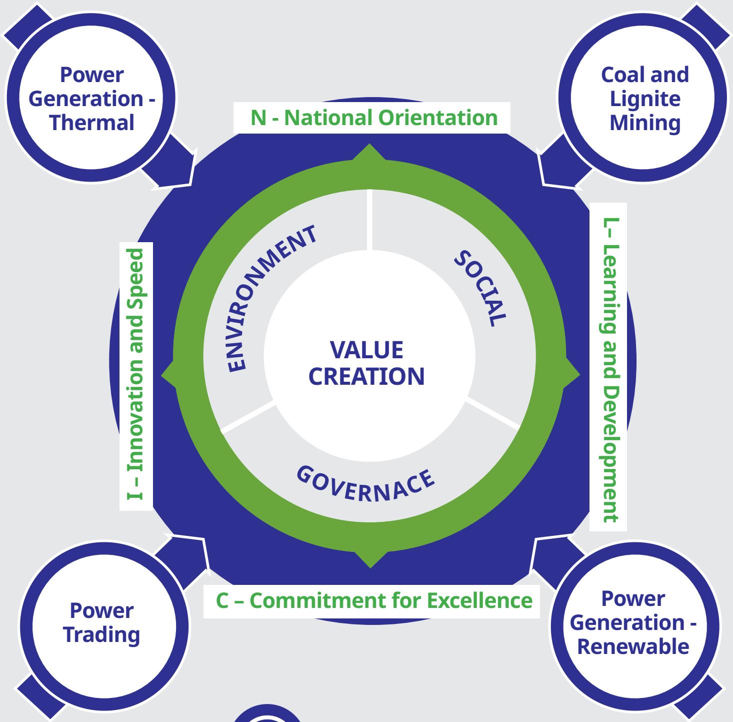
Social and Relationship Capital

Community engagement through CSR
CSR spent – ₹ 40.80 crore
CSR reach – approximately 100,100 beneficiaries
Commissioned 17 Medical Oxygen Plants
99.97% indigenous consumption of raw material and consumables as a Group

Natural Capital

Water consumed 69.42 million kilo litres
Energy consumed 3,427.40 mega joules

VALUE CREATION



ESG Mission

To continue to be a socially responsive company

ESG Vision

To play an active role in society and be sensitive to emerging environment issues

VALUE GENERATED

CSR projects
50 CSR projects implemented

Projects
Completed 2 collaboration projects and 7 projects are in progress to enhance sustainable technologies creation inhouse for Mining and Power generation sector

Renewable Energy Exported
2181 MU

Thermal Energy Exported
19860 MU

Thermal Gross Generation MU
22839 MU

Revenue generated per employee
₹ 0.88 crore

OUTCOMES

Financial Capital
₹ 9,856.48 crore revenue
₹ 1,236.78 crore PAT
Dividend for the year @ 30%
EPS: ₹ 8.92
Return on Net Worth is 9.03%
Credit rating : Long-Term: AAA/Stable
₹ 8,673.43 crore market capitalization

Manufactured Capital
Average Plant Load Factor of all thermal plant: 71.63%
Average Capacity Utilization factor of all renewable energy plant: 17.54%

Intellectual Capital
Digitalisation of learning programmes
Industrial and institutional collaboration to expand our portfolio
R&D initiatives heading towards providing sustainable solutions for the power sector

Human Capital
Increase in number of women workforce

Social and relationship Capital
Stronger relation with value chain partners
Enhanced engagement with community through various CSR activities

Natural Capital
Waste Managed: 272.87 metric tonnes treated and disposed
245.57 metric tonnes hazardous waste safely disposed
410.50 MJ of fuel consumed

STAKEHOLDER MANAGEMENT

STAKEHOLDER ENGAGEMENT AND IDENTIFICATION APPROACH

We maintain a dynamic and strategic stakeholder engagement process wherein we identify key stakeholder groups from the larger universe of all possible stakeholders. This is done after considering the material influence each group has on the Company's ability to create value (and vice-versa). Through this mechanism, we have currently identified seven internal and external stakeholder groups: Employees, Government and Regulatory Authorities, Customers, Communities and Civil Society / NGOs, Suppliers, Institutions, Investors.

Stakeholder Group	Engagement Mode	Frequency of Engagement	Discussion Points
Employees	E-mail, direct communication	Engaged on a need-basis depending upon the purpose	To keep employees aware of key developments within the organization through engagement activities, training, awareness and welfare programmes
Shareholders/ Investors	Annual General Meetings, quarterly results investor meetings, stock exchange intimations, Emails, advertisement, Website communication	Engaged through multiple regulatory meetings, other engagements depending upon the purpose	Information of the financial and other key parameters, considering critical inputs from the shareholders
Customers	Customer meetings, website publications, conferences, emails and advertisements	On a need basis	Business related discussions, awareness and training programmes, workshops and seminars
Institutions	Mail communication, industry associations, conferences	On a need basis	Talent collaboration, training programmes
Communities and NGOs	CSR activities, community meetings, mail communication	Catering to the requirements as and when need arises	CSR, welfare
Suppliers	Mail communications, seminars, conferences	On a need basis	Business related discussions, awareness and training programmes, workshops and seminars
Governments & Regulatory Authorities	Compliance meetings, comments given on regulatory matters, industry associations, mail communication	Continual on a need basis	Policy advocacy, statutory meetings

STAKEHOLDER ENGAGEMENT EVENTS

65th Annual General Meeting

NUPPL conference on Environment & Sustainability with Madam Kiran Bedi

Vriksharopan Abhiyan 2021

Gratitude Day

Dividend payment by NTPL

Shri Rakesh Kumar addressing the gathering in the Land acquisition related redressal forum

MATERIAL ISSUES

We recognise that managing risk is critical for sustainable development and in pursuit of achieving the business objectives. We are thus committed to the effective and efficient management of risks to achieve the company's vision and mission in line with the risk-reward appetite of its stakeholders.

We conducted a four step process to identify the key material issues to our business.

IDENTIFICATION OF MATERIAL TOPICS

An exhaustive list of key material issues are identified in correlation with industry type, business objectives, peer analysis, global concerns, regulatory policies, stakeholder concerns and impact due business activities. These were further classified as per the different components of ESG and alignment to GRI standards.

PRIORITIZATION

Based on the identified exhaustive list of material issues, top critical issues were identified based on the risk and opportunity while considering the level of financial impact to the business. These identified key issues were further consulted with key internal and external stakeholders to finalize critical material issues.

ALIGNMENT OF MATERIAL TOPICS WITH CORE STRATEGY

The identified key material issues are further refined basis the impact to our business strategy and keeping the enterprise risk management in the back drop. Material issues key to our business are finalized.

VALIDATION

Basis the prioritization and alignment of material issues identified with the strategic importance, the critical material issues were reviewed and validated by the senior management consisting of all functional directors and CMD.

S No.	Material issue	Risk or opportunity (R/O)	Rationale	Approach to adapt or mitigate	Financial implication	SDG alignment	Capital links
1.	Comm-unity Engag-ement	R	The communities form as a key stakeholder considering the nature of the business	Communities are engaged through skill development and contract employment and several CSR projects	Negative	11, 15	S
2.	Health and safety	R	Risk of accidents that could result in impacting the health and safety of the relevant stakeholders due to the nature of operations	Safety measures and action taken to avoid fire incidents in thermal plants are: Regular testing the readiness of Fire Detection & Suppression System; Weekly check of fire pump, hydrant pipeline and valves; 24x7 fire crew, presence of fire tender and foam tender across sites. As per Safety and Health policy, everyone has the authority to challenge and stop unsafe activities. Free medical facilities are available to NLC employees and contract workers. OHSAS 45001-2018 has been implemented. Joint Fire safety campaign conducted with CISF fire crew once in a year. Hands on training imparted to all employees and contract workmen using portable fire extinguishers. Safety audits are conducted on a periodic basis	Negative	3	S, H
3.	Air emissions	R	The main sources of emission of pollutants are • Excavation activity • Drilling activity & Transportation of lignite/coal • Storage yard & Haul roads • Stack emissions • Ash handling system • Fly Ash transportation	The steps taken by NLCIL for controlling emission are: • Installation of Water sprinkler/ Fog systems • Haul road water sprinklers • Vehicular water spraying/ Pressurized mobile water sprinkling system for roads inside the mines • Conveyor water spraying • Working face water spray pipelines • Fixed water sprinklers guns in Bunker area • Fog Cannon dust suppression system in Coal Stock Yard • Provision of Electrostatic precipitator • Flue Gas Desulphurization (FGD) implementation is also under progress	Negative	3, 7, 11, 13, 15	N, M, I
4.	Land acquis-itions	R	May impact on NLCIL's operations (BHH)	R&R (Rehabilitation and Resettlement) policy in place, which compensates over and above the requirements under 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013' (RFCT LARR Act). Providing employment opportunities to project affected persons through skill development and contractual employment besides engagement in agriculture and farming.	Negative	11	N

S No.	Material issue	Risk or opportunity (R/O)	Rationale	Approach to adapt or mitigate	Financial implication	SDG alignment	Capital links
5.	Resource availability	O	Availability of abundant resource	• Improvement in operating parameters to reduce consumption of lignite and water. • Adoption of resource efficient technology.	Positive	7, 9, 8	N, M
6.	Renewable energy	O	Renewable energy is one of the key focus areas of NLC as long term strategy.	Development of renewable energy deployments are being ventured	Positive	7, 9, 8, 13	N, M
7.	Operat-ional efficiency and plant reliability	O	Operational efficiencies are key parameter for resource conservation	Super critical boilers of 800 MW with less specific fuel consumption and CO_2 emission are being implemented in thermal power plant at Talabira. Adoption of Green mining technologies for minimizing the impact of mining activities on the environment.	Positive	8, 9, 13	N, I
8.	Water and effluent manag-ement	R	The major pollutant that is present in the seepage & surface water is Suspended Solids. Other pollutants such as • Bio-chemical Oxygen Demand, • Chemical Oxygen Demand, • Total Suspended Solids, • Total Dissolved Solids, • Oil & Grease etc., are generated from the vehicle washing & domestic waste from the mines.	All industries are provided with requisite STPs/ETPs for meeting the standards for treated waste water. Rain Water Harvesting in NLCIL premises Artificial Recharge by gravity method in the recharge area Artificial recharge through injection well technique	Negative	6, 13, 14	N, I
9	Gover-nance	R	Being a regulated entity we need the top most compliance in all aspects.	• Policy development to address key aspects concerning ESG for guiding the culture at NLCIL • Provision of trainings and awareness programmes on anti-corruption and anti-competitive behaviour • Building awareness among stakeholders on change in regulatory norm • Risk management with oversight of the Board. • Code of conduct training and guidance for all our stakeholders	Negative	10, 16	S
10	Training, education and develop-ment	O	We understand the changing landscape in the context of upskilling, compliance managements and career development	Deploying and providing accessibility through digital means to the workforce has been a key initiatives undertaken during the pandemic times	Positive	4, 8	S, H

S No.	Material issue	Risk or opportunity (R/O)	Rationale	Approach to adapt or mitigate	Financial implication	SDG alignment	Capital links
11.	Climate Strategy	R	Our business activities are carbon intensive in nature. With the evolving regulatory and compliance regarding carbon markets, developing a climate strategy is critical to us.	We intend to expand our portfolio in the renewable energy space. Also, through our R&D team (CARD) we intend to develop innovations that help reduce carbon foot print	Positive	7, 14, 13, 15	N
12.	Innovation and Digitisation	O	We believe sustained innovation is required to promote the green innovation and create a work friendly environment	Enhancing partnerships and collaborations with new technology start-ups in the energy solutions and services domain Integrating digital technology to improve asset performance and enhance customer experience	Positive	9	I
13.	Sustainable Supply Chain	O	As part our strategy to provide resilient power to our customers, we consider a sustainable supply chain is key to it.	Implementation of sustainable supply chain guidelines • Capacity building programmes for suppliers on Environment Social and Economic fronts to create shared value • Capturing ESC data of suppliers on voluntarily basis	Positive	8, 11	I, S
14.	Decomm-issioning of old plants	R	Some of our plants have attained their end of life. We would be decommissioning such plants.	Decommissioning of plants are governed by the norms of Ministry of Power (MoP) • Ensuring safety and security of people and environmental impact during decommissioning	Negative	9, 11	M
15.	Ethics and integrity	O	Being a regulated entity it is essential to maintain the highest standards of ethics in the organisation	Ethics being part of core values, all business processes are aligned to principles of ethics and integrity • Policies of code of conduct, whistle blower, complaint handling and banning of business dealings in place • 100% compliance with laws and regulations ensuring a transparent and corruption free work environment • Display Boards at all offices exhorting any visitor not to succumb to pressure and report any case of corrupt practices directly to Chief Vigilance Officer	Positive	8, 16	H
16.	Biodiversity Preserv-ation	O	We intend to conserve and promote the biodiversity in the areas which have been reclaimed after mining	Improvement in operating parameters to reduce consumption of coal and water y Ensure and implement responsible business practices in areas of high biodiversity value	Negative	13, 14, 15	N

Coal Dispatch from Talabira to NTPC, Darlipali

OUR ESG DASHBOARD FY2022

Like many businesses, ours is intricately entwined with building on our Environmental, Social, and Governance (ESG) framework that adds value to our existing operations for the society and environment. We aspire to build a framework to embed ESG pillars that governs and guides our operations to ensure a holistic approach towards sustainable development.

GOVERNANCE

NLCIL believes in adhering to the highest standards of Corporate Governance which includes transparency, accountability and integrity. Internal set of rules, policies, and practices that we use to manage our business, reach wise judgments, abide by the law, and satisfy the demands of external stakeholders.

ENVIRONMENT

NLCIL is committed to environment friendly mining and power generation. We place a great emphasis on sustainable development and incorporate resource conservation into its daily operations.

NLCIL firmly believes in providing cleaner, more dependable, and reasonably priced electricity as part of its duty to the environment.

SOCIAL

This takes into account the connections we have made and the reputation we have built with local residents, communities, stakeholders and institutions. Our social dimension involves diversity and inclusion, community engagement, employee management and upskilling as well as labour relations. Every business functions within a larger, more diversified society. NLCIL believes that there is no sustainable alternative to doing business other than by incorporating the principles of profit, people and planet, thus measuring the performance in terms of economic, social and environmental impact.

SUSTAINABILITY JOURNEY

In order to become the best employer by fully meeting the social, economic, and environmental needs of the entire country as well as the local community in which it operates. NLCIL has set benchmark standards in the arena of ESG. As a Corporate and Socio-economic citizen striving to fulfill the following in its pursuit to emerge as the best employer that fully takes care of the social, economic and environmental needs of the nation at large and the local community in which it operates.

Towards Social Sustainability

We at NLCIL work to maintain its position as a model CPSE with consistent CSR programmes that have kept the company in good standing in terms of economic considerations, employee motivation, and reputation. As a model CPSE, with sustained CSR programmes that have kept the company in good stead in terms of economic considerations, employee motivation and reputation, NLCIL will strive to sustain the image as a responsible CPSE.

Towards Environmental Sustainability

In order to produce clean energy, reduce workplace and environmental pollution, and preserve ecological balance, we actively pursue and implement environmental management methods. The company will assiduously pursue and implement environment management measures for generating clean power, controlling of pollution in workplace and the environment and maintaining ecological balance.

Towards Economic Sustainability

NLCIL is aware that its growth is crucial to the development of the country's economy, the neighbourhood in which it operates, and society at large. We work towards our responsibility to ensure survival and development in this area as a vital driver of growth and wealth. NLCIL recognizes the fact that its development is quintessential for the economic growth of the nation, development of the immediate community in which it operates and the society at large. As key driver of growth and prosperity in this region, NLCIL owes to ensure sustenance and flourish.

ESG GOVERNANCE

We understand that ESG's component parts are interconnected, just as it is an integral aspect of how we operate within NLCIL. For instance, we try to abide by the environmental rules and more general sustainability concerns, social criteria overlaps with environmental criteria and governance. The majority of our attention is given to environmental and social factors, yet leadership is always intertwined with governance. We firmly believe that overseeing all the aspects under ESG is necessary for effective governance. For example, we ensure preventing violations before they happen by maintaining transparency and open communication with regulators rather than submitting reports formally and letting the findings speak for themselves.

With this vision and clarity in our approach towards sustainable development, we at NLCIL are looking forward to implement and set up policies, procedures and committees that overlook our actions from ESG perspective by bringing in a diversified approach to address the key material issues that are important for us and our stakeholders.

Energy Conservation : Formed 14 industrial service units for adoption of energy conservation measures, Installation of energy efficient equipments, Energy Audit for Thermal Power Stations, Intensive installation of LED bulbs in township area, Minimisation of idle running hours in crushers in TPSs, Timer Processor units are being installed in outdoor lights, Adding of capacitor banks through induction motors, 50.77 MU of energy conserved through energy efficiency measures

Technology Absorption : Techno Economic Feasibility done for solar drying of lignite.
Development of Micro Hydel power generation
Pilot project of Floating Solar PV plant of 200 Kw at thermal lake is in progress
Extraction of construction grade sand from overburden materials
Studies on Zeolite based catalyst for mitigation of exhaust gas pollution
Exploring alternate use of lignite is in progress.

R & D initatives : Underground Coal Gasification, Silica sand Beneficiation Plant, Development of fly ash based pesticide, Dynamic Loading of Conveyors
2 projects completed – Conservation of energy through implementation of Programmable Logic Control (PLC)based Dynamic Loading System in Conveyors & Delineation of buried sub-surface objects in Opencast mines. Extracting Methanol from Lignite is also under consideration.

FINANCIAL CAPITAL

CREATING WEALTH FOR WELL BEING

As a socially responsible organisation, we are committed to grow our business towards a more sustainable future while adding long-term value to all our stakeholders. In the past few years, we have sought to maximise shareholder profit, as one of our primary goals along with financial stability and growth, aligning it with our sustainability principles.

GOVERNANCE ENABLERS

- Risk Management Committee
- Stakeholders Relationship Committee
- Audit Committee
- Nomination and Remuneration Committee

MATERIAL ISSUES ADDRESSED

- Investment in R&D for Sustainable Alternatives
- Resource Availability
- Land Acquisition and Rehabilitation of Displaced Population
- Compliance Management
- Leverage Reduction
- Risk Mapping and Disaster Management

KEY PERFORMANCE INDICATORS

Key Performance Indicators	Highlights for the year
Return on Net Worth	FY 2022: 9.03%, FY 2021: 7.86% Increased by 15% compared to previous year
Return on Capital Employed	FY 2022: 11.29, FY 2021: 9.10 Increased by 24% compared to previous year
Debt Equity	FY 2022: 0.75, FY 2021: 1.16 Reduced as a result of excellent debt management system exhibited by the Company through strategic repayment of external loans, thus augmenting the retained earnings for the equity share holders
Current Ratio	FY 2022: 1.75, FY 2021: 1.23 Improved as a result of the strategic repayment of the commercial paper in FY 2022 and efficient realization of dues.
Economic value added per employee	FY 2022: ₹ 0.27 crore, FY 2021: ₹ 0.23 crore Increased by 26% compared to previous year

INTERLINKAGES WITH OTHER CAPITALS

M Manufactured | I Intellectual | H Human | N Natural | S Social and Relationship

SDG ALIGNMENT:

OVERVIEW

NLCIL aims to create equitable value to all its stakeholders. Our consistent efforts to achieve this goal are backed by the trust and support of the shareholders. We aim for a sustainable growth, intended towards all-encompassing value creation that focuses on creating greater wealth for the wellbeing of the stakeholders.

OUR FINANCIAL PERFORMANCE

This has been a year of achievements for us, wherein we clocked a growth of 36% in revenue (YoY). We have witnessed record-breaking revenue crossing ₹ 9,800 crore, thereby raising our PBT level for the year by around 51% (YoY). The operating margin of the company has been over 21% during the year. A Return on Equity (ROE) of more than 9% and Return on Capital Employed (ROCE) of more than 11% during the year signifies our commitment towards increasing the wealth of our shareholders by following prudent practices and operational excellence. To further strengthen the trust of our shareholders in the company, we have maintained a dividend payout ratio of around 30% which not just allows us to share our success with our shareholders in terms of cash but also helps us keep a portion of our earned income for further expansion.

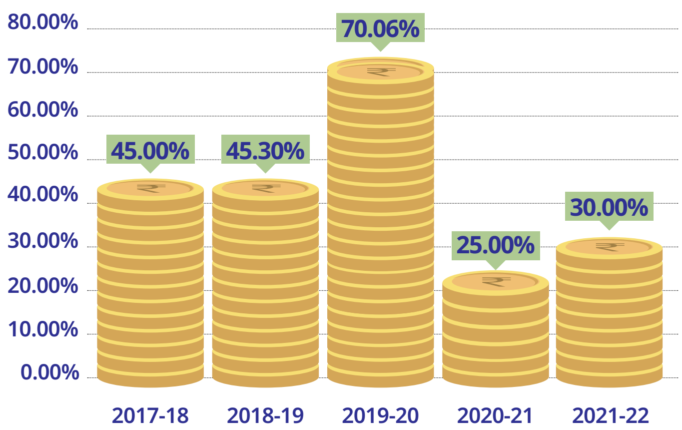
The capital markets in general have shown trust in the company as the market capitalization of the company has risen by 23% to ₹ 8,673 crore during the year ended March 31, 2022. As a result of our prudent financial approach, we have been able to retain many of our credit ratings which have in turn increased the visibility of our securities. The ratings provided by various agencies to us have been listed down in the table below:

Rating Agency	Ratings assigned
ICRA	ICRA AAA/Stable
CRISIL	CRISIL AAA/Stable
Brick Work Ratings	BWR AAA/Stable
CARE Ratings	CARE AAA; Stable CARE A1+
India Rating (Fitch Group)	IND AAA/Stable IND A1+

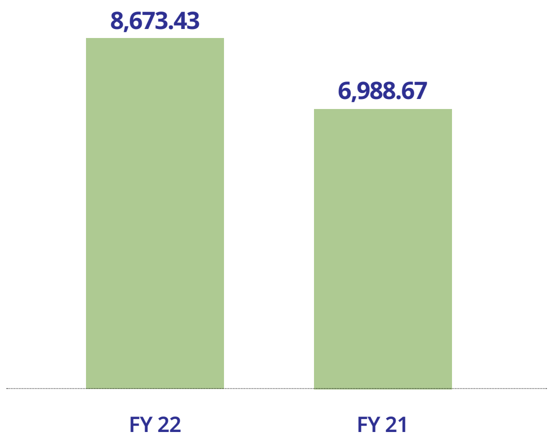
Our capital inputs

Owners capital	External debt	Capital Work-in-progress	Intangible Asset
₹ 13,693.06 crore	₹ 11,367 crore	₹ 1,012.41 crore	₹ 189.83 crore

Dividend



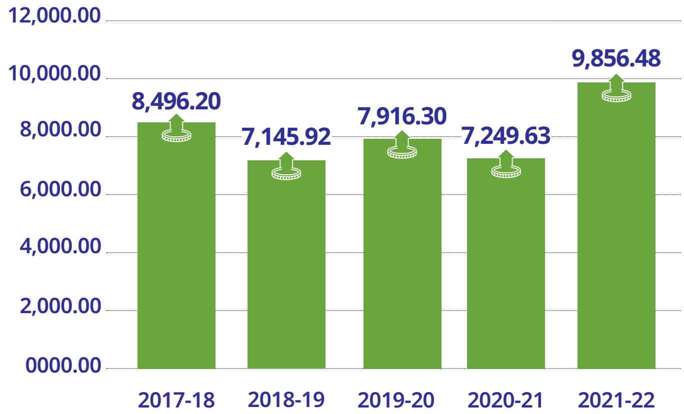
Market Capitalisation (₹ crore)



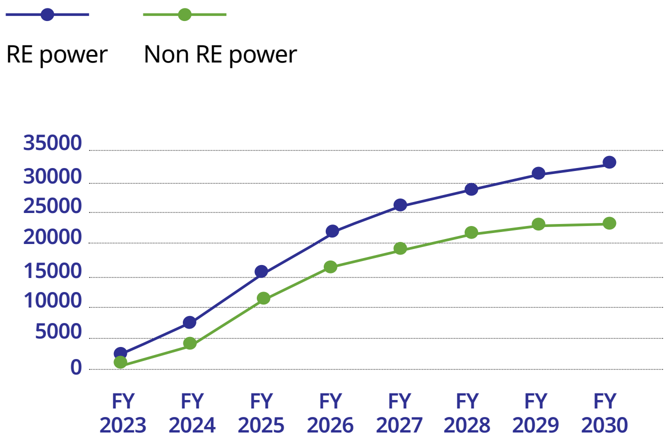
LIQUIDITY AND FINANCIAL STABILITY

We understand that to gain trust of our shareholders, we need to be transparent in our disclosures. We have always included transparency as one of the critical elements of our financial reporting practices and that is the reason why our cash flows, which are free from any accounting subjectivity show us a similar growth trajectory as our Balance Sheet and our Profit & Loss Statement. Cash generated from our operations is ₹ 6,085.74 crore. To ensure greater liquidity in our financial systems, our current ratio for the year has improved to 1.75 during the year. The debt equity ratio for the year went down to 0.75 from 1.16 a year ago giving us greater liquidity and more free cash flow to fund planned expansion activities. The receivables turnover ratio has also increased to 2.26 in the current year. Despite the rising interest rates, we have maintained our interest coverage ratio to 5.78 (4.06 in FY 21) backed by reduction in our debt and increase in our liquidity. We also have access ₹ 5,035.75 crore of undrawn borrowing facilities further providing us comfort over liquidity for a long period of time.

Revenue from operations (₹ crore)



Cumulative projected CAPEX (₹ crore)



ECONOMIC VALUE ADDED AND GENERATED

With focused approach to creating and managing stakeholder value, we are delivering operational excellence by judiciously allocating and using our resources. We have tools and technologies in place for critical assessment of capital structure through forecasting and budgeting. We believe in creating value not just for our shareholders but for a wide variety of stakeholders that includes Government bodies, Customers, Suppliers, and other people in our value chain through the management of our Financial Capital by mindfully allocating our funds. Economic Value Generated and retained can be seen from the below mentioned table:

Economic Value Generated (₹ crore)

Particulars	FY 2022	FY 2021	FY 2020	FY 2019
Direct economic value generated [1]	10,936	9,281	9,138	8,919
Operating costs	3,265	2,615	2,180	2,356
Employee wages & benefits	2,624	2,689	2,805	2,964
Payments to providers of capital	1,200	1,119	1,981	1,197
Payments to Government	802	219	378	405
Community investment	41	47	76	49
Economic value retained	3,003	2,592	1,719	1,947

Note:

1. Includes revenue generated from movement in Regulatory Deferral Balances.

OUR STRATEGIC FOCUS

In order to generate shareholder returns, a steady market position, economic growth, and solid financial management, our major goal is to provide excellent financial outcomes. We conduct our business in a way that increases operating cash flows year over year. The goal is to increase shareholder value through sound financial management and superior operational performance. As a socially conscious company, we are dedicated to expanding our business portfolio while also generating sustainable value for our stakeholders. One of our main objectives is financial stability and growth, thus over the past few years, we have worked to increase shareholder profit. Some of the principles that guides our strategic business decisions include:

- Judicious resource consumption and operation
- Capacity addition
- Optimisation of finance cost
- Better working capital management and operations management
- Better debt management / shareholder value creation

We have ventured into innovative techniques for managing cash flow, such as sales bill discounting, which involved paying financial institutions money in exchange for discounted bills. The technique was implemented after careful risk vs return analysis, and because the DISCOMs paid their bills on time, there were no instances of the lenders invoking their right of recourse. We were successful in reducing the credit risk and enhancing cash flow management. Another impact is reflected in the Trade Receivable Turnover ratio which increased from 1.18 in FY 2021 to 2.26 in FY 2022. This is due to the robust debtor collections through Bills discounting and Letter of Credit system.

The Current Ratio is kept under control even though the ratio has increased from 1.23 in FY 2021 to 1.75 in FY 2022. Decision to repay Commercial Paper resulted in a decrease in the current liability. However, we intend this to reduce dependency on borrowed funds and to control the finance cost.

OUR ROADMAP

Some of the practices that helped us to achieve all of the above which we would continue to do so include judicious resource consumption and operation, capacity addition, better management of working capital and shareholder value creation. On the back of an exceptional performance year, we have already charted out a plan for future in which we have set certain financial goals for ourselves that we wish to achieve by 2030. These goals are included as KPI’s for our executives ensuring faith in our operations and our abilities to keep increasing the wealth for our shareholders.

Please refer to the Corporate plan on our website for more details.

MoU with Assam Power Distribution Company Limited to setup 1 GW renewable power plant in Assam

Hon'ble Prime Minister of India Shri. Narendra Modi inaugrating our Neyveli New Thermal Power Station - 2X500MW & 709MW Solar Power Plants in southern districts of Tamil Nadu

INTELLECTUAL CAPITAL

INNOVATING GREEN FUTURE

Innovation is considered the topmost aspect of our value creation. We focus on the green future based technology and mining practices. Our strategy is linked to sustainable business operation which will contribute towards nation's target for environment conservation. We innovate and diversify our portfolio by building our intellectual property.

GOVERNANCE ENABLERS

Research and Development Policy

Human Rights Policy

Leadership and Training Policy

MATERIAL ISSUES ADDRESSED

Operational efficiency and plant reliability

Resource availability

KEY PERFORMANCE INDICATORS

Key Performance Indicators	Current Status
R&D Expenditure	In FY 2021-22 NLCIL has spent ₹ 23.26 crore on Research and Development.
Number of Patents Registrations	In the R&D outcome 4 patents have been granted till 2020-21 and 2 more patent applications have been filed.
Industrial Collaborations:	We have 6 collaborations with Institutions and Organizations
Digitalization	699 programmes were conducted for 27,687 Nos. of attendees through E-learning, Deputations & Webinar

INTERLINKAGES WITH OTHER CAPITALS

M Manufactured I Intellectual N Natural F Finance

SDG ALIGNMENT:

OVERVIEW

Over the 65 years of our journey, we continuously work to make the nation self-dependent for its energy demand. As India is an energy hungry country with a population of more than 1.3 Billion we focus on sustainable growth along with innovation and processes with Intellectual capability building.

To improve Intellectual capability, we focus on science and technological development, patenting and commercialization based on the outcome of the research. We are also focusing on to increase green energy production to 6,031 MW by 2030 comparing to the current capacity of 1,421 MW.

OUR FOCUS ON RESEARCH AND DEVELOPMENT

At NLCIL, we constantly work to enhance our Research and Development division in order to meet the nation's and communities' expanding demands better while incorporating sustainable solutions into our business practices. Our R&D policy, which lays out the foundation for our primary objective in this area, serves as the framework for our dedicated Centre for Applied Research & Development (CARD) department, which oversees our research and development efforts. The following key elements of our R&D policy are captured:

R&D POLICY

- Performing Research & Development work to provide solution and baseline data to improve the production in Mining and Power.
- Promoting R&D at grass root level in production units to identify R&D strategies for short term & long term.
- Developing new technology in Mining & Thermal Power Plants which are energy efficient and eco-friendly, to conserve natural resources by quality up gradation process etc., in core business.
- Conducting Research projects in providing clean environment and fuel security to combat climate change.
- Upgrading R&D resources of CARD on par with international research standards, in association with International / National Institutions.
- Implementing patent & commercialization works from R&D outcome, wherever possible, to raise the image of NLCIL.

Guided by the policy, our Centre for Applied Research & Development (CARD) focuses on the Intellectual capability building. Major functions of CARD are as below:

- Carrying out Science & Technology (S&T) Research Projects,
- Environmental monitoring, Pollution level measurements, Quality Control Testing & Consultancy, Technical services.
- Technology development, patenting and commercialization based on the R&D and Pilot Plant outcome, co-ordinating for S&T Projects undertaken by the Company, institutional services to students, special studies for operation & new schemes and new initiatives etc.
- Rendering analytical services towards quality control of various products/materials used in Mines, Power Stations and other service units as well as outside agencies on chargeable basis.
- R&D works on lignite utilization, diversification, product development, by-product utilization, solid waste management, wasteland reclamation, renewable energy, Clean Coal Technologies, introduction of real time monitoring facilities etc.

OUR COLLABORATIONS

We have collaborated with different Institutes and Organization for Innovation as under:

1. To patronize Government of India's Skill Development Mission and impart skill based knowledge, experience and excellence to the needy youth under the purview of Corporate Social Responsibility through training, work shop, work – association and education in line with NLCIL's Vision and Values by setting up of Skill Development Centre by NLCIL in association with Annamalai University(AU). An MoU was signed between NLCIL and Annamalai University dated : 04.10.2016 for five years. It has been renewed for further period of five years from 2021-22.
2. Collaboration with Anna University, Chennai and SID- IISc Bangalore for Innovation Incubation Centre
3. Collaborated with IIT Madras for:
    a. Development of Mobile EV based - Real Time Air Quality Monitoring & Modelling for NLCIL
    b. Use of Overburden Clay as alternate for coarse aggregate (OB to sand)
    c. Studies on Solar Cold Storage at CARD
4. Collaboration with BHEL for development of new products through future processing of Lignite including gasification and Briquetting, as an alternative to imported coal.

5. Collaboration with NIT Trichy for electronification of GWC bore wells & Conveyor system
6. Collaboration with Annamalai University for Studies on the effects of Humic acid on Aquaculture Studies on Zeolite based catalyst for mitigation of exhaust gas pollution
7. Collaboration with ICRISAT for Humic Acid - on farm demonstration studies and promoting Organic farming in agriculture applications

CARD is engaged in numerous R&D Projects. The theme areas for undertaking the projects are determined based on the demands from the internal units and management directives. Expressions of Interest (EoI), bids from outside organisations or institutions, etc. are used to determine the R&D projects based on the theme areas, and they are then carried out under the following categories:

MoU between NLCIL and Annamalai University for courses on Diploma in Mining Engineering

In House Projects:
To investigate scaling up possibilities, system enhancements and practicality, R&D initiatives were carried out with internal funds. The available facility will be used in reduced capacities to complete the internal initiatives.

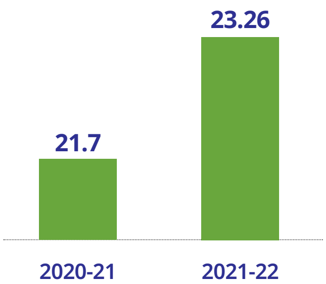
Institutional Collaboration Projects:
Collaboration initiatives were started in order to address some of the identified issues using the resources of outside research organizations. For R&D projects, CARD collaborates with a range of other organisations and prestigious Institutions across India.

External Funded Projects:
Additionally, external projects were undertaken with funding from the Ministries of Coal and Mines. Upon receiving the appropriate authority's permission, project proposals are presented to the Ministries. The Ministry will approve the necessary budget. A group of outside experts appointed by the Ministries will periodically monitor the Project.

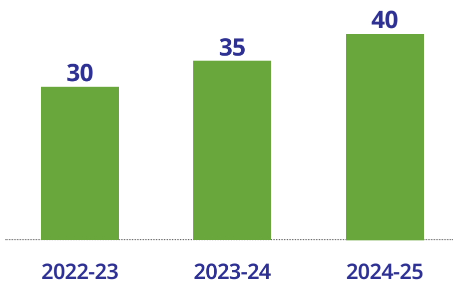
OUR R&D EXPENDITURES

NLCIL has always made it a priority to implement cutting-edge technology to improve the security, dependability, and effectiveness of power plants through a careful balance between the creation, adoption and adaptation of cutting-edge technologies. We are always working to address the main issues faced by the power sector while also identifying and seizing any potential opportunities. We are increasing our expenditure in research and development gradually over the last few years to continue delivering sustainable solutions to the nation.

Expenditure on R&D (₹ crore)



CAPEX forecast (₹ crore)



TECHNOLOGY ABSORPTION

We have adopted technological absorption as a major driver for Innovation and Intellectual capability improvement which will contribute towards the Organizational, Industrial and Societal objective achievement. Below are the technological research we are focused on with the Institutional and Industrial collaboration.

USE OF OVERBURDEN CLAY AS AN ALTERNATE TO COARSE AGGREGATE (OB TO SAND)

The Ministry of Mines has supported a joint research project of IITM, Chennai and NLCIL to examine the potential for sand and clay extraction from the overburden materials. At CARD, a small prototype plant has been erected to recover sand from excess load. Pilot plant trials and preliminary lab tests were carried out. Between 40 and 60 percent of the sand from OB has been retrieved. Subsequently, feasibility study was taken and Competent Authority approved to float tender for setting up Sand Beneficiation Plants at Neyveli Mines under BOO model by processing the overburden materials to produce construction grade sand.

DEVELOPMENT OF MOBILE EV BASED AIR QUALITY MODELLING

The development of sensor-based real-time Ambient Air Quality Monitoring (AAQM) employing mobile E-Vehicles has been pursued through R&D projects. A manual air quality sampling system is used to monitor the environment in and around Neyveli. The project was started in collaboration with IITM, Chennai and as a part of this project, air quality monitoring equipment has been installed at ten different locations. The creation of sensor-based monitoring, isopleth modeling, the procurement of electric vehicles, and field research are all currently underway .

SOLAR LIGNITE DRYING

Lignite has a 50–55 percent moisture content, which makes it difficult to transport over great distances. NLCIL launched an R&D project with Anna University's Institute for Energy Studies to dry lignite using solar energy. A pilot scale research with a capacity of 1 tonne per day was undertaken to examine the viability based on the findings of the preliminary investigation. Trials were conducted with a solar drying technique that has been developed on a pilot plant scale and has been successfully completed. The calorific value of lignite increased as a result of solar drying from around 2,700 Kcal/Kg to approximately 4,600 Kcal/Kg.

FLOATING SOLAR PV PLANT AT THERMAL LAKE, NEYVELI

For industrial use, the ground water is stored in lakes at our thermal power plants and mines. A floating solar power plant has been set up to produce electricity for the pump that draws water from the lake and for illumination purposes. At NNTPS, the installation of the 200 KW floating solar pilot project was successfully implemented.

Bhoomi Puja for 10 MW Solar Power Plant under Mini Smart City Project

ELECTRONIFICATION OF GWC BORE WELLS & CONVEYOR SYSTEMS

The Coal S&T financed project has been jointly undertaken with NIT Trichy primarily owing to the Mine's massive expansion and the need to electronically monitor and control the entire network. Automation of the mining conveyor system will increase productivity in the Mine and proactive input into the ground water control system will decrease breakdowns. Installation of the GWC & Conveyor system, real-time pumping, data gathering, analysis and testing have been finished. The above-mentioned project is currently being replicated in other Mines.

PILOT PLANT STUDIES ON BENEFICIATION OF IRON RECOVERED FROM BOTTOM SLAG

In a pilot plant, CARD has developed successful technology to remove the iron from the bottom slag. The bottom slag from the pilot plant has been used in several test runs. According to the tests, about 40% of the magnetic elements could be removed from the bottom slag. To increase the Iron content for improved usage and sales, more processing is required for the iron particles removed from the pilot plant. As a result, a prototype plant to improve the quality of the iron particles that are separated was erected and additional investigations are being conducted downstream.

LIGNITE TO DIESEL

In order to develop clean coal technology for value-added products, we intend to start lignite diversification studies. The project's main goal is to investigate if it is possible to make diesel from lignite and to provide a viable technology for an alternative use of lignite, which calls for tested technologies. To find the tested technology and sources, a global EOI has been floated in this regard. LEMAR Industries, USA has been given the role for conducting the feasibility study. Samples of lignite were shipped to the USA for testing at a pilot plant. After finishing the testing, the company turned in the report. The evaluation process is ongoing.

LIGNITE TO METHANOL

For long-term growth, we are aiming at multiple business portfolio. A new project called "Lignite gasification and conversion to Methanol" has been started as part of diversification with the goal of using lignite in clean coal technologies and utilising the substantial deposits of lignite that are available in an environmentally responsible manner. The planned methanol project aims to produce 1200 metric tonnes of methanol daily.

HUMIC ACID - ON FARM DEMONSTRATION STUDIES AND PROMOTING ORGANIC FARMING IN AGRICULTURE APPLICATIONS

CARD has successfully created, patented and commercialised a method for extracting humic acid from lignite. A permitted input for organic farming is humic acid. Trials were run in farms and agricultural research facilities to show how humic acid is used in organic farming. Field studies on the product and its promotion have been carried out in collaboration with the International Crops Research Institute for Semi-Arid Tropics. Different crops were tested in the fields of Andhra Pradesh, Telangana, Karnataka, Odisha, Uttar Pradesh and Maharashtra. In about 150 places throughout Odisha, field tests during the kharif season of 2020–21 revealed an improvement in yield (at the farmer's field). Additional field tests are being conducted.

INNOVATION –INCUBATION CENTRE

Under NITI Aayog, the Indian Government has established the Atal Innovation Mission (AIM) with a Mission to encourage an innovative and entrepreneurial culture in India. Every CPSE is required to establish an incubator centre as per the Mission. We have seized the occasion to establish an innovation incubator with prestigious institutions. For the purpose of building the Innovation and Incubation Centre, agreements have been inked with the IISC, Bangalore and Anna University, Chennai. The Innovation Incubation Centre has been established. Proof of Concept (POC) development and innovator demonstration were completed on March 2021. The chosen proposals will next be taken up for prototyping.

STUDY ON DEVELOPMENT OF HI-TECH AGRICULTURE USING HYDROPONICS / AEROPONICS

Neyveli Mines are regularly engaging in reclamation and reforestation efforts at their mines' dumping yards. A high-tech agriculture system utilising hydroponics and aeroponics is being built as part of restoration works. The project's goal is to create a hydroponic cultivation at Mine-IA with IoT enabled to gather real-time data and use for tracking the plant's progress. This will be accomplished by upgrading the existing Polyhouse to support smart agriculture. In order to generate value-added crops with greenhouse capabilities using a hydroponics/aeroponics system, a consultancy R&D project has been launched in collaboration with the Indian Institute of Science (IISc), Bangalore. If this approach is developed successfully, it will be possible to generate more income while using less amount of land, as well as provide work opportunities to the society to make use of the waste land after mining. Trials for the project are ongoing.

WHEEL GEAR BOX

Under the Make in India Policy, one 1500 KW Bucket Wheel Gear box and one 10 Mtrs Ball Race assembly were indigenously made and used in the machines, thus saved cost of ₹12.99 Crore.

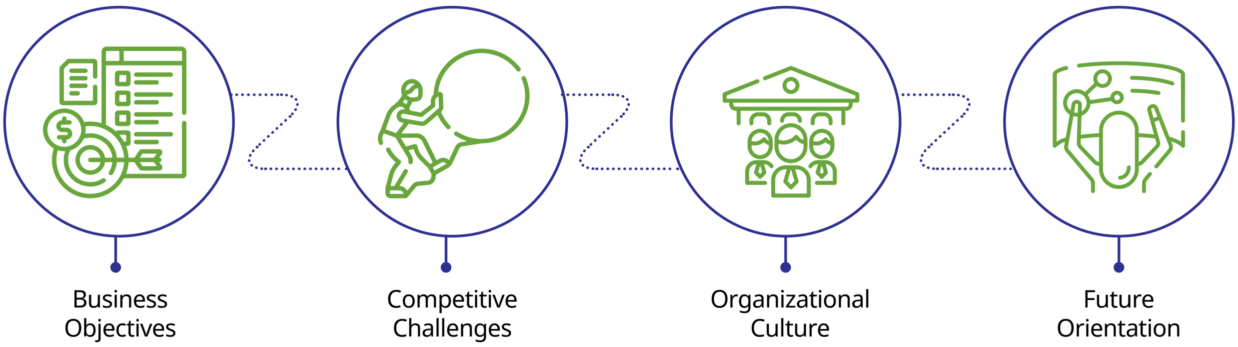
As R&D outcome, 2 more patent applications were filed, and 4 patents were granted till 2020–21 fiscal year

PATENTS GRANTED TO NLCIL:

a. A process to produce “Humic Gold” (A salt of Humic Acid) from lignite. (2006)
b. Lignite fly ash-based zeolites and process for synthesis thereof as scaling inhibitor in process water treatment. (2012)
c. A method to prevent synergistic action of erosion and corrosion in storm water control (SWC) pumps. (2020)
d. Fly ash-based mosquito larvicidal formulations of Bacillus thuringiensis var, israelenis (serotype H14) (2020)

We have aim to achieve 5 patents registered by year 2027.

Training Need Assessment @NLCIL



EMPLOYEE DEVELOPMENT PROGRAMMES & TRAINING MANAGEMENT:

In line with Company's Vision and Values, NLCIL is committed to nurture talents by encouraging and creating an atmosphere for continual learning and competency building. In alignment with the behavioral competency frame work and based on the Training needs identified through established systems, the Training & Development programmes are designed and executed on a continuous basis.

NLCIL Behavioral Competency Frame work

Leading Business Business Acumen Passion for Achievement Strategic Perspective	**Success with People** Winning with Change Engaging and Energising Teams
Leading Results and Operations Planning and Decision Making Ensuring Execution Excellence	**Ensuring Personal Effectiveness** Active Learning Interpersonal Influence

Training Need Identification

The requirement of individual, group and organizational Training & Developmental needs are identified through systematic need identification process comprising of

- Focused discussion with Unit Heads & Division Heads
- Performance Appraisal System,
- Assessment & Development Centres
- Training Need Analysis (TNA) portal and
- Corporate and Business plans of the company

The training calendars of NLCIL are prepared with focus on filling the gaps in following thrust areas.

- Functional competency areas
- Behavioral competency areas
- Health & Well being of Employees and their families
- Safety areas
- Management Development areas
- Statutory areas

Mode of Training Platforms

The Training & Development programmes are organized through physical mode, webinar mode, deputation and through e-learning courses.

Highlights of Training in 2021-22

- 1215 programmes benefiting 47,605 Headcount of NLCIL employees
- 739 NLCIL employees deputed for specialized training through 125 programmes (Physical/Online mode).
- 12 programmes organized as part of Human Rights Training for 338 beneficiaries including 218 women.
- Exclusive programmes organized on Reservation policy, protection of sexual harassment and RTI.
- Exclusive Vigilance Awareness programmes and Cyber Security programmes organized primarily to sensitize employees.

Skill Development at NLCIL:

- NLCIL imparts skill development trainings to various stake holders including Project Affected Persons through its three dedicated well equipped skill development centers namely
  - Learning & Development Centre (ISO certified),
  - Group Vestibule Training Centre (Recognized by DGMS)
  - Power Station Training Centre (Approved by CEA)

- The highlights of skill development initiatives in the year 2021-22 are
  - Apprentices with a break-up of 630 ITI trade, 120 Non-Engineering trade, 250 Graduate Engineer Apprentices and 300 Diploma Engineers.
  - Provided training to 37 Industrial Trainees in Finance discipline and 100 Industrial Trainees in Mining discipline.
  - Organized skill development through Recognition of Prior Learning programme (RPL) to 286 personnel working in Mines & Thermals.
  - NLCIL is running two Industrial Training Institutes one each at Barsingsar & Neyveli with an intake capacity of 168 students each.
  - NLCIL is carrying out Skill Development programmes for Project Affected Persons and nearby villagers with a view to enhance their employability on various skills. Due to COVID-19 pandemic and protocols, only selective programmes could be conducted during the year 2021-22.

We examine the essential factors of the training needs that our business has on a regular basis by looking at internal evaluation, evaluation of best practices, future-focused strategy, sustainability goals and human resource skill upgradation needs.

UNDERSTANDING REQUIREMENTS FOR TRAINING: NLCIL'S DIGITAL PLATFORM

Through a computerised platform called the "Training Management System" (TMS) our learning and development centre evaluates the training needs of each employee. All our employees receive training after comprehensive analysis based on performance gaps, current trends and industry L&D centre requirements. With the help of TMS and to simultaneously serve the needs and interests of the business, a Training Needs Assessment (TNA) is strategically carried out annually in phases while taking organizational, unit and individual preferences into consideration.

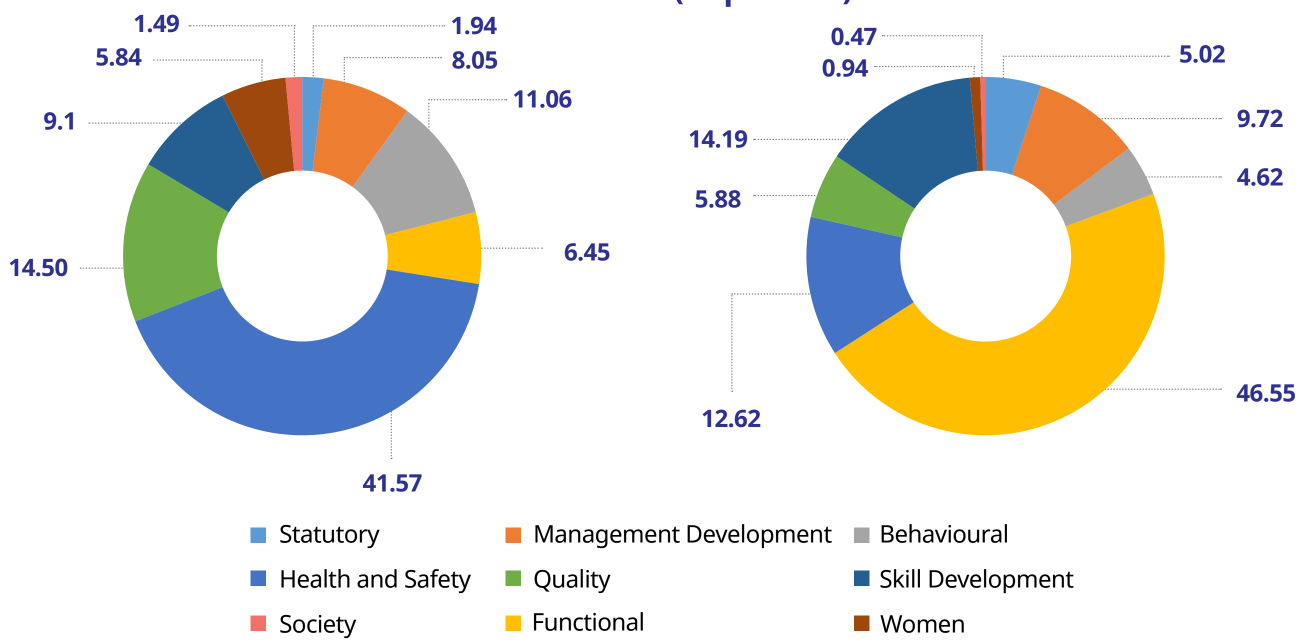
Focused Thrust Areas for Employee Training

1.	Functional	2.	Behavioral	3.	Health and Safety
4.	Skill Development	5.	Management Development	6.	Quality
7.	Statutory Programme	8.	Women Empowerment	9.	CSR Awareness

We primarily focus on functional training programmes in our nine key training thrust areas. Employee health and safety are given top priority. Due to the high number of senior-level retirements, management development is also given top importance. The training initiatives are well-organized and in line with the objectives of the company. In order to provide need-based learning opportunities, to upskill and reskill personnel and to simultaneously serve the needs and interests of the business, a Training Needs Assessment (TNA) is strategically carried out annually in phases.

Thrust Areas (Attendees in percent)

Thrust Areas - Number of Programmes (In percent)



NLCIL Training Platforms

Physical Mode 310 trainings conducted on various focus areas through physical mode at L&DC, Neyveli. Number of beneficiaries 9,167	**E-Learning Courses** Developed 11 courses in E-learning platform model FY-2021-22. The participants who underwent e-learning are mainly the newly joined Graduate Engineer/Trainees (249)
Webinar mode 303 trainings conducted on various focus areas through webinar mode. Number of beneficiaries 18,130	**Deputation** Due to COVID-19 protocol, the number of personnel deputed for training were limited to 739

Trainings delivered at NLCIL

Overall, 12 programmes were conducted as part of Human Rights Training and total 338 employees were covered, inclusive of 218 women employees. Some of the popular programme titles include Workshop on Reservation Policy, Protection of Sexual Harassment, Online Training programme on Right to Information Act, 2005, etc. A total of 2200 man-hours. were dedicated to Human Rights training programmes.

Under skill development programme for employees, we have delivered 10 recognition of prior learnings to 286 participants including 75 employees and 211 Indco/ contract workmen attended the programme.

Simultaneously we conduct various programmes for our employees for generating awareness around the key topics that needs regular upskilling to stay ahead of the curve. Some of these programmes include:

Programmes on Cyber Security
Every month, we host Cyber Jaagrookta (Awareness) Diwas (CJD). Throughout the year, a number of programmes are held for executives to raise knowledge on cyber security.

Programmes on Vigilance Awareness
Being a Public Sector organization, the organization's staff members need to be knowledgeable about the vigilance functions and the associated regulations. The purpose of Vigilance is to promote effective governance, uphold morality and eliminate corruption at all levels.

Every year, Vigilance Awareness Week is held, and during that time, a number of workshops, training sessions, contests and public campaigns are arranged around the selected theme.

For newly hired personnel, training programmes in vigilance awareness are also held throughout the year.

FIRST AID TRAINING

First Aid Training Centre of NLCIL has been recognized by DGMS to impart First Aid Training & issue First Aid Certificate for statutory purposes, which benefits many aspiring candidates not only from NLCIL but also from entire state of Tamil Nadu. The centre was inaugurated by Shri Malay Tikadar, Dy. DGMS, Southern Zone on 25.04.2022.

Inaugration of NeAT for transparent tendering and e-auction process

HUMAN CAPITAL

NURTURING FUTURE ENABLED WORKFORCE

At NLCIL, Human Capital is the key resource for organization which works as backbone to the operation. We as Government owned fossil fuel Miner, Thermal and Solar Power Generator believe in our human assets who are the key performers driving the organizational growth. We provide a conducive working environment to our employees wherein they deliver their best potential.

GOVERNANCE ENABLERS

- Recruitment policy
- Policy for PwD Employees
- Career Growth policy
- Reward & Recognition policy
- Transfer policy
- Medical Benefit policy
- Employee Benefit policy
- Code of conduct

MATERIAL ISSUES ADDRESSED

- Community Engagement
- Health & Safety

KEY PERFORMANCE INDICATORS

Indicators	Current Status
Attrition Rate	0.52%
Women Empowerment	8.01 % of the Employees are Women
Employee Safety Trainings	30,544 Man-hours utilized to train the employees
Diversity Percentage (Age, Gender and PwD)	25%

INTERLINKAGES WITH OTHER CAPITALS

M Manufactured I Intellectual N Natural S Social and Relationship

SDG ALIGNMENT:

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

OVERVIEW

We support both the growth of the country and the welfare of its people. We provide our employees perks and social benefit programmes like scholarship programmes, reduced tuition rates, educational resources and medical services, among others. In order to empower women in corporations, we have also created a number of human resource regulations that guard against unethical behaviour in the workplace and foster a safe work environment. In order to foster diversity at the workplace, we are encouraged to increase the ratio of women employees at NLCIL. Our main objectives around our Human Capital are:

- Promoting adherence to value-based culture.
- Encouraging / Creating an atmosphere of continual learning and competency building.
- Devising / Upgrading HR Systems to support organizational goals.
- Maximizing stakeholder value in harmony with business goals.
- Fostering an enabling work environment that encourages talent and unleashes creativity.
- Building employee commitment through collaboration, empowerment and transparent communication system.

HEADING TOWARDS HUMAN VALUE CREATION IN NLCIL

At NLCIL, we thrive towards creating sustainable future enabled and capable workforce to make this world a better and greener place. We strengthen our workforce with ESG aligned capacity building programmes. We nurture our Human Capital with High Integrity, High Performance and Highly Innovative Idea's to leverage it to achieve Organization defined objectives.

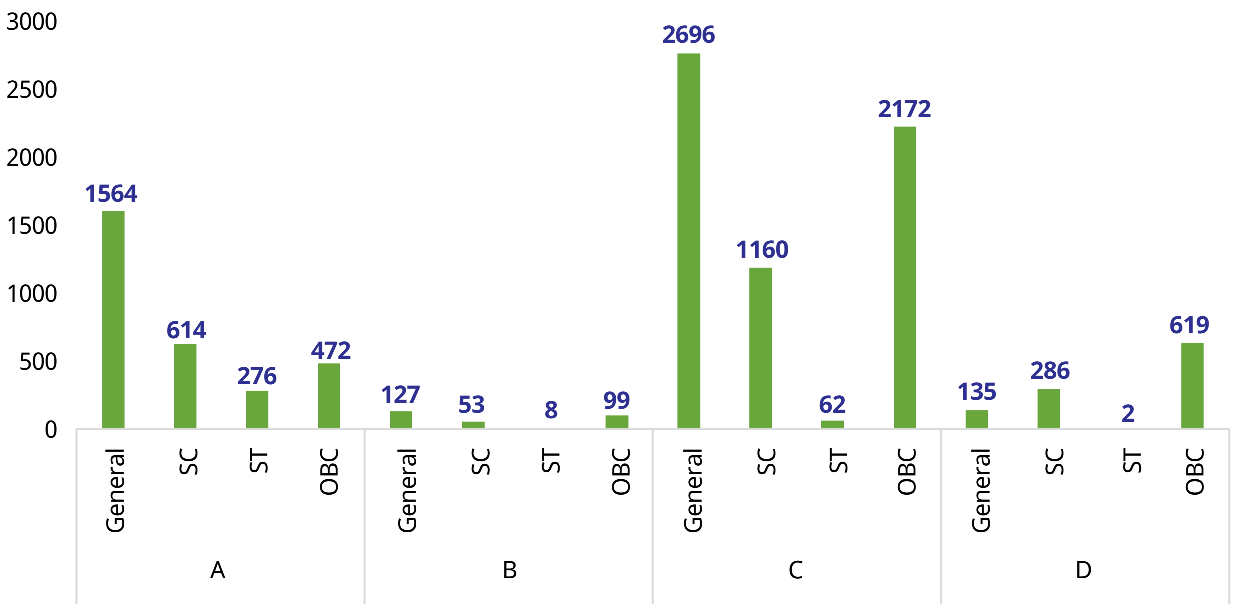
We have internal policies mentioned below which guides all our employees and business ethics while keeping us oriented towards our vision and mission as a company

1. Human Resource Policy
2. Leave Policy
3. Reservation Policy of GoI
4. CSR Policy
5. Safety Policy
6. Prevention of Sexual Harassment Policy
7. Code of Conduct, Discipline and Appeal Rules

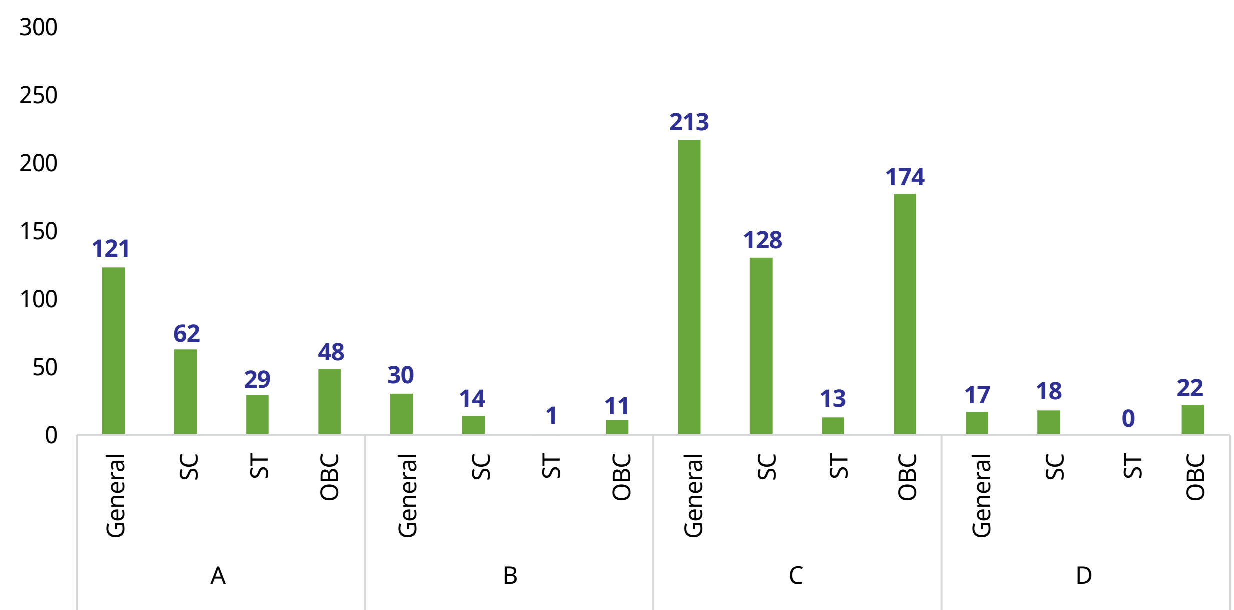
According to the standards of the Government of India, we have established a code of conduct for ourselves and our subsidiary firms, suppliers, contractors and non-profit organizations. We have a Memorandum of Understanding with Transparency International India that guides the implementation of the Integrity Pact Programme.

Our Human Capital Metrics:

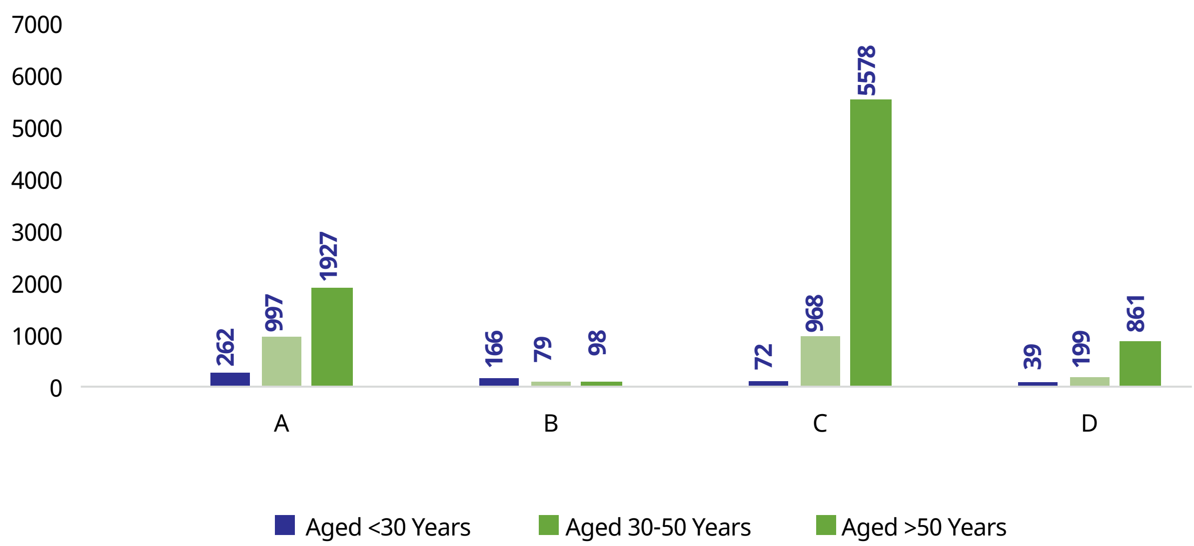
NLCIL Male Human Resource



NLCIL Female Human Resource



NLC's Human Resource (Age Group Wise)



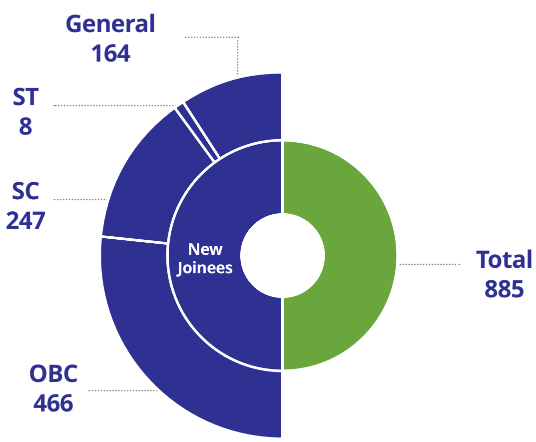
UPGRADING OUR TALENT

We are committed to building successful and skilled staff in order to develop the human resources required to build a long-lasting organization. We offer a welcoming workplace for all social groups, regardless of caste, creed, religion or gender. Through every aspect of our operations, we have established ground-breaking Human Resource Management Policies and procedures. We help all our employees to sharpen their skill sets and maximise the use of skill sets, we offer learning and development programmes that enable our employees to continuously upskill themselves with the latest industry standards.

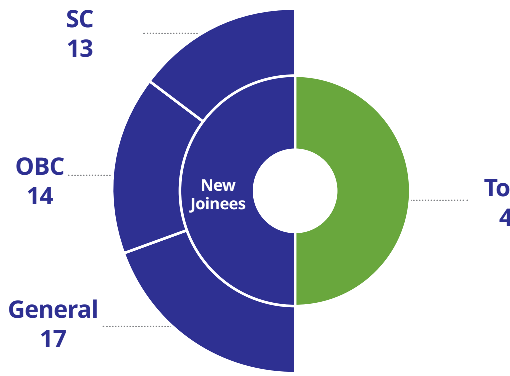
Every employee is encouraged to assist the company in developing innovative concepts to improve our production process. We offer training so that people can advance their capabilities and accomplish the organizational goals. Our training initiatives align with the goals and objectives of the organization’s human resource department and we use a methodical procedure to identify the upskilling requirements and training needs.

We continuously analyze employee performance through our in-house Performance Management System which helps organization to sow the seed of business acumen in employees. We have seen a rise in the number of new employees this fiscal year wherein the number of male joinees have exceeded the number of female new joinees. We aim to bring out a better ratio in this aspect. The attrition rate remains low at 0.52 for FY 2021-22 and we have managed to retain the attrition rate at the same level while we are working towards reducing it through our strategic talent management approach.

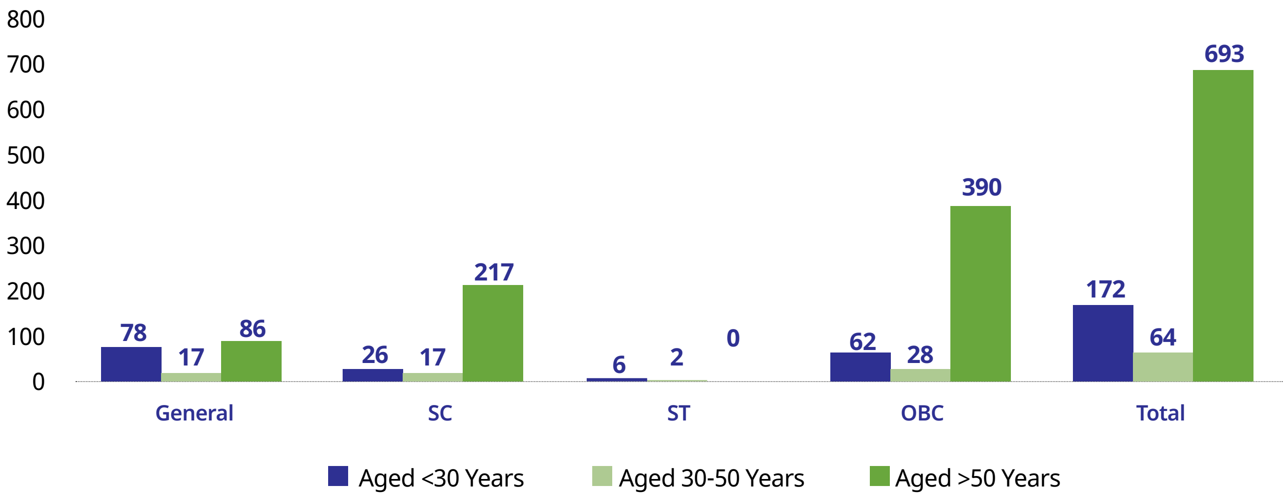
New Male Joinees - FY 2022



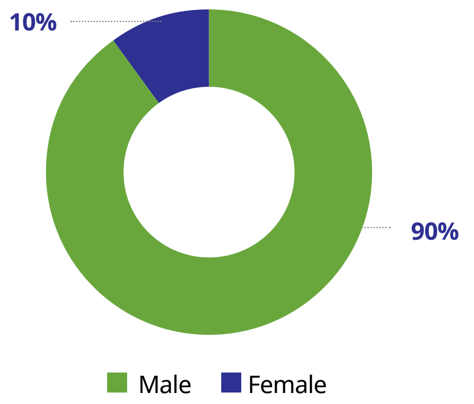
New Female Joinees - FY 2022



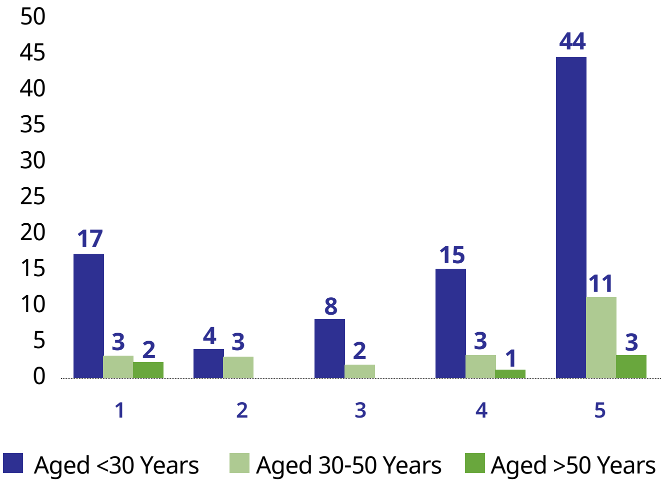
New Joinees - FY 2022 (Age Wise)



Total Employee Attrition (FY 2021-22)



Attrition - FY 2022 (Age Group Wise)



OUR SOCIETAL DIVERSITY

We are a Government owned organization who believe in providing equal opportunities to every section of the society and also follow reservation policy implemented by Government of India.

Women Empowerment	Societal Equality	HR Policy	Empowering specially abled section
Providing safe environment to women at workplace with empowering Prevention of Sexual Harassment and whistle blower policy	Providing equal opportunity to socially weaker sections of the society along with women empowerment.	Inclusive HR policy for various sections of society	Providing opportunity as per Rights of Persons with Disabilities Act, 2016

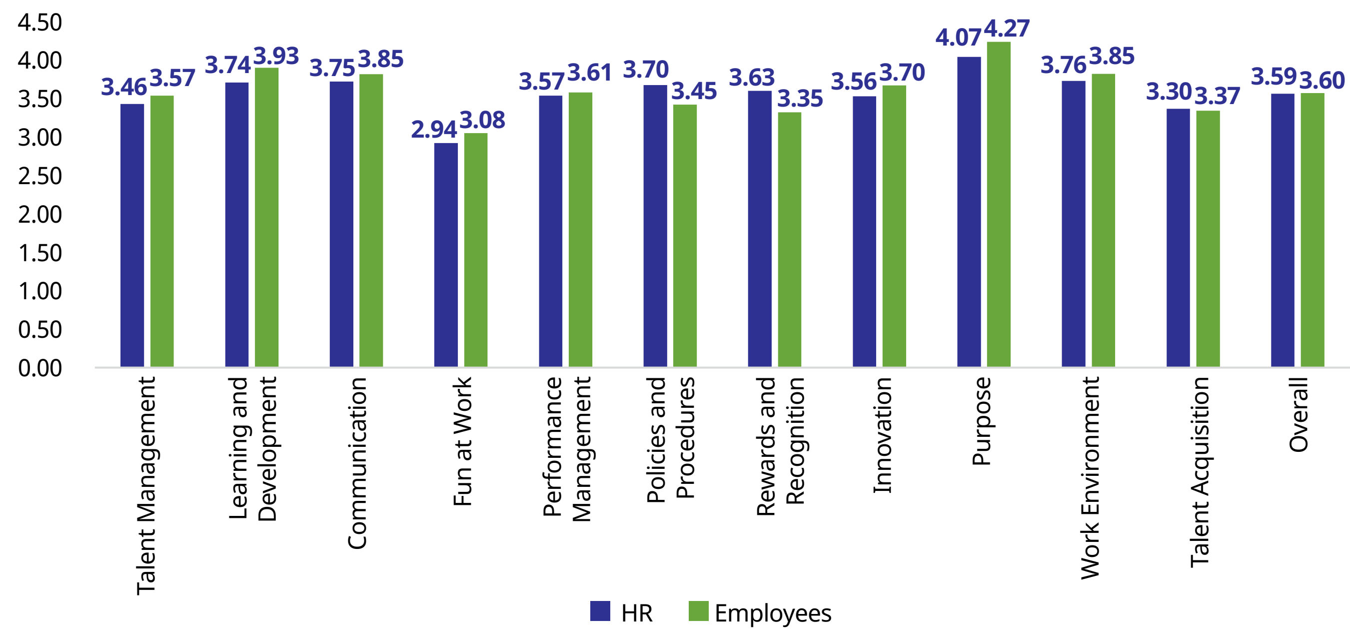
ENGAGING AND COMMUNICATING WITH OUR EMPLOYEES

We believe that human resources are the most crucial factor in moving the country toward prosperity and the development of future environmental stewards. We develop and put into effect human resource practices and procedures in conjunction with our employees, which are periodically shared with all of our stakeholders via our digital channels and on our main website. We have a framework in place for employees to submit feedback on the human rights policies and procedures that our company follows.

Through our “Training Management System” and an annual gap evaluation of the employees, we interact with employees to determine the training needs they have suggested and analyze the performance gaps. We identify training thrust areas using a behavior competency framework we have established. We urge all our employees to have positive working relationships with their peers so that they can all lead balanced lives outside of work.

Voice of Employees

Feedback- HR Vs Employees



EMPLOYEES' WELFARE AND SOCIAL SECURITY SCHEMES

Medical Facilities

We are on the fore front in aligning the vision of protection, preservation and promotion of health and wellbeing of our workforce with our business plan that supports sustainable outcome of the company and drive higher values to the organization. Our hospital has a sophisticated 350 bed care facility benefitting employees, contract workmen, CISF and their dependents. Further, for specialized treatments, facilities are provided at reputed empaneled hospitals at different parts of the Country.

Programmes on Healthcare Development

Programmes for Continuing Medical Education [CME] are set up to keep our doctors updated with emerging medical practices. The major subjects include COVID, which will make them better prepared to manage future waves. The CME, which was attended by all clinicians, provided information on how to manage a potential third wave of COVID that could affect children. There were six of these CMEs held. Continuing Nursing Education [CNE] programme was conducted for our staff nurses in two sessions, which was handled by eminent professors who spoke on the Topics related to "Active Nursing Care".

Additionally, the Directorate General of Mines Safety has listed the IMC at our hospital as a Center for First Aid Training and awarding First Aid Competency Certificates. Our OHS has received approval from DGFASLI, Mumbai, to run a three-month full-time AFIH Postgraduate Certificate Programme between 2020 and 2022. The first group of AFIH was initiated in the month of November 2021.

COMPLIANCE UNDER PERSONS WITH DISABILITIES ACT, 2016

We are taking all out efforts to maintain adequate representation of physically challenged persons in our workforce in compliance of provisions under the Rights of Persons with Disabilities Act, 2016.We have put in place a comprehensive policy for Persons with Disabilities (PwDs) for providing certain facilities, in line with the guidelines issued by Department of Personnel and Training (DoP&T). The strength of PwDs as on 31st March 2022 stood at 56 Permanent Employees and 155 Permanent Workers.

We are also implementing various social welfare measures towards the cause and upliftment of the Physically Challenged Persons through Neyveli Health Promotion and Social Welfare Society (NHPSWS), "SNEHA" Opportunity Services and School, both patronized by NLCIL.

WOMEN EMPOWERMENT

The strength of women employees in NLCIL as on 31 March, 2022 stood at 901 constituting 8.71% of the Company's Human Resource. A Forum called Women in Public Sector (WIPS) NLCIL Chapter was formed in the year 1990 having Corporate Life Membership with SCOPE (Standing Conference of Public Enterprises).

Hon'ble Governor Telangana & Lt. Governor Puduchery Dr. Tamilisai Soundararajan addressing the audience on the occasion of International Women's Day

MATERNITY, PATERNITY AND CHILD CARE LEAVES

Under the Employee Welfare Scheme, we provide maternity leaves to our female employees as per rules mentioned in the Personnel Manual, which is in line with GoI Guidelines. Further, NLCIL has introduced paternity leave policy for its male employees, 11 women employees have availed maternity leave and 108 Male employees have availed paternity leave.

Female employees on regular rolls of NLCIL are be granted Child Care Leave for a maximum of two years (i.e. upto 730 days) during their entire service period for taking care of upto two eldest surviving minor children.

PRMA AND PENSION SCHEME

Even after their retirement, we continue to look out for the welfare of our personnel. The Learning and Development Center hosts programmes each month to inform employees of the advantages of Post-Retirement Medical Assistance (PRMA) and the NLCIL Pension Schemes for the benefit of employees superannuating shortly.

EDUCATIONAL FACILITIES

We are presently running 9 Schools with student strength of 4,647 nos. The schools admit children coming from peripheral villages, wards of employees, contract employees, daily wages workmen and others from economically weaker sections of society.

SCHOLARSHIP SCHEMES AND TUITION FEE CONCESSION

We provide educational assistance to the wards of General, SC/ST, OBC category employees and wards of Contract Workmen for pursuing higher studies (undergraduate degree / diploma / professional courses) till the duration of the course subject to a maximum of five years. Out of the total slots earmarked under Contract Workmen Educational Assistance Scheme, 50% has been allotted exclusively for girl children. Besides these schemes, a separate Cash Award Scheme and a Scholarship Scheme were also provided under CSR for the benefit of girl children studying in the peripheral districts of Barsingsar Project, Rajasthan. In addition to the above, we also reimburse the tuition fees every year for students belonging to SC/ST/OBC category (predominantly hailing from the surrounding villages of NLCIL projects) studying in Jawahar Science College, Neyveli, patronized by NLC India.

SKILL DEVELOPMENT

Our Learning & Development Centre is dedicated to provide year-round upskilling and training opportunities to various stakeholders of the organization, including:

- Employees
- Teachers and Students of schools in the vicinity
- Project Affected Persons (PAPs) – Women, Youth and Villagers
- Skill Development for Apprentices – Graduate Apprentice Trainees, Technician Apprentice Trainees
- Medical professionals
- CISF Personnel.
- Community – Disabled children, old age people and women

SAFETY AT NLCIL

Innovation is the one of the key pillars of our organization, in continuation to the product innovation we also innovate in our safety practices to be followed by all our employees. Apart from fulfilling regulatory compliances for raising safety standards in all Mines and Thermal Plants, we have carried out below activities in FY 2022:

- Safety audit of all Mines is conducted by ISO Team every year and Safety audit of Thermal plants is conducted by accredited external agencies once in two years.
- Central Safety Council Members comprising representatives of different Units make inspection of the pre-determined Units every month and present their findings to the Unit Head.
- Conducting workshops & training on Safety by Mines and Thermal Units.
- Introduction of Life Saving Rules.
- Conducting Safety Officers' Meet every month by Central Safety Wing to discuss the safety performance, action taken on recommendations etc.
- Mines at Neyveli (Mine I, Mine IA & Mine II) are being operated with State-of-the-Art Technology i.e. Bucket Wheel Excavators, Spreaders, Stackers and series of conveyors having inbuilt safety features.
- Standard Operating Procedures have been established for all activities of Mines and Thermal Plants and are strictly implemented.
- Risk assessment-based Safety Management Plans have been prepared as per Coal Mines Regulation 2017 for all mining activities like Bench operation, Specialized Mining Equipment (SME), Conveyor Zone, Ground Water Control (GWC), Conventional Mining Equipment (CME) etc. and are being practiced.
- Pit Safety Committee Meeting for the Mine is conducted every month besides special safety meetings by individual divisions like conveyor division, blasting division, electrical division etc. Similarly, Unit Safety Committee Meeting is conducted by all thermal plants every month.
- Weekly Safety inspections of Mines, Thermal Plants and other Units are being carried out by Central Safety Wing and inspection report is submitted to Unit Heads for compliance and improvement in safety standards.
- Tri-partite & Bi-partite meetings involving DGMS and Trade Unions were conducted.
- Safety Week Celebrations are being conducted under the aegis of Director General of Mines Safety every year as a safety awareness promotional activity

A Safety park has been developed in Thermal Power station II to cater to the safety training needs and create safety awareness among the regular and contract employees. It houses a display hall where the working models of the equipments in a thermal power station are exhibited. The safety features available in the equipments and the standard operating procedures to be adopted are well explained by these models. Working model of a conveyor belt, Boiler furnace heating surface cleaning equipment – Sky climber, Switch Yard equipments, Pulverising Mill of a boiler, Safety Lock Out and Tag out system, Confined space working models – Condensate tank are some of the models. A separate section covering Fire and chemical safety is available. In this, the working model of Fire alarm system which is available in the entire plant, Chlorine leak detection and neutralizing scrubber and safe handling of chemicals are well displayed. Also, a vertigo test structure in which the mandatory test for workers working at height is available. Apart from the regular safety personal protective equipments, there is a display of latest safety PPEs like smoke extractor, Water Gel blanket and self-breathing apparatus. An Air conditioned training hall caters to the safety training needs of the regular and contract employees.

SAFETY CULTURE DEVELOPMENT

We proactively embrace and train employees on the best possible practices in the industry for the health and safety of the workforce. Our safety standards include all organisation employees.

In FY 2022 We have spent 2,63,108 man-hours on safety induction training and safety capability training combining all permanent and other employees to emphasis Mine and Power Plant safety.

- 254 Graduate Executive Trainees has been provided with safety introduction training
- 666 Contract Workmen imparted training through 15 seminars for Induction level Safety training.
- 34 executives and NUS participants imparted training through 2 safety training courses at the induction level.
- We also covered 3575 employees by 155 programmes conducted under regular safety training programmes in FY 2022, amongst these employees 191 female employees, 216 NUS and 1614 non-executives have attended this programme.

NLCIL occupational health and safety programme :

- General Safety and Case Studies
- Safety Management Plan in Mines
- Safe Operation & Maintenance of Electrical Works in Mines
- Workshop on Occupational Health and Safety
- Refresher/Relieving Group-Thermal Plant Safety
- Onsite-TS II Exp-Hazard Control Techniques

PERMANENT EMPLOYEES		
Safety Induction Training	17,274	Man-hours
Safety Capability Training	35,240	Man-hours

CASUAL/ TEMPORARY/ CONTRACTUAL EMPLOYEES		
Safety Induction Training	127,480	Man-hours
Safety Capability Training	83,114	Man-hours

NLC INDIA'S SAFETY PERFORMANCE

As a mining and power producer, our operational activities are highly exposed to health and safety risk. But because of highly effective safety policies and procedures implemented by organization our recordable incidences related to Health and Safety are very low. We ensure that our employees work in safe working environment and provide them with sufficient Personal Protective Equipment. Health and Safety Risk Management System is in place and reviewed periodically to ensure potential risk identification and to create mitigation plans and procedure. For every new risk identified for Health and Safety we run root cause analysis to control it with preventive measure.

Safety Linked metrics (Permanent, Contractual and Other employees):

Fatalities (as a result of work-related injury)	0
High consequence works related injuries (excluding fatalities)	0
Recordable work-related injuries (Permanent Employees)	2
Recordable work-related injuries (Contractual and Other Employees)	4
Lost days	NA
Man-hours worked (Both Employees & Contract workmen)	5,91,04,672
Rate of fatalities	0
Rate of high consequence work related injuries	0
Rate of recordable work-related injuries	0
Lost day rate	NA

SAFETY HIGHLIGHTS 2021 – 2022:

- NLCIL achieved No Fatal Accidents In All Mines and Thermal Units .
- Mine-I & Mine-II have bagged four National Safety Awards for the years 2018, 2019 and 2020, instituted by Ministry of Labour & Employment, GoI.
- Mine-I has received the National Safety Awards under the category 'Lowest Injury Frequency Rate per Million cubic metre of output'. Mine-II was awarded with National Safety Award under the category 'Longest Accident-Free Period'.
- NLCIL Corporate Environment Cell has bagged 'Greentech Corporate Governance Award-2022' under the category 'Excellence in Corporate Governance'.
- NNTPS has won 'Apex India Green Leaf-Gold-Award-2021' under the category of Environmental excellence.
- GTPP won the 11th Exceed award 2021 by Ek Kaam Desh Ke Naam for occupational health & safety in silver category
- A short film on "safe gas cutting" procedure was produced as a safety training tool.
- A full-fledged SAFETY PARK opened in Thermal Power Station II.
- All Units of Mines and Thermal, Safety Audits conducted.
- Cross functional team for safety inspection initiated and under progress routinely in all Units of THERMAL and MINES to achieve zero harm.
- Safety Officers meeting through Video Conferencing with all UNITS conducted every month by Central Safety Wing to go in depth of all reports connected to Occupational Health and Safety.
- On site Central Safety Committee inspection consisting of recognized Union's workmen conducted every month at Units.
- Spot a hazard & stop an accident contest introduced at site and winner who identifies maximum numbers of hazards are encouraged with prizes to promote better understanding of work related SOPs.

MANUFACTURED CAPITAL

TOWARDS A GREEN AND RESILIENT INDIA

Manufactured capital is vital for us in our long-term success. For instance, efficient use of manufactured capital allows us to be more flexible, responsive to market or social demands, ingenious and quicker in delivering our services. It refers to tangible things and facilities that we own, lease or control as a company which also contributes to production and offering our service. We have ambitious targets to provide value to our consumers not only by providing the accessibility to affordable power but also increasing our renewable energy capacity and introducing green initiatives through sustainable practices by developing innovations to contribute towards climate goals of our nation.

VISION FOR 2030

CAPACITY ADDITION - POWER

Present Thermal Capacity: 3,640 MW
Capacity by 2030: 9,820 MW

Present RE Capacity: 1, 421 MW
Capacity by 2030: 6,031 MW

Capacity Addition - Mines

Present Lignite Capacity: 30.60 MTPA
Capacity by 2030: 40.10 MTPA

Present Coal Capacity: 20 MTPA
Capacity by 2030: 44 MTPA

GOVERNANCE ENABLERS

Renewable energy targets

Corporate Strategy towards sustainability

MATERIAL ISSUES ADDRESSED

- Land acquisition
- Resource Availability
- Renewable Energy

KEY PERFORMANCE INDICATORS

Indicators	Current Status
Capacity for Lignite based Thermal Power Generation	3640 MW
Capacity for Lignite Mining	30.6 MTPA
Capacity for Coal Mining	20 MTPA
Capacity for Renewable Energy	1421 MW
Fixed Assets	₹ 18,945.65 crore

INTERLINKAGES WITH OTHER CAPITALS

I Intellectual H Human N Natural S Social and Relationship F Finance

SDG ALIGNMENT:

OVERVIEW

India's economy will continue to rise during the ensuing decades. We plan to create robust and environmentally friendly infrastructure all around the nation to support and enhance economic growth. Over many years, we have solidified our position as a prominent player in the mining industry. We are also looking forward to increase our capacity in the renewable energy sector across the nation while establishing resilient mining-based power production infrastructure in light of the short- and medium-term energy needs. Additionally, we plan to concentrate on developing renewable energy infrastructure in the long run to support India's economic development.

OUR MANUFACTURED CAPITAL

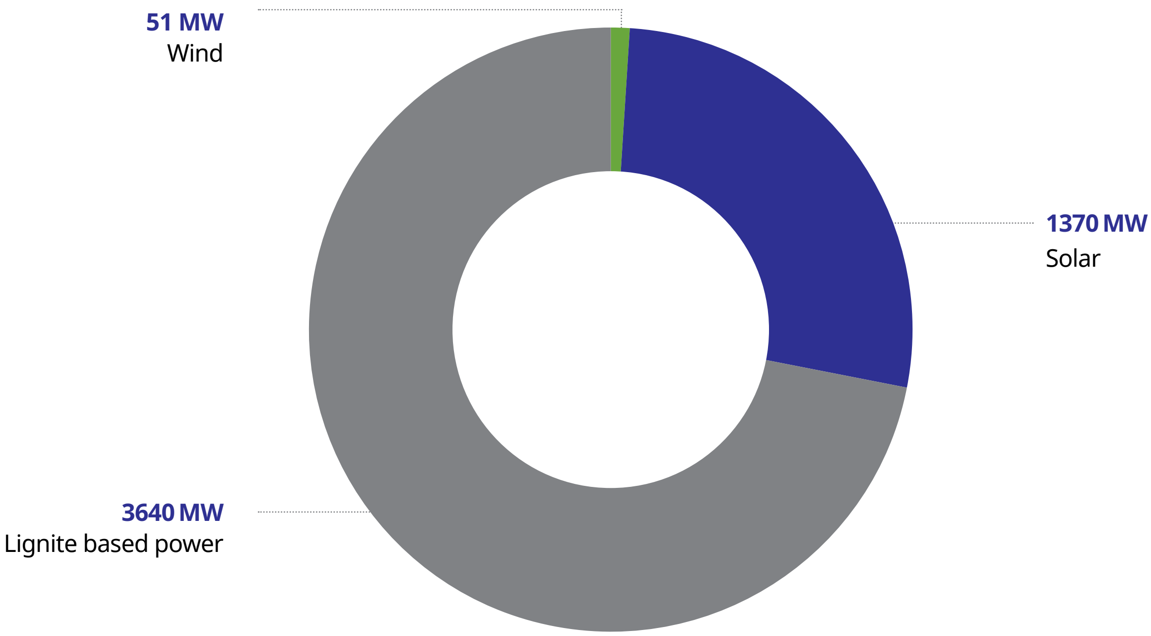
Currently our portfolio for lignite mining stands at 30.6 MTPA, coal mining at 20 MTPA, Lignite based thermal power generation at 3640 MW and Renewable energy generation at 1421 MW. In terms of our fixed assets, present assets of our company's Manufactured Capital lies at ₹ 18,945.65 crore with a ₹ 1,012.41 crore of CWIP.

ENERGY

Our primary area of business is the production of electricity and our main energy source is thermal energy from lignite. However, as our focus has shifted to sustainability, we have increased our capacity for renewable energy to support the Government's sustainability objectives. In order to provide our clients with reliable power and generate value for all of our stakeholders, we also ensure that all of our power generating assets perform better.

LIGNITE BASED THERMAL ENERGY

Power Generation Mix

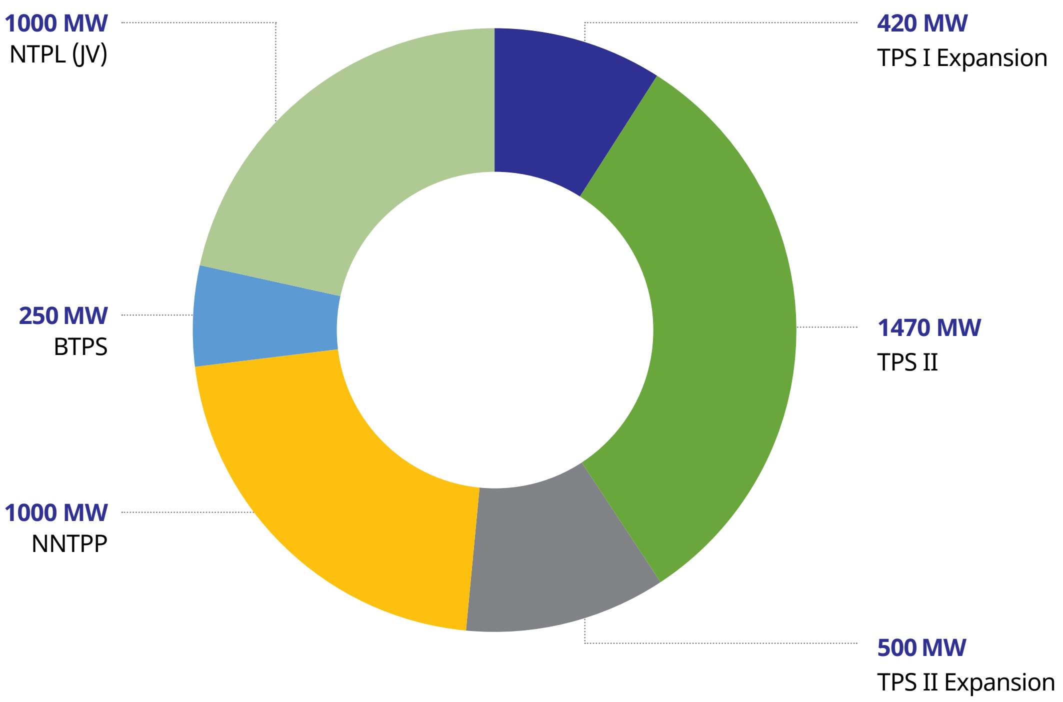


All the lignite we use in our thermal power plants comes from our mining operations. Our years of considerable experience in the mining business have enabled us to obtain lignite in a sustainable manner. As a result, we have successfully provided consistent and durable power to our clients for many years.

We have 5 locations in India with a total installed capacity of 3640 MW and we also have a 1000 MW coal based power plant through our JV NTPL. We further plan to expand by 5,180 MW of coal power by 2030. To ensure long-term competitiveness, reduce fuel risk, and promote the growth of sustainable power, we are aiming to diversify our generation mix. We provide electricity to numerous large customers located across India from our stations spread out across the nation. Our detailed thermal energy statistics are mentioned below:

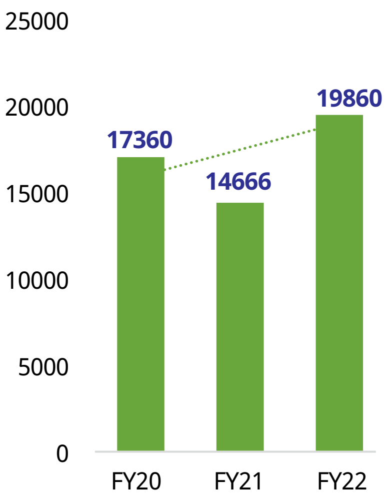
Sl. No	Unit	Fuel Type	Capacity	Location/ Address
1	TPS I Expansion	Lignite	420 MW	Neyveli Cuddalore, Tamilnadu
2	TPS II	Lignite	1470 MW	Neyveli Cuddalore, Tamilnadu
3	TPS II Expansion	Lignite	500 MW	Neyveli Cuddalore, Tamilnadu
4	NNTPP	Lignite	1000 MW	Neyveli Cuddalore, Tamilnadu
5	BTPS	Lignite	250 MW	Barsingsar, Bikaner district, Rajasthan.
6	NTPL (JV)	Coal	1000 MW	Harbour Estate, Tuticorin, Tamilnadu
7	NUPPL (JV)	Coal	1980 MW (Under construction)	Ghatampur Tehsil in Kanpur Nagar District, Uttar Pradesh
8	NTTPP	Coal	2400 MW (In tendering stage)	Kumbhari & Tareikela villages in District Jasuguda and Thelkolai village in District Sambalpur

Thermal Power Generation

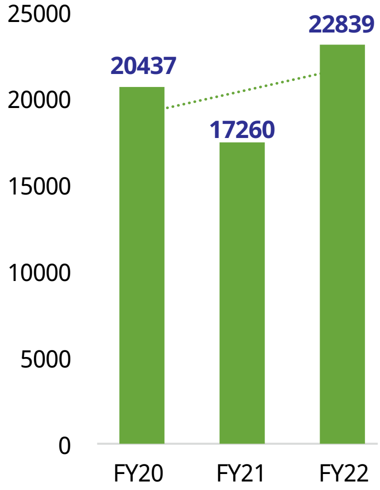


Key Indicators:

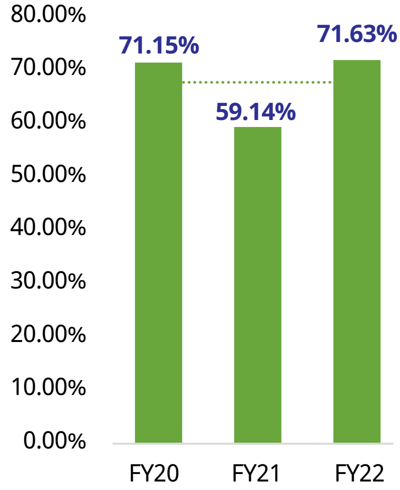
Thermal Export MU



Thermal Gross Generation MU



PLF – All Thermals



TPS- II

OUR APPROACH TOWARDS RENEWABLE ENERGY

Renewable energy is our main area of focus as part of our commitment to the nation to offer power in a sustainable manner. With a shift in our focus towards generating greener energy, our total renewable energy capacity stands at 1421.06 MW, of which 1370.06 is through solar energy and 51 MW is through wind energy

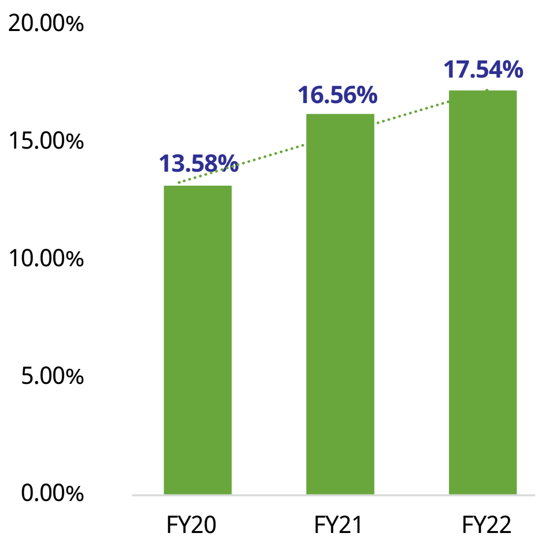
Towards this purpose, by 2030, we want to increase the capacity of renewable energy from 1.42 GW to 6.03 GW.

The current capacity location-wise is tabulated below:

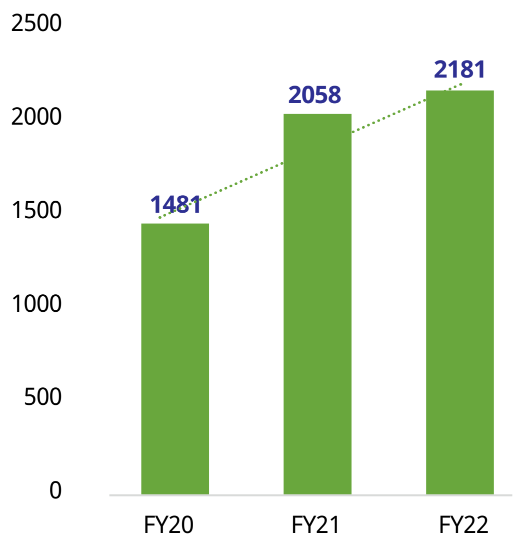
Sl. No	Unit	Capacity	Location/ Address
1	500 MW - **Tamilnadu**	500 MW	Sethupuram Virudhunagar Thoppalakarai Virudhunagar Saminatham Virudhunagar Kadamangalam Ramnad Ettankulam Tirunelveli Chelianallur Tirunelveli
2	709 MW - **Tamilnadu**	709 MW	Therkupatti Tirunelveli Puthur Tirunelveli Onamakkulam Tuticorin Poolangal Virudhunagar Avathandai Ramnad Kamuthi Ramnad Maranthai Tirunelveli
3	Neyveli 130 MW - **Tamilnadu**	130 MW	Neyveli Cuddalore
4	Neyveli 10 MW - **Tamilnadu**	10 MW	Neyveli Cuddalore
5	Andaman Nicobar 20 MW	20 MW	Andaman Nicobar
6	Wind 51 MW - **Tamilnadu**	51 MW	Alanagulam Tirunelveli

Key Indicators

CUF – All Renewable



Renewable Export MU




Rooftop Solar Plant at Corporate Office, Neyveli

MINING

Currently, we operate four open cast lignite mines, namely Mine I, Mine II, Mine IA, and Barsingsar Mine and one open cast coal mine, Talabira II & III. The linked Pit head power stations use the extracted lignite as fuel. Additionally, lignite is sold to small-scale enterprises for use as fuel in their manufacturing processes.

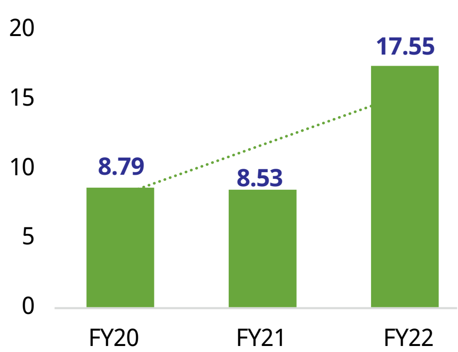
The current capacity of lignite mining stands at 30.60 MTA and we envisage to expand our capacity to 40.1 MTA by 2030. Similarly, we are in plans to increase our capacity of coal mining from current 20 MTA to 44 MTPA by 2030. We intend to contribute towards building resilience and ensuring energy security of our nation.

Lignite Mining	Capacity
Mine I, Neyveli	10.5 MTA
Mine I A, Neyveli	3.0 MTA
Mine II, Neyveli	15.0 MTA
Barsingsar Mine	2.1 MTA

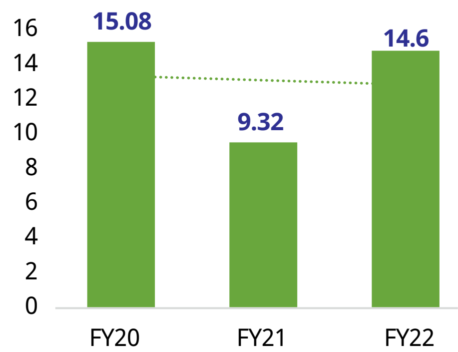
Coal Mining	Capacity
Talabira II & III OCP	20.0 MTA

Key Indicators:

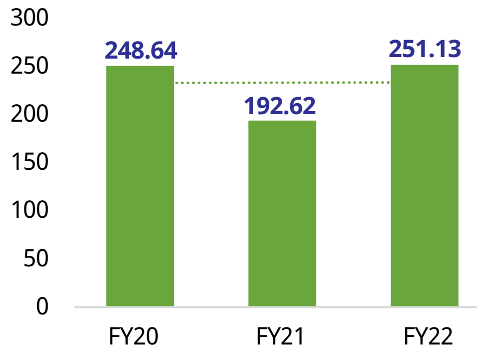
Lignite Outside Sales LT



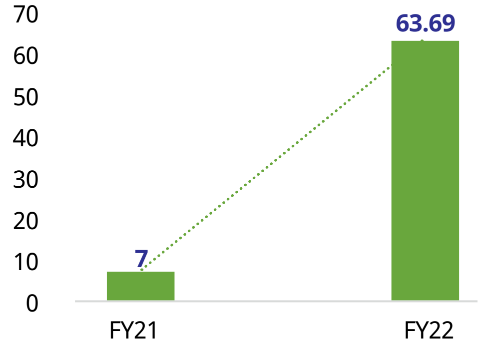
Lignite Sales to TAQA LT



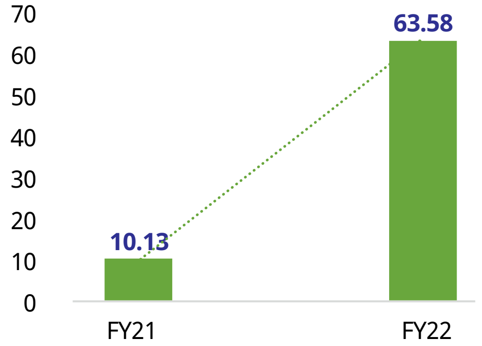
Lignite Production LT



Coal Sales LT



Coal Production LT



DRY FLY ASH UTILIZATION

All our thermal units (TPS I Expansion, TPS II, TPS II Expansion, NNTPS, BTPS) are achieving 100% ash utilization since 2013 by supplying generated ash to Brick Manufacturing Companies, Cement Manufacturing Companies, filling mine voids, low lying areas etc. complying with the guidelines of MoEF& CC Fly Ash Gazette Notifications.

Last 2 years Dry Fly Ash Generation & Utilization details of NLCIL, Neyveli TPPs given below:

2020-21

	TPS I Expansion	TPS II	TPS II Expansion	NNTPP	BTPS
Total Ash Generated (in MT)	1,76,533	4,55,670	1,35,630	2,08,854	1,84,309
Total Dry Fly Ash Generated (in MT)	1,56,445	3,91,121	1,07,600	1,97,723	35,746
Total Bottom Ash Generated (in MT)	20,088	64,547	28,060	11,131	1,48,563
Total Dry Fly Ash Utilization (in MT)	1,56,445	3,91,121	1,07,600	1,97,723	35,746
Total Bottom Ash Utilization (in MT)	20,088	64,547	28,060	11,131	1,48,563
% of Total Ash Utilization	**100%**	**100%**	**100%**	**100%**	**100%**

2021-22

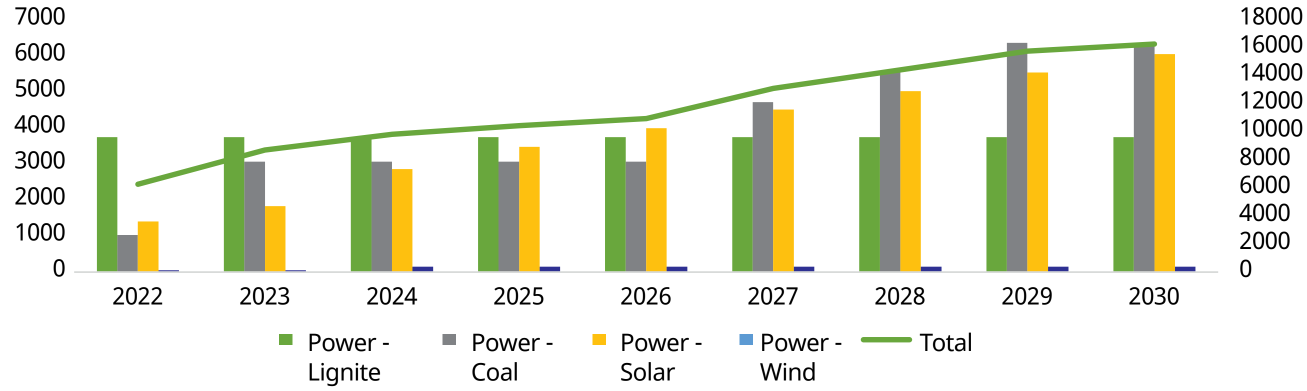
	TPS I Expansion	TPS II	TPS II Expansion	NNTPP	BTPS
Total Ash Generated (in MT)	1,94,650	6,33,854	1,35,630	1,52,101	1,90,974
Total Dry Fly Ash Generated(in MT)	1,70,320	5,04,113	1,11,230	1,40,970	1,59,918
Total Bottom Ash Generated(in MT)	24250	1,88,166	24,400	11,131	31,056
Total Dry Fly Ash Utilization (in MT)	1,70,320	5,04,113	1,11,230	1,40,970	1,59,918
Total Bottom Ash Utilization (in MT)	24250	1,88,166	24,400	11,131	31,056
% of Total Ash Utilization	**100%**	**100%**	**100%**	**100%**	**100%**

FUTURE OUTLOOK

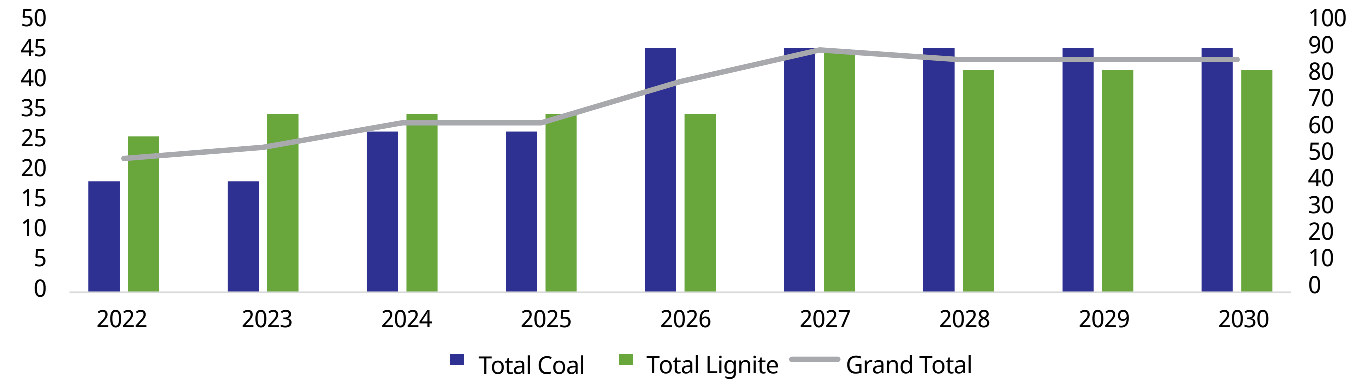
We have set a high growth target to become energy major with 15,851 MW power generation capacity by 2030 with our own fuel security of lignite mining capacity of 40.10 MTA from the present capacity of 30.60 MTA and coal mining capacity of 44.00 MTPA from the present capacity of 20.00 MTA.

The Company intends to increase its renewable energy capacity to 6,031 MW capacity by 2030 from the existing capacity of 1,421 MW.

Power Generation Capacity Mix By 2030 (MW)



Mining Capacity Mix By 2030



Shri Rakesh Kumar, CMD NLCIL meeting Dr. Himanta Biswa Sarma, Hon'ble Chief Minister of Assam to discuss NLCIL proposed plans to augment power supply in the state of Assam.

Hon'ble Minister of Coal, Mines & Parliamentary Affairs, Shri. Pralhad Joshi visiting Mine-I, Neyveli

PPA for 100 MW signed with Electricity Department, Goverment of Puducherry

SOCIAL AND RELATIONSHIP CAPITAL

SOCIALLY RESPONSIBLE ORGANIZATION

At NLCIL we perceive ourselves as part of the society and are dedicated to assisting the communities in which we operate and helping them progress in such a way that they are well positioned for the future and we are able to advocate and incorporate sustainability principles to them. Empowering communities to flourish has been a significant focus area of our corporate objectives. As an organization engaged in diverse collectivistic societies across rural and urban India, we are well poised to capitalize on the lead in assisting society to expand and become resilient.

OBJECTIVE

As a model Central Public Sector Enterprise, with sustained CSR programmes that have kept us in good stead in terms of economic considerations, employee motivation and reputation, we will strive to sustain the image as a responsible CPSE.

We recognize the fact that our development is quintessential for the economic growth of the nation, development of the immediate community in which we operate and the society at large. As a key driver of growth and prosperity in this region, we owe to ensure sustenance and flourish.

GOVERNANCE ENABLERS

- Corporate Social Responsibility Policy
- Corporate Communication Policy
- Customer Relationship Policy
- Stakeholders Engagement Procedure

MATERIAL ISSUES ADDRESSED

- Community engagement
- Health and safety
- Training
- Sustainable Supply Chain

KEY PERFORMANCE INDICATORS

Indicators	Current Status
CSR Expenditure	₹ 40.80 crore spent in FY 2021-2022
Indigenous consumption	In FY 22 we consumed as a group 99.97% of total consumption as indigenous Raw material (our major raw material is lignite which we mine ourselves) and spares against 89.07% in FY 21.

INTERLINKAGES WITH OTHER CAPITALS

H Human N Natural S Social and Relationship F Finance

SDG ALIGNMENT

3 GOOD HEALTH AND WELL-BEING
6 CLEAN WATER AND SANITATION
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

STRENGTHENING CUSTOMER RELATIONSHIP

One of our guiding principles is customer focus. In accordance with this, we keep regular correspondence and meetings with our clients to thoroughly understand the requirements, market status and how can we develop our operations in line with the industry standards.

UNDERSTANDING CUSTOMER'S NEEDS

For the past 12 years, we have consistently organized customer meets to understand their requirements and needs for efficient delivery. During the FY 2020–21, a customer network for Talabira Coal Mines' coal-based clients and six new clients for Neyveli Mines' raw lignite were formed in order to expand the sales network across India. With the aid of service provider M-junction Services Limited, separate marketing SOPs and a strategy for the open sale of coal from Talabira Mines. To maintain positive relationships with customers and to increase sales, sales promotional trips to customer factories were performed to assess the most recent marketing trends, prices, changes in process or methodology etc.

MAINTAINING TRANSPARENCY AND ACCOUNTABILITY

For the purpose of making the Integrity Pact Programme meaningful, we constantly review it with Independent External Monitors and Stakeholders. On October 29, 2021, an annual consumer meet was organized as part of Vigilance Awareness Week with the goal of enhancing customer relations. We place the highest priority on safety and quality. Meetings, inspections and the establishment of rules are used to carry out activities in the field of industrial safety in addition to continuous safety-related projects. The CARD department provides technical services, quality control testing, and consulting.

In order to hear appeals against the decisions of the Central and State Electricity Regulatory Commission, a multidisciplinary expert appellate body known as APTEL was established in 2005. Discoms or producing stations tend to favor appeals in most cases on CERC-disallowed matters relating to capacity and energy pricing. After hearings and the submission of pleadings, the appellate tribunal would send the appeal back to CERC for review and compliance.

CERC has the responsibility to regulate the tariff of generating companies owned or controlled by the Central Government and Tariff determination applications are submitted by generating stations by way of generating Tariff application, Miscellaneous application or review application.

ADDRESSING CUSTOMER GRIEVANCES

The Commercial Department regularly communicates with the customers regarding matters pertaining to Power Sales & Accounts through meetings, correspondences, and periodic reconciliation exercises in order to maintain friendly relations with the customers and to facilitate efficient dispute resolution. Additionally, the regulatory framework oversees our operations and offers all stakeholders equal opportunities to voice their disagreements and to resolve disputes fairly and is in accordance with the appropriate regulatory procedures.

EMPOWERING LOCAL SUPPLIER NETWORK

To empower, enhance and encourage local businesses to contribute towards "Make in India" initiative we started to increase our domestic procurement against import from global market. In FY 2021 we consumed 89.07%% of our total raw material and spares as a group from domestic market. In FY 2022, we were able to achieve 99.97% of our total consumption of raw material and spares as a group from domestic market.

BUILDING RELATIONSHIPS WITH COMMUNITIES

Our organizational policy and objectives towards the growth of the organization is linked to benefit the community. In the same line when we develop our projects, we consider rehabilitation and resettlement as our primary activity along with project planning. We take care of Project Affected Persons appropriately and measure trauma of displacement to minimize it. We follow guidelines provided by the Government of India for rehabilitation and resettlement from time to time. Additionally we also adhere to the IFC Performance Standards while addressing this issue keeping in mind the well being of the community.

We have built resettlement centres in project vicinity with good infrastructure facilities which resulted in smooth resettlement of the Project Affected Persons. Along with rehabilitation we also provide legal and enhanced compensation for loss of assets. We have also provided community with better road infrastructure and conducted skill development programmes to Project Affected Persons in this reporting financial year.

We have complied with State and Union laws and regulations for fair compensation, land acquisition, rehabilitation and resettlement.

ASSISTING THE COMMUNITIES THROUGH OUR CSR INITIATIVES

Since our inception, we have been engaging in ancillary development initiatives for the benefit of the villages nearby. Our goal is to become a preeminent mining and power company, with social responsiveness promoting the development of the country.

We have a CSR Policy in place, which guides our new and continuing CSR projects, programmes and activities. Our CSR initiatives prioritize inclusive growth and sustainable development while meeting the fundamental requirements of the local communities. supporting the socio-economic growth of the local State(s) in which we operate as well as the nation as a whole.

We have a CSR committee formed as per the provisions of the Companies act 2013 and consist of 4 members.

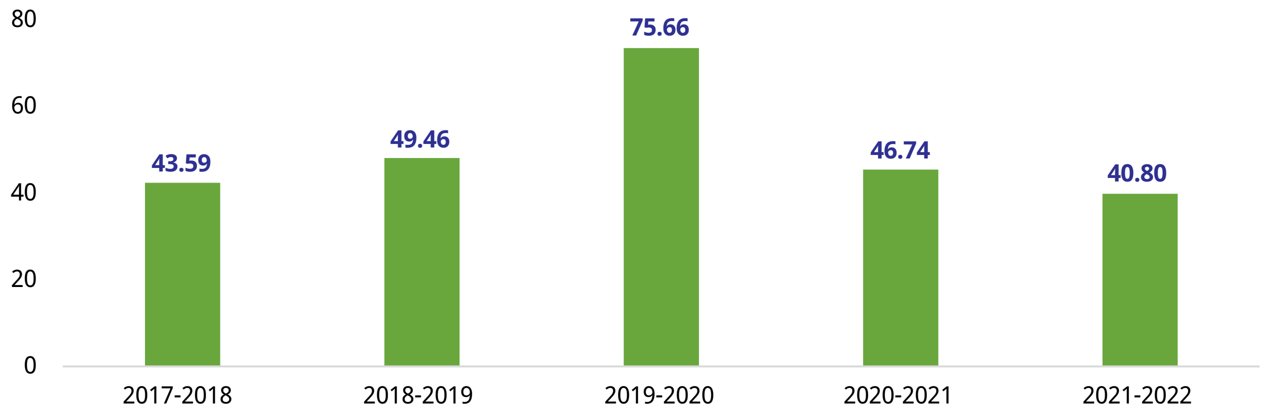
Name of Director	Designation / Nature of Directorship
Prof. Nivedita Srivastava	Chairperson
Shri Prakash Mishra	Member
Shri M.T. Ramesh	Member
Dr. Suresh Chandra Suman	Member

We believe that the only sustainable method of conducting business is one that incorporates the three guiding principles of profit, people, and the planet. Performance is then evaluated in terms of its effects on the economy, society, and environment. With this idea in mind, we created our CSR policy.

Our stakeholders have been methodically identified and we have created a methodical engagement strategy for each. We see socially conscious investing as a cornerstone of our goals. We have always addressed the important issues of the communities in and around the operations as a socially conscious corporate citizen.

The graph below displays our CSR spending over the past five years and shows how it aligns with both our business goals and our corporate social responsibility goals.

CSR Expenditure (₹ Crores)



NLCIL'S CORPORATE SOCIAL RESPONSIBILITY APPROACH

Since the inception, we have continued to carry out development projects in the nearby villages as a socially conscious corporate citizen, concentrating on the socio-economic growth of the operational regions to achieve inclusive & sustainable growth.

- We adhere to our Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. The Policy can be viewed at our Website https://www.nlcindia.in/new_website/index.htm
- We outlay funds for the CSR projects, programmes and activities selected for implementation under the CSR Policy.
- The Board's CSR Committee maintains a focus on how the CSR Projects are being carried out. The Board of Directors examines the same and makes sure of the spending, in each fiscal year is at least 2% of the average net profits generated over last three fiscal years.
- Initiatives of State/Central Government, Departments/Agencies are dovetailed/synergized with our CSR Activities.

The amount spent by us for the year 2021-22 towards CSR projects is ₹ 40.80 crore

To maximize its coverage of social development we adopt a comprehensive strategy. Our corporate responsibility priority areas include healthcare, sanitation, education, skill development, rural infrastructure development, rural heritage and sports.

ANNUAL CSR THEME AT NLCIL

In accordance with DPE recommendations, the percentage of the CSR cash that is spent on theme activities must be around 60%. According to DPE, the yearly theme for FY 2021–22 was "Health & Nutrition, with Special Focus on COVID Related Measures, including Setting Up Makeshift Hospitals and Temporary COVID Care Facilities." In light of this, we undertook CSR activities in 2021–2022 while spending ₹ 24.81 crore, or 60.80% of CSR Expenditure, on the mentioned theme.

PROMOTING HEALTH CARE, NUTRITION & SANITATION

Maintaining health, sanitation and hygiene has been a key part of our focus area while working with communities on CSR projects, We have spent an amount of around ₹ 744.16 lakh during FY 2021-22 towards promoting Health Care, Nutrition & Sanitation. The following initiatives are undertaken.

- Emergency / life saving treatment to common residents in Neyveli Township and patients from surrounding villages of Neyveli on OP Basis at a cost of ₹ 130.94 lakh.
- Nutritional support to the students of NLC India Schools at a cost of ₹ 25.20 lakh.
- Conducting Medical camps around Neyveli at a cost of ₹ 24.25 lakh.
- Construction of Trauma Care centre at Govt. General Hospital, Kurinjipadi at a cost of ₹ 14.04 lakh (Under Progress).

- Poshak - Supply of Health Mix Powder, dates, Chenna to HIV +ve Society, Cuddalore by Monthly supply at a cost of ₹ 13.90 lakh.
- Swachhta Pakwada, Yearlong swachhta, Swachh Bharat related activities at a cost of ₹ 9.42 lakh.
- Supply of Food Supplements and soaps to Oasis, home by Monthly supply at a cost of ₹ 8.33 lakh.
- Construction of 2 Nos of RCC OHT in Kurinjipadi at a cost of ₹ 4.56 lakh (Under Progress).
- Periodical health checkup of villagers by organizing Free Medical camps at surrounding villages of Barsingsar Unit at a cost of ₹ 2.91 lakh.
- Distribution of Baby Kits to new born babies under Beti Bachao scheme at a cost of ₹ 2.00 lakh.
- Diapers, food supplement and cleaning materials to Annai Theresa Home, Vadalur at a cost of ₹ 1.63 lakh.
- Hygiene and Health Care works of NLC India Schools, Kendriya Vidyalaya and education department at a cost of ₹ 70.75 lakh.
- We are also extending financial assistance towards Construction of Public Toilet Blocks in the circulating areas of 170 nos. of Railway stations of Southern Railway in Tamil Nadu. During the year under review, we have contributed ₹ 436.25 lakh for this Project.

PROMOTING EDUCATION & EMPLOYMENT ENHANCING SKILLS

We are aware of the importance and impact that education and upskilling brings for the communities that we engage with. With the vision of increasing educational opportunities for the communities, we have spent around ₹ 1,373.26 lakh during the FY 2021-22 under review, towards promoting Education & Employment Enhancing Skills. The following initiatives are undertaken.

- Financial assistance of ₹ 500.00 lakh to Jawahar Education Society patronized by us towards promoting Education of the students in the operating region of NLC India, Neyveli.
- Tuition fees of ₹ 458.99 lakh towards promoting education of SC, ST & OBC Students of Jawahar Science College, Neyveli benefitting 1152 OBC students and 490 SC & ST students
- Educational Assistance of ₹ 148.86 lakh towards promoting education of the students of Kendiriya Vidyalaya School.
- Financial Assistance of ₹ 92.50 lakh towards construction of 9 Smart Class Rooms to Sri Sarada Niketan College of Science for Women, Kodangipatti, Karur.
- Educational Assistance of ₹ 44.54 lakh to Contract Workmen Children.
- Awareness, motivation Guidance Programmes/Functions for students, parents and teachers. Programmes as per directives of the State and Central Govt like swachh related activities, celebration of important days, Scouts and Guides Camp & Thinking day, School Sports & Literary Activities, Competitions, Issue of school Uniforms, Issue of text books/ educational aids and lease charges for photo copier etc. at a cost of ₹ 24.34 lakh
- Certain facilities to Sneha Opportunity Services and School at a cost of ₹ 8.72 lakh.
- Distribution of Scholarship to girl students at a cost of ₹ 7.24 lakh.
- Educational Promotional activity/Skill Development Programme/Smart class at a cost of ₹ 4.68 lakh.
- Distribution of school kits to 1st standard girl student under "Beti Padhao" scheme at a cost of ₹ 2.00 lakh.
- Distribution of Books on Indian Freedom to village students at a cost of ₹ 0.13 lakh.
- Financial Assistance of ₹ 79.69 lakh to Gram Vikas Society, Dharwad, Karnataka towards Skill Development (Fashion Design) Training.
- Skill Development Training Programmes in various Skill sectors for project affected persons (PAPs), students and teachers at a cost of ₹ 1.57 lakh.

COVID 19 RESPONSE & MANAGEMENT

During the COVID 19 outbreak, our primary emphasis was employee safety, business continuity, and reaching out to customers and stakeholders using virtual and digital channels to ensure their needs are met.

Throughout the pandemic, we took adequate measures to maintain the safety and sanitization of our premises in accordance with the guidelines issued by various local authorities. We offered sanitizers, masks, and face shields to all our employees/ associates who had to visit our offices on a periodic basis. To ensure safety for all, we started doing RT PCR testing for our employees at tower locations. We reinforced our health and safety regulations across all our offices thus protecting high-risk personnel and promoting a work-from-home culture. During these tumultuous situations, we look back on some of the initiatives that enabled us to restructure ourselves and adapt to the new normal.

ACTIONS TAKEN IN OUR OFFICES

In action to break the chain of transmission, employees were exempted from Biometric marking of their attendance. Preventive guidelines on personal hygiene, work place hygiene, work place safety, wearing of face mask, hand washing/sanitizing, disinfection, social distancing, travel restriction, testing strategy, quarantine, hospital readiness, appropriate behavior on COVID, ensuring business continuity by engaging skeletal work force by Rostering /Staggered Shift/Work From Home (WFH) during Nationwide Lock Down period have been issued and strict implementation of the same has been ensured at all times.

All the Entrances of Units /Offices are provided with hand wash facility/ sanitizers and Thermo scan provision is made to detect the employee's temperature while entering the premises. Every day the SPO2 level of each employee is also monitored stringently.

PROVISION FOR OUR WORKERS

During the lock-down period, food, water & shelter facilities were provided to all migrant workers were working at our Neyveli and Odisha projects. As a special drive, fever diagnose camps were arranged in the colonies of migrant /contract worker to detect early symptoms. Through this diagnose, more than 150 cases were detected and referred for swab testing. To assist the migrant worker who wish to go back to their native, safe and secure mode of transportation like buses, trains were arranged. During this travel dry food packets were arranged through Shramik Special Express by NLCIL/Odisha project which costs around ₹ 0.34 crore. Similarly, sponsored 1,900 Nos. of dry food packets arranged through Shramik Special Express from NLCIL, DRDA Sambalpur. During the lock-down (2019-20) we have extended wage support to contract/migrant workmen which amounting to ₹ 0.17 crore (approx).

COVID 19 RELATED COMMUNICATIONS AND AWARENESS GENERATION

Employees were informed about AarogyaSetu application through a special drive / camping carried out to facilitate employees to install AarogyaSetu application in their mobile phone. Accordingly, more than 26,000 persons (Regular employees; Contract Worker; Public; Family members etc) enabled their health mapping on a real time basis. Communication in respect of travel restrictions / Home Quarantine / COVID19 test procedures, COVID Treatment/management, work area disinfection procedures, Leave regularization, COVID Vaccination, post COVID management etc., were clearly circulated. So far, around 118 circulars were issued pertaining to Covid-19 management.

In compliance with the directives of Ministry of Health & Family Welfare, our Learning & Development Centre has conducted capacity building training on COVID-19 management, using modules prepared by AIIMS, New Delhi, for doctors, nurses, paramedics and volunteers. Further, NLCIL Hospital has trained around 20 doctors from across different disciplines on management of COVID 19 and another 13 doctors were trained in Ventilator management.

We have developed In-house software application for fever clinic registration, recording travel history, contact tracing, and updating Vaccination status etc. Also, Tele Consultation was commenced for COVID and other non-COVID patients enabling virtual expertise and consultation from doctors in NLCIL Hospital and doctors from multi-specialty hospitals

PRECAUTIONARY MEASURES AT OUR TOWNSHIPS

Infection Prevention and Control is observed on a gargantuan basis by the Health Department of Township Administration to sanitise and disinfect around 100 locations within the Township through spraying of disinfectants and fumigation methods on daily basis. We have adopted widespread sanitation measures to disinfect larger areas including our Power Stations, offices and townships by using BHEL manufactured Misters in an effective and efficient manner.

SETTING UP OF COVID 19 RESPONSE FACILITIES

A COVID Control Room (24X7) has been established and ensured door to door enumeration, shifting of Covid affected persons to respective COVID Care Centre, follow up and counselling with infected persons on day to day basis, contact tracing with a target of 15 to 20 contacts per positive person, Facilitating mobile swab testing and updating of COVID MIS. Travel history of employees and their family members, other stakeholders residing within Neyveli Premises and persons with foreign travel history and travel within India with symptoms of fever, cough or breathlessness have been identified, quarantined and monitored with the co-ordination of State Govt. Health department.

We have a hospital which has opened the “Fever Clinic” with doctors positioned 24X7 for screening of persons who report with travel history along with symptoms like fever, cough and breathing difficulties and upon medical screening they were advised home quarantine as per guidelines. Around 53,100 (as on 23.05.2022) persons were screened at fever clinic during first and second wave. Persons with COVID-19 related symptoms were referred to fever clinic and around 58054 (as on 23.05.2022) swab test were taken during first and second wave. Mobile swab collection facility also organized to take samples at the respective residences. To minimise the Covid spread, test has been increased targeting to minimum 100 swabs every day. Moreover mass testing campaigns were arranged at all units/offices and public places with the joint help of state Govt.

We have taken steps to increase the number of beds for COVID patients from 83 to 277 at NLCIL General Hospital, Neyveli out of which 106 are oxygen beds. In addition to the General Hospital, We have established three COVID care centers with a total bed capacity of 300 at Neyveli, 100 bed capacity at NUPPL, Uttar Pradesh, 30 bed capacity at NTPL, Tuticorin Tamil Nadu and 5 bed capacity at Talabira, Odisha to admit asymptomatic COVID-19 patients. Also, additional 5 ventilators have been installed at NLCIL General Hospital to take care of critical patients.

In order to aid the examination and treatment, CT scan facility and 2 Medical Oxygen Plant with a capacity of 12 Nm3 per hr. was installed at NLCIL General Hospital on war-footing basis, for the creation of more Oxygen-fitted Beds in the Hospital as well as in the COVID-19 Care Centers, to neutralize any possibility of shortage of this vital element. Apart from the above, two Unique Laminar Air Flow facility is made available to treat critical Covid patients. Apart from the above twenty-six more oxygen plants were installed in various hospitals throughout India.

Inauguration of CT Scan facility

Oxygen plant

AUGMENTING ESSENTIAL RESOURCE AVAILABILITY DURING THE PANDEMIC

We have augmented essential resources like PPEs, essential medical supplies, emergency medicines, N95 Masks, 3 ply face masks, disposable surgical dresses, Ventilator with compressor, Oxygen Concentrator, Ambulance ventilator, Anaesthetic accessories for ventilators, polyurethane foam mattresses, non –woven disposable bed sheets and sanitisers etc.

Establishing Vaccine centres

To combat Covid19, Two COVID Vaccine centers have been established at Neyveli which is operating on all days. Besides, administering vaccination through two established centers, on-site vaccination drive was also carried out at CISF camps of Neyveli Units, Industrial Units. Apart from this, separate industrial vaccination campaigns and as advised by Hon'ble PM four day Vaccination Festival (11.04.2021 to 14.04.2021) "Teeka Utsav" was organized to ensure health of work force and public under which 1,18,198 doses were administered.

STRENGTHENING IMMUNITY AND WELL BEING

Doctors and Trainer were conducting virtual Yoga training programmes every day and also supplying the ayurveda medicines in line with Ministry of Ayush. In addition to strengthen the immunity 'Kabasubra Kudineer' and 'Nelavembu Kasayam' (Ayurveda medicines) has been continuously issued to all our offices/Units and public places.

Technical prowess and expertise available in Centre for Applied Research and Development (CARD) wing harnessed to the full for manufacturing Liquid Soap and Sanitisers. Around 8,558 Liters of sanitizers and 9,470 liters of Soap Solution were prepared in-house by Centre for Applied Research and Development (CARD) for use in Factories and Mines.

Responsibility towards the Community

More than 25,000 Project Affected Persons and Villagers in and around Neyveli were provided with Rice and Groceries worth ₹ 1.2 crore. As a part of support to the community, we have donated essential equipment to District Authorities and District Hospitals. These measures were replicated in all our Projects, including our JV Companies located at Barsingsar in Rajasthan, Tuticorin in Tamil Nadu, Ghatampur in Uttar Pradesh, Talabira in Odisha and various Solar sites in Tamil Nadu and Andaman. We have also distributed food to homeless and poor twice daily in our Project Area. We have contributed a total of ₹ 20 crore from our Corporate Social Responsibility Initiative Fund to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund to support GOIs initiative for fighting the COVID virus. Our employees also played their part by generously contributing one day's salary amounting to ₹ 5 crore to this Fund. Further, 111 employees have voluntarily contributed ₹ 6.55 Lakhs to PM CARES Fund.

Under CSR scheme, 28 Nos. oxygen plants commissioned and supply of 500 oxygen concentrators across various parts of the country (Tamil Nadu, Karnataka, Uttar Pradesh, Rajasthan, Odisha and Jharkhand). We have also contributed ₹ 3 Crore to TN Govt. for preventing Covid to combat the 2nd wave. We have extended help to the Government of Tamil Nadu for establishing 3 oxygen plants through our CSR scheme besides providing 15 Ambulances to the District Administration for the transportation of COVID patients. Under the constant vigil, support and guidance of District Administration at various business location, the spread of Covid could be continuously monitored and contained.

Measures taken towards prevention of Covid-19

Since March 2020, we have been leading the charge in combating the pandemic's negative impacts. We have invested Rs 1614.10 lakh in various COVID 19 preventive measures for the benefit of the public at various sites across the country during the FY 2021–22. The following projects are carried out.

- Setting up of 17 Nos. Oxygen Plants of 30 NM^3/Hr capacity in Tamil Nadu, Rajasthan & Karnataka States at the following locations at a cost of Rs 1113.65 Lakh.

Sl. No.	Location of Oxygen plants of 30 NM^3/Hr set up by NLCIL	State
1	1. Chidambaram 2. Villupuram 3. Panruti 4. Thittakudi 5. Vridhachalam	Tamilnadu
2	1. Bilgi 2. Gadag 3. Badami 4. Byadagi 5. Challakere 6. Holakere	Karnataka

Sl. No.	Location of Oxygen plants of 30 NM^3/Hr set up by NLCIL	State
3	1. Bikaner 2. Ajmer 3. Jaipur 4. Jodhpur 5. Nagaur 6. Udaipur	Rajasthan

- Supply of 184 Nos of Oxygen Concentrators of capacity 10 lit/Min in Tamil Nadu at a cost of Rs 218.02 Lakh.
- Supply of 86 Nos of Oxygen Concentrators of capacity 10 lit/Min in Rajasthan at a cost of Rs 108.13 Lakh.
- Sparing of 10 Nos of Hired Basic Life Support Ambulances to Cuddalore District Administration for 3 Months at a cost of Rs 58.34 Lakh.
- Financial Assistance of Rs 32.20 Lakh to M/s Socio Economic Research Institute (SERI) towards distribution of PPE Garments, Surgical Masks, Hand Sanitizers, Infrared forehead Thermometer, Oxygen concentrators and Probass UV-C disinfection systems for Cuddalore District.
- Providing food packets to the needy people through Sneha Opportunity Services, Neyveli at a cost of Rs 24.78 Lakh.
- Soap solution, Sanitizer, Cold chain equipment, Electrical connection to PSA Oxygen Plants at a cost of Rs 17.40 Lakh.
- Medication to Government Hospitals at a cost of Rs 11.19 Lakh.
- Distribution of medical equipments to combat COVID -19 for Govt. Hospitals at Kattumannarkoil & Kurinjipadi at a cost of Rs 10.41 Lakh.
- Financial Assistance of Rs 10.00 Lakh to M/s SANTHIGIRI ASHRAM towards distributing Ration & cleaning and personal hygiene kits to 300 families for COVID Prevention.
- Financial Assistance of Rs 10.00 Lakh to M/s Sri Aurobindo Society, Puducherry for COVID relief activities.

INDUSTRIAL TRAINING INSTITUTE

We have formed an Industrial Training Institute (ITI) at Neyveli Township for the benefit of the wards of Project Affected Persons and youngsters residing at surrounding villages for providing practical skills. The new ITI sprawls around 5 acres of land area and is provided with infrastructure facilities which includes 4 Workshop Sheds, a Multipurpose Hall, 10 Classrooms of 30 Sq.m each, an Administrative Block, Computer Laboratory, Library, Canteen, Dining Hall, Vehicle parking facilities and Internal road facilities. The work was completed and the ITI was formally inaugurated on 01.12.2021 by Hon'ble Chief Minister of Tamil Nadu Shri. M.K. Stalin. The ITI provides technical courses in four trades-Fitter, Welder, Electrician and Refrigeration & Air Conditioning and the intake capacity per year is 104.

DECEASED EMPLOYEES' DEPENDENT EMPLOYMENT (DEDE) SCHEME

We have established a scheme to provide employment opportunities to the dependents of deceased employees who succumbed to Covid, namely DEDE Scheme.

NLCIL also operates an Old Age Home referred as 'Ananda Illam' home for the destitute senior citizens at Neyveli.

PROMOTING RURAL SPORTS

We emphasize importance in promoting Rural Sports by conducting sports events and we had also extended financial assistance to prominent persons in sports, who took part in Tokyo Olympics. During FY 2021-22, NLCIL has spent an amount of Rs 30.68 lakh. The following initiatives are undertaken.

- Cash award of ₹ 5.00 lakh each to the Shri Sajan Prakash, Ms. Revathi Veeramani and Ms. C.A. Bhavani Devi, who had represented India in Tokyo Olympics.
- Conducting of sports events and providing sports items at a cost of ₹ 10.68 lakh.
- Financial assistance of ₹ 5.00 lakh to Sri Dhurga Prasad Public Charitable Trust.

RURAL DEVELOPMENT

We offer transportation services to connect residents of neighboring villages to Neyveli Township for their regular social and professional activities. We spent a total of Rs 68.90 lakh on this operation during

FY 2021–22: providing inexpensive access to Neyveli T.S. social facilities in the outlying areas and connecting services via NLC India Bus Service.

DISASTER RELIEF

We have extended financial assistance of Rs 35.00 lakh during FY 2021-22 to M/s. Deseeya Sevabharathi Keralam for providing relief material to the affected families of flash floods and landslides in Kottayam districts in Kerala State.

PROTECTION OF NATIONAL HERITAGE, ART AND CULTURE

India has a rich heritage and culture that requires nurturing and caring. With the view of protecting heritage and culture, we have provided Financial Assistance of Rs 5.00 lakh to Uttarakhand's Virasat Arts & Heritage Festival in FY 2021-22. We value our rich heritage in the game of chess. We were proud co-sponsorors of the 44th FIDE Chess Olympiad Inauguration in July 2022.

MEASURES FOR THE BENEFIT OF ARMED FORCES

India's armed forces are one of the key components in safeguarding our nation's security with dignity. We contributed ₹ 5.00 lakh to Armed Forces Flag Day Fund (AFFDF) during the year FY 2021-22.

RECLAMATION OF LAND THROUGH REARING OF LIVESTOCK IN MINE-II

To improve the fertility of land, we have signed an MoU with Art of Living (Bangalore) to set up goshala with 25 cows in a self-sustainable model. The cows are fed with the green grass, thereby benefitting us with bio fertilizer for reclaiming the fertility and providing high quality milk to our stakeholders.

Hon'ble Union Minister of Coal, Shri Pralhad Joshi at the Goshala in NLCIL Mines, feeding the cows with veneration

Release of the revised Rehabilitation & Resettlement (R&R) policy

NATURAL CAPITAL

BUILDING A SUSTAINABLE FUTURE

At NLCIL, we maintain a strong focus on sustainable development with conservation of natural resources being integrated into all activities. Our strategy is to have a minimum impact on the environment and fulfill the aspirations of various stakeholders. Thrust areas include environment improvement programmes such as eco restoration in mines, massive afforestation programmes, rainwater harvesting, waste utilization, conservation of biodiversity, effective water and energy management, pollution control, and mitigating the impact of climate change. We are also proactive in training its employees in Environment Management.

GOVERNANCE ENABLERS

Renewable energy targets

Commitment for land reclamation and afforestation

MATERIAL ISSUES ADDRESSED

- Air Emissions
- Resource Availability
- Renewable Energy
- Operational Efficiency and Plant Reliability
- Water and Effluent Management

KEY PERFORMANCE INDICATORS

Indicators	Current Status
Carbon Emission	Scope1: 26.2 Million Metric Tons Scope2: 0.63 Million Metric Tons
Particulate Emissions	NOx:18.00 μg/m^3 SOx: 12.00 μg/m^3 Particulate matter 10 (PM 10): 75.00 μg/m^3 Particulate matter 2.5 (PM 2.5): 40.30 μg/m^3
Water	Total volume of water withdrawal: 70.776 Mega Liter Total volume of water consumption: 69.416 Mega Liter Water intensity per rupee of turnover (Water consumed / turnover): 0.00704 Mega Liter
Waste	Bio-medical waste: 27.3 Metric Tons Others - Transformer Oil: 70.86 Metric Tons Others - Used Oil:174.71 Metric Tons

INTERLINKAGES WITH OTHER CAPITALS

M Manufactured I Intellectual H Human S Social and Relationship F Finance

SDG ALIGNMENT:

7 AFFORDABLE AND CLEAN ENERGY | 6 CLEAN WATER AND SANITATION | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

OVERVIEW

We are committed to environment friendly mining and power generation by adopting latest pollution control devices, best land reclamation practices, waste minimization-cum-utilization techniques to conserve natural resources, integrated water management system, introducing clean and energy efficient technologies, complying with statutory requirement and work proactively to conserve biodiversity, maintaining ecological balance thereby bringing long term positive impact on the employees and surrounding community to achieve the goal of Sustainable Development.

We are always striving to reduce our carbon footprint in compliance with our country's COP 21 obligations. In Fiscal Year 2019, we formally began monitoring and reporting our environmental performance while following our environmental policy. As we move forward with a goal of adopting holistic and sustainable operations for our company, we aim to develop management systems to track our performances and align them with the goals and objectives of making a positive impact on the environment.

OUR AIR EMISSIONS

One of our key area of focus for environmental conservation is reducing the impact of air emissions. While we strive to reduce the air emissions cross our operations, as a key step we have established robust and real time monitoring of air emission. These monitoring systems enable us to deploy key measures to curb and maintain the air quality. We have developed some key measures to reduce emission in house through over the years of research. We are committed in ensuring that proper air quality is maintained across all our operations as per prescribed norms and regulation.

SOURCES OF POLLUTION

We put a significant amount of effort into lowering the emissions from all of our main operational activities. We have created effective emission monitoring systems that allow us to track important emissions and implement the appropriate reduction measures as a crucial first step to manage and control emissions. The main sources of emission of pollutants identified include:

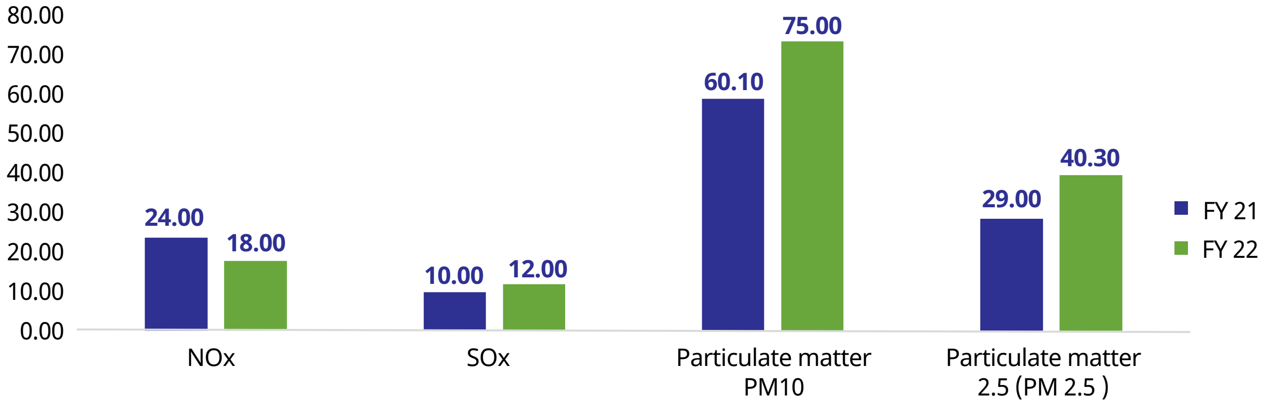
- Excavation activity
- Drilling activity
- Transportation of lignite/coal
- Storage yard & Haul roads
- Stack emissions
- Ash handling system
- Fly Ash transportation

KEY METRICS

POLLUTANTS EMITTED

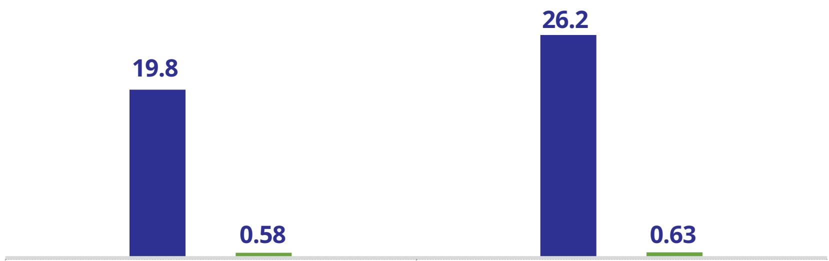
The major pollutants emitted from the mining & Thermal activity are Particulate Matter (PM10 & PM2.5), SOx & NOx
(Avg Ambient Air Quality Statistics in microgram per Cubic meter)

Avg Ambient Air Quality Statistics in microgram per Cubic meter



GREEN HOUSE GAS (GHG) EMISSIONS IN MILLION METRIC TONS

GHG emissions are crucial given the nature of the business, and we are eager to reduce them through improved operating efficiency, undertaking emission reduction projects, investing in R&D for the use of carbon capture systems, and engaging in afforestation efforts through CSR initiatives. The emission statistics to demonstrate our performance is provided below



	FY 21	FY 22
Scope 1 emissions	19.8	26.2*
Scope 2 emissions	0.58	0.63

*Note: The increase in emission is due to capacity addition of TPPs in 2021-22 and reduction of capacity (TPS I) during 2020-21 and Scope 2 is on the higher end due to the electricity consumed in the mining activities.

MONITORING OF AIR QUALITY

Air Quality monitoring is an essential activity to our business. We have taken several initiatives through both in house as well as through external agencies to help comply and maintain the need air quality as per regulations and mandate. The below are the ways through which we monitor our air quality:

External Monitoring System

Around our operating areas across India, periodic surveys are conducted by NABL-accredited labs and the State Pollution Control Board (SPCB) to check the Ambient Air Quality (AAQ) in and around industrial operations.

Internal Monitoring System

Our facilities have an in-house lab Centre for Applied Research & Development (CARD) that is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and has a sufficient number of pollution monitoring devices. It regularly monitors the air quality on alternate days in accordance with the Consent to Operate. In accordance with TNPCB approval, we installed 13 AAQ stations to monitor the air quality parameters. Of the 13 AAQ stations, 10 AAQ stations in the nearby villages are being monitored by the renowned IIT-Madras, and the results are acceptable and have been presented to statutory officials as well. There have been no documented non-compliances.

AAQ Station installed in Mudhanai, Neyveli

AAQ Station installed in Vadakuvellore, Neyveli

AAQ Station installed in Umangalam, Neyveli

In addition to the aforementioned measures, CARD/NLCIL & IIT-M have also embraced EV-based ambient air quality monitoring to supplement the air quality monitoring system and 11 Continuous Ambient Air Quality Monitoring System (CAAQMS) have been installed in units of NLCIL.

EV based Mobile Air Quality Monitoring

In addition, to keep our employees and other stakeholders aware of our initiatives and systems in place, display of Environment information is also done at prominent places for public viewing.

Installed CAAQM Stations

MEASURES TAKEN TO REDUCE EMISSION

In the areas surrounding the industrial premises, in order to meet the Ambient Air Quality norms prescribed by NAAQS, 2009 & the coal mining standards (Notification No. GSR 742(E), Dt: 25.09.2000) the various control measures being adopted are:

- Installation of Water sprinkler/Fog systems
- Haul road water sprinklers
- Vehicular water spraying/Pressurized mobile water sprinkling system for roads inside the mines
- Conveyor water spraying
- Working face water spray pipelines
- Fixed water sprinklers guns in Bunker area
- Fog Cannon dust suppression system in Coal Stock Yard

Spray Guns in Bunker Area

Vehicular Water Spraying


BEML Made Mist/Fog and rain gun water sprinkler deployed for arresting Fugitive emission


Conveyor Belt Water Spraying

- Practice of Wet Drilling: Adoption of Electrically Operated Belt Conveyor System for the past 3 decades to reduce pollution load & carbon footprint optimally.
- Adoption of Electrically operated Bucket Wheel Excavators (BWE) to reduce the carbon load.
- In order to reduce the emission of CO_2, SO_2, and NOX,our new and expanded thermal power plants at Neyveli and Barsingsar have transitioned from PF (pulverized fuel burning) to Circulating Fluidised Bed Combustion (CFBC) boilers, which have higher thermal efficiency and lower emission.
- Super critical boilers of 660 MW with less specific fuel consumption and CO_2 emission are being implemented for our New Coal based power projects at Ghatampur in Uttar Pradesh.
- Electric Vehicles have been provided by NLCIL for public movement in Hospital, Temples and in locations around NLCIL and also within campus at NLCIL's General Hospital.
- 20 MW SPP, integrated with 8 MWHr Battery Energy Storage System at Andaman Island was commissioned to ensure availability ample amount of recharging platforms.
- We worked on dust suppression by green belt development in Bunker Areas & around the mining area. To manage the fugitive emissions, we are constantly using Air Pollution Control (APC) techniques including the Agglomerated Dust Suppression System (ADSS), water jets and water sprinkler systems.
- To remove the ash particles from the exhaust flue gas, we installed Electrostatic Precipitators (ESPs) operating at an efficiency of greater than 99 percent in all of its power plants. In addition, the implementation of Flue Gas Desulfurization (FGD) is under progress to comply with the MoEF&CC's revised emission norms.

Green belt Development around bunker Area

3 tier Green belt development

MANAGING OUR WATER RESOURCES

We are carrying out systematic water control and monitoring activities continuously through pump wells/observation for optimised water usage. The water quality data is submitted to Pollution control Board & other statutory authorities. Water is a critical resource for our business and we being a responsible user of the resource ensure necessary steps are taken for its conservation.

IDENTIFICATION OF KEY SOURCES OF WATER POLLUTION

Mining operations close to water sources have an impact on the sources because pollutants from the operations seep into the groundwater or run off into the surface waters. Additionally, the municipal domestic waste water & the waste water generated during washing of vehicles also add to the waste water generated. The blow down water and wash water are the two main types of waste water produced by thermal power plants that we monitor vigilantly and aim to reduce its impact.

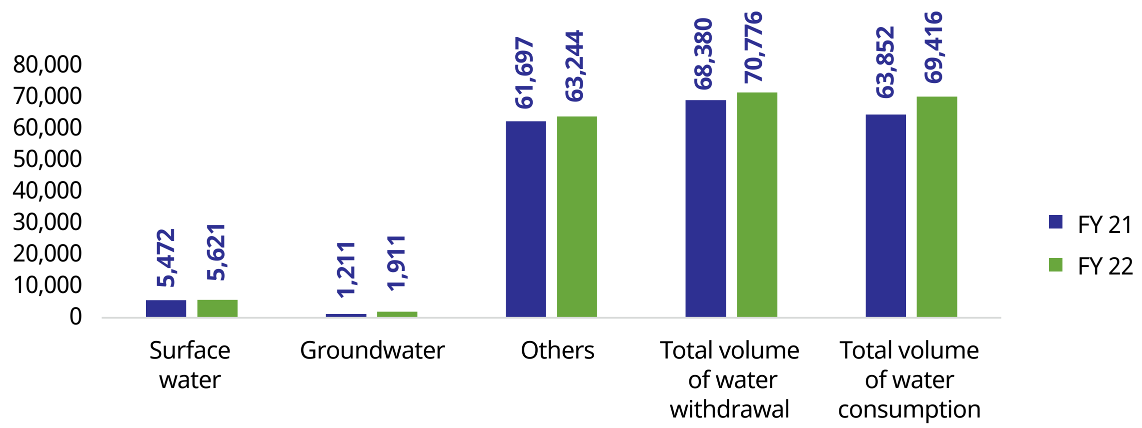
TYPES OF POLLUTANTS

The major pollutant that is present in the seepage & surface water is Suspended Solids. Other pollutants includes components and sources such as

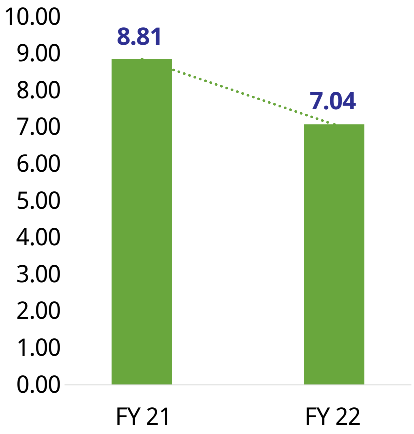
- Bio-chemical Oxygen Demand,
- Chemical Oxygen Demand,
- Total Suspended Solids,
- Total Dissolved Solids,
- Oil & Grease etc., are generated from the vehicle washing & domestic waste from the mines.

KEY METRICS

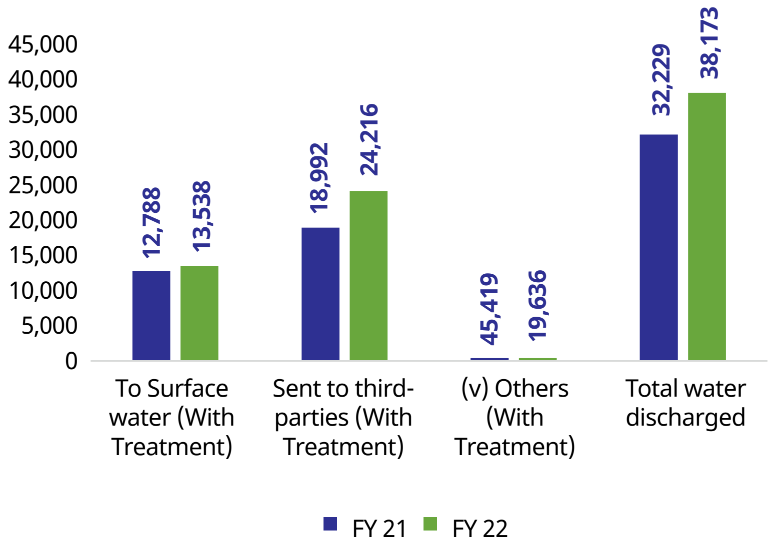
Water Usage (in Megalitres)



Water intensity per rupee of turnover (Water consumed / turnover) (KL/Rs)



Water Discharged (in Megalitres)



MONITORING OF WATER QUALITY

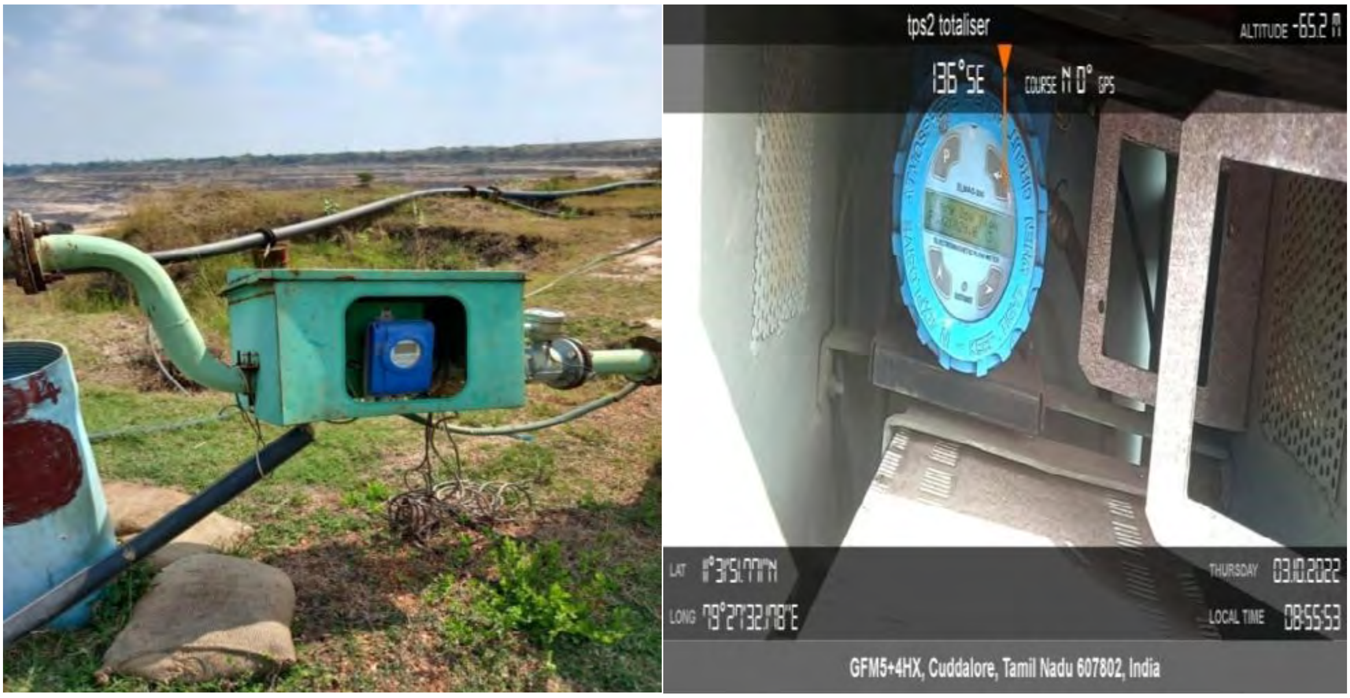
The TNPCB or approved NABL accredited labs frequently collect and test water and wastewater samples from the mining operations on a monthly basis. The effluent sample findings are much below the allowable levels.

MEASURES TAKEN TO REDUCE EMISSION

To treat the waste water created before using it for irrigation or other industrial uses, we have installed Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) at the suitable places. Wells and weirs are built along the canal in and around the mines to regulate the suspended particles produced by ground water seepage or surface runoff water.

Municipal Sewage Treatment Plant – Neyveli Township

There are no malfunctions with any of the STPs or ETPs. Within the industrial premises, the treated water from the ETP and STP is used for irrigation, gardening, greenbelt development, and industrial washing. At prominent locations at our facilities, flow meters are also available to measure the amount of water flow.



Flow Meters Installed

WATER USAGE & HARVEST

The lignite mines in Neyveli are associated with aquifer water under confined condition, which requires systematic de-pressurization through optimum pumping for safe mining operation. The major part of pumped out water from mines is being utilized in Thermal Power station and the seepage water is sent out to nearby villages, which is being used for agricultural & domestic purposes. The seepage water is also being utilized for dust suppression in mines.

The day to day-pumping is monitored, optimum pumping is planned and carried out, pump wells/observation wells are established in mines & water level and quality are being monitored continuously. The water quality data is submitted to Pollution Control Board & other statutory authorities.

The following activities are carried out on regular basis:

- Monitoring local ground water levels through the construction of a number of observation wells in coordination with the Central Ground Water Board.
- Gathering data on water quality, quantity of pumped water, and weather conditions in order to prepare a water balance or budget.
- Conducting specialist studies & reports on effective & efficient use of surface and ground water.
- Conducting pumping tests for future mine blocks.
- Ground water modeling studies for arriving optimum pumping plan.
- Preparing and submitting the compliance reports to MoEF & CC on ground water
- Recharge zone are chosen at areas surrounding the Mines and check dams, percolation wells, observation wells, piezometer wells and recharge well are constructed.

Artificial recharge Structures/RWH Pits

Silt traps

Recharge well in Nadiyapattu

Recharge well submerged in water

Rain water recharge structures viz Percolation wells and check dam canal at Nadiyapattu village, Northwest Neyveli area

MEASURES UNDERTAKEN TO CONSERVE WATER

RAIN WATER HARVESTING IN NLCIL PREMISES

All of the industrial complex's large buildings and office spaces have rainwater collection systems that channel through the main sewers, where check dams have been built and converge at percolation wells. The observations show that the water table is replenishing itself.

ARTIFICIAL RECHARGE BY GRAVITY METHOD IN THE RECHARGE AREA

In two villages, Nadiyapattu and Maligampattu, which are located in the recharge area of the Neyveli ground water basin, the GOI Coal S&T Scheme undertook study on recharge structures like percolation ponds with percolation wells, recharge wells, and check dams with technical assistance from IIT-Madras. The Neyveli recharge area's percolation pond with percolation wells technology is the most efficient, according to the constant monitoring of the piezometers in and around the recharge area.

ARTIFICIAL RECHARGE THROUGH INJECTION WELL TECHNIQUE

To prevent and check the decline in the pressure surface and reversal of hydraulic gradient, we, in collaboration with IIT-Madras experimented artificial recharge through injection well technique in the deep confined aquifers of Neyveli groundwater basin near the coastal area in the East. Injection well technique was tested for the deep seated confined aquifers of the complex nature as prevailing in the Neyveli region.

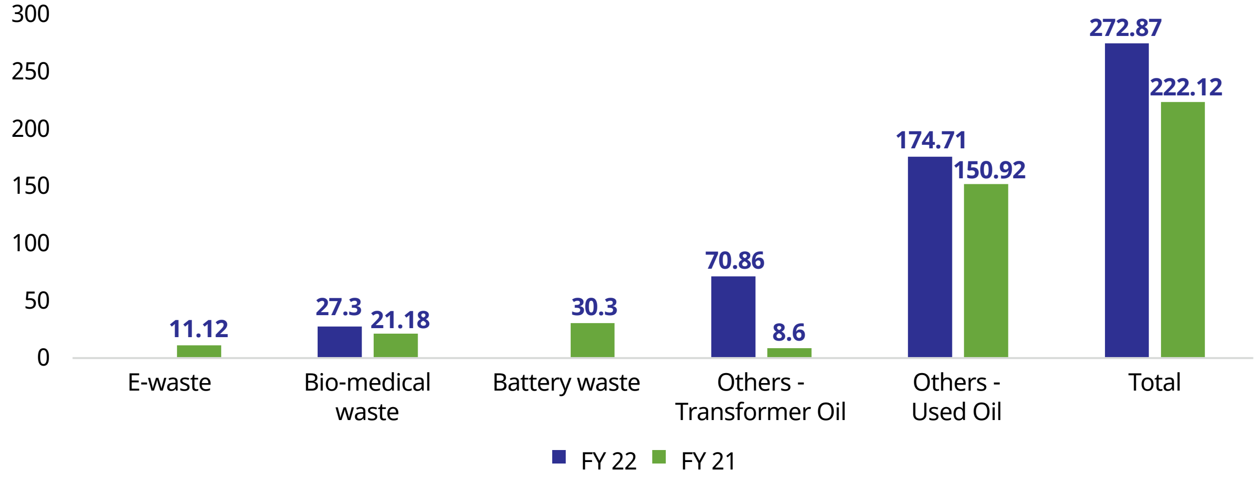
MANAGING OUR WASTES

Our Township Administration division of NLCIL has put the waste management plan into place, including a ban on plastics and other garbage collections and segregations. Segregation of waste is being ensured during source collection itself. Collection of wastes are done through E-vehicles, while we also ensure to continuously create and generate awareness on waste segregation and collection for the residents of the society.

The following measures are taken at source to enhance the waste management process from our end:
- Composts made from organic wastes are utilized in the mine reclamation area to stabilize the soil.
- Shredded and processed plastic garbage is used in the township's construction projects as an additive.
- Hazardous wastes, e-wastes & batteries are being segregated and stored in specific storage locations
- Wastes generated are being disposed through authorized recyclers/ co-processors/ buy-back etc. through a common disposal yard facility.
- Bio-medical wastes are also being segregated at the sources and is being disposed to the nearest authorized waste management facility.
- Non-Hazardous wastes such as the fly ash is being 100% utilized through brick manufacturers, cement manufacturers etc.

KEY METRICS

Waste Generated and Disposed (in Metric Tonnes)



MINIMIZING NOISE POLLUTION LEVEL

Being a mining company, we are aware of the noise pollution that emanates from the mining process activity such as excavation, drilling, operation of heavy machineries etc. In order to control the noise generated the following measures are followed:

- The vast green belt development in the township area & around the industrial premises acts as a green muffler and reduces the noise level in the area.
- We also took an initiative to decrease the period of exposure to workers.
- Provided Hearing Protection Devices (HPD) for workers.
- Regular health checkup at our NLCIL hospital are also being provided to monitor the health status of the employees & workers.

With continuous efforts to curb down our noise pollution levels for the environmental and social wellbeing of the community and the neighborhood, the SPCB or NABL authorized labs conducted noise monitoring surveys which confirms that actual fall with the acceptable range of the norms.

ENVIRONMENTAL INITIATIVES AT NLCIL

While we continue to monitor and record our Environmental performance and strive to produce better results with each year, we understand that building a sustainable company requires a holistic engagement from all the sectors. With this purpose in mind, we also engaged with various stakeholders to initiate several initiatives that encompass around making the environment better with cutting edge sustainable solutions.

In coordination with Annamalai University, Central Fuel Research Institute, Dhanbad, Tamil Nadu Agricultural University, Coimbatore, and Madras University, Chennai, among others, we have engaged in several collaborative projects with the Ministry of Coal (S&T).

The following list includes some of the projects we are working on:

HI-TECH CULTIVATION PROJECT

Advanced method of cultivation of vegetables with Israeli concepts of Drip Irrigation and mulching technology to achieve enhanced fertility in the inert soils of Mined out lands of three Mines at Neyveli.

Hi-tech cultivation implemented in NLCIL Mines

R&D WORK IN POLYHOUSE

High-quality vegetable production using automated control systems using hydroponics is being done in polyhouses in conjunction with IISc, Bengaluru. With this technique, vegetables are exclusively grown through a water circulation system and without any alteration to the soil. This is done to grow fruits and vegetables in the most hygienic way possible

Polyhouses

Saplings in polyhouse

OUR OTHER ACTIVITIES IN THIS AREA INCLUDES

- At NLCIL Township, conventional street lights were replaced by LED lights, along with programmable street light controllers and street light timer.
- Eco parks' creation has led to creating awareness among employees and people on the importance of preserving the natural habitat. The artificial lakes serve as a water source for wildlife. The lakes act as recharge pits to improve the ground water level in the area.
- Integrated Farming System was also experimented as joint Project by NLCIL and Tamil Nadu Agricultural University
- Multifarious methods such as Dynamic loading system is being introduced in conveyors in Mines for energy conservation to inculcate and imbibe the energy conservation measures in the Industrial and Service units.

INITIATIVES IN RENEWABLE ENERGY ESTABLISHMENT

- 200 KW floating Solar Power Panels were erected and commissioned in NNTPS lake.
- 4x5 KW Micro Hydel project at TPS-II was commissioned as a pilot project.
- Solar panels have been erected in Library, TPS-IE, Mine-II etc.
- Solar Heaters have been erected in General Hospital and Guest House

ENVIRONMENTAL AWARENESS - OBSERVATION OF ENVIRONMENTAL DAYS

As part of raising awareness of the importance of upholding Good & Clean Environmental Practices in all activities, we recognize significant environmental days and ensure that all Units are involved through the members of the Unit Environmental Cell.

The following environmental days were observed at NLCIL during the fiscal year 2021-22 as an effort to raise awareness among staff members, students, and the general public:

i. World Earth Day
ii. World Biodiversity day
iii. World Environment Day
iv. National School Tree Day
v. World ozone day
vi. World Car Free Day
vii. World Soil Day
viii. World Forest Day
ix. World Water Day


Tree plantation involving School children as part of raising environmental awareness

MASS TREE PLANTATION CAMPAIGN

Vriksharopan Abhiyan

On August 19, 2021, the Government of India officially launched the Tree Plantation Campaign (Vriksharopan Abhiyan) 2021 in recognition of the fact that there is only one way to address the global climate crisis. At all of its Mines and industrial units, we organized massive tree planting and distribution activities as part of the Vriksharopan Abhiyan initiative. A total of 2.4 lakh trees were planted in a single day. Through a video conference, the event was overseen by the Honorable Union Home Minister and the Honorable Minister for Coal and Parliamentary Affairs.

NLCIL- GREEN AWARDS

As a result of our efforts over the past 60 years to continuously improve and manage the environment sustainability, we have won numerous awards for maintaining superior methods of managing climate change as a result of setting ambitious goals, monitoring our progress, taking corrective action and integrating sound environmental management into all of our activities. It should be noted that in 1986, 2005 and 2010, NLCIL was the first recipient of the prestigious Indira Priyadarshini Vrikshmitra Award from the Government of India. Our other environmental award lists are listed in the following.

- EKDKN Environmental Platinum Award 2020 for Environmental Protection
- 21st Annual Greentech Environment & Sustainability award 2021- Winner for Outstanding achievement under “Environment Protection Category”
- Grow Care India Environment Excellence platinum Award 2021 under Environment Preservation Category
- Fly Ash Utilization Award 2020 – For best practices & Fly ash management (100% utilization) in TPS-II Exp
- Obtained Apex India Environment Excellence Award - 2020 and Greentech Environment Excellence Award – 2020 for best Environmental practices in Mine – II.
- “Apex India Environment Excellence Award -2019 Platinum Award.

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	GRI 403-2 Hazard identification, risk assessment, and incident investigation	Section C, Principle 3, Leadership indicator 6	NLC India's Safety Performance	73
	GRI 403-3 Occupational health services	-	Safety Culture Development	72
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	Section C, Principle 3, Essential indicator 8	Safety Culture Development	72
	GRI 403-5 Worker training on occupational health and safety	Section C, Principle 3, Essential indicator 8	Safety Culture Development	72
	GRI 403-6 Promotion of worker health	Section C, Principle 3, Essential indicator 12	Safety Culture Development	72
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section C, Principle 3, Essential indicator 12	NLC India's Safety Performance	73

GRI Standard	Disclosure Description	BRSR Linkage	Reference	Page Number
	GRI 403-8 Workers covered by an occupational health and safety management system	-	Safety at NLC	71
	GRI 403-9 Work-related injuries	Section C, Principle 3, Essential indicator 11	Safety Linked metrics (Permanent, Contractual and Other employees)	73
	GRI 403-10 Work-related ill health	Section C, Principle 3, Essential indicator 11	Safety Linked metrics (Permanent, Contractual and Other employees)	73
GRI 404: Training and Education	GRI 404-1 Average hours of training per year per employee	Section C, Principle 1, Essential indicator 1	Trainings delivered at NLC	61
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	Section C, Principle 3, Essential indicator 8	Upgrading our Talent, Skill Development	66
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	Section C, Principle 3, Essential indicator 9	Upgrading our Talent	66
GRI 405: Diversity and Equal Opportu-nity	GRI 405-1 Diversity of governance bodies and employees	Section C, Principle 5, Essential indicator 3	Our Societal Diversity, Governance Structure	67, 22
GRI 406: Non-dis-crimination	GRI 406-1 Incidents of discrimination and corrective actions taken	-	Our Societal Diversity	67
GRI 411: Rights of Indigenous Peoples	GRI 411-1 Incidents of violations involving rights of indigenous peoples	Section C, Principle 3, Essential indicator 8	Building Relationships with Communities	87
GRI 412: Human Rights Assessment	GRI 412-2 Employee training on human rights policies or procedures	Section C, Principle 5, Essential indicator 1	Trainings delivered at NLC	61
GRI 413: Lo-cal Commu-nities	413-1 Operations with local community engagement, impact assessments, and development programs	-	Building Relation-ships with Commu-nities	87
GRI 414: Supplier Social Assessment 2016	GRI 414-1 New suppliers that were screened using social criteria	-	Empowering Local Supplier Network	88

DIRECTORS' REPORT

FOR THE YEAR 2021-22

Dear Members,

It is indeed my proud privilege on behalf of our Board of Directors to present the 66th Directors' Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2022 together with the Auditors' Report and comments on the accounts by the Comptroller and Auditor General (C&AG) of India.

Major Highlights

The Financial Year 2021-22 has been a year of good achievements for your Company with all round performance. The significant highlights of achievements during the year 2021-22 are as follows:

- Highest ever power generation by NLCIL Group — 29.20 Billion Units (BU), an increase of 18.64% over the previous year 2020-21. Highest ever power export by NLCIL Group – 25.89 BU, registering an increase of 19.75% over the last year.
- Highest ever RE Generation — 2184 Million Units (MU), an increase of 5.93% over the previous year 2020-21.
- Increase in Lignite Production by 30% and highest ever lignite sales of ₹ 830 crore.
- Coal Production touched a new high of 6.36 Million Tonnes – 527% increase over the last year.
- Highest ever revenue collection — ₹ 15,486 crore with a collection efficiency of 146%.
- Registered a Standalone Total Income of ₹ 10,662.37 crore with a growth rate of 19% over the last year.
- Registered Standalone Profit After Tax of ₹1,236.78 crore, with a growth rate of 22% over the last year.

Operational Performance

Power

The total power generating capacity of the Company as on 31st March, 2022, including wind and solar power generation is 5061.06 MW and including the capacity of NTPL, the Subsidiary Company, the total power generating capacity of NLCIL Group is 6,061.06 MW.

During the year 2021-22, the total Power Generation (Gross) was 25,022.36 Million Units (MU) and the power generation including Power surrender was 25,828.15 MU, as against 19,322.00 MU and 20,317.74 MU, respectively achieved during the year 2020-21. The average Plant Load Factor (PLF) of the Thermal Power Plants of the Company during the year 2021-22 was 71.63% as against the National Average of 58.87%. The Power Export during the year 2021-22 was 22,041.09 MU as against 16,723.92 MU achieved in the year 2020-21.

Mining – Lignite & Coal

Your Company is presently operating three opencast lignite Mines at Neyveli in the State of Tamilnadu and one opencast lignite Mine at Barsingsar in the State of Rajasthan. The total mining capacity of all the lignite Mines is 30.60 MTPA. Your Company has also started Coal mining operations in Talabira II & III Opencast coal Mines at Odisha, with a mining capacity of 20.0 MTPA, from 26th April 2020. Thus, the total mining capacity of your Company has increased to 50.60 MTPA.

During the year 2021-22, the total overburden (OB) removed in the Lignite & Coal Mines was 1531.14 lakh Cubic Metre (LM^3) as against 1501.62 lakh Cubic Metre (LM^3) removed in the year 2020-21. The Lignite Production in the year under review was 251.13 lakh Tonne (LT) as against 192.62 LT during the year 2020-21 while the coal production achieved was 63.58 LT as against 10.13 LT during the year 2020-21.

The raw lignite sales to TAQA, the IPP and as direct sales during the year 2021-22 was 14.60 LT & 17.62 LT, respectively as against 9.32 LT & 7.43 LT, respectively achieved in the year 2020-21. The Coal sales from the Talabira Coal Mines during the year under review was 63.69 LT as compared to 7.00 LT during the year 2020-21.

With respect to coal production in Talabira Mines, considering the high demand of coal especially for power generation, your Company has taken steps to achieve production of 6.0 MTPA as against the original target of 4.0 MTPA and further to 8.0 MTPA, during the current year. Your Company is also taking all out efforts to augment the Coal production of Talabira Mine. This will not only provide fuel security to End Use Plants but also make available coal in the market. The coal produced is being supplied to one of the End Use Plant viz., NTPL's Plant at Tuticorin, Tamilnadu.

Sale of excess Coal

Recent Amendment to Mines and Minerals (Development and Regulation) Act and Mineral Concession Rules by Ministry of

Coal, Govt. of India on 1st October 2021 has enabled the Mine for sale of excess Coal after meeting the coal requirement of End Use Plant. During the year under review Ministry of Coal (MoC) granted approval allowing your Company to sell excess coal through e-auction for a maximum quantity of 19 LT in first half of FY 2021-22 and 12.50 LT in the second half of FY 2021-22, subject to certain conditions and the said sale has been duly completed. Further approval has also been granted by MoC for the sale of coal upto 75% of coal production till 31st March 2026 after meeting the requirements of End Use plants subject to certain conditions.

Productivity

The output per man-shift achieved during the year 2021-22 as compared with the previous years are given below:

Product	Unit	2021-22	2020-21
Lignite	Tonne	18.09	14.07
Power	KwHr	39,662	25054

Financial Performance

During the year ended 31st March, 2022, your Company on a Standalone basis had registered a revenue from operations of ₹9,856.48 crore as against ₹7,249.63 crore during the year 2020-21. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2021-22 were ₹2,606.42 crore and ₹1,236.78 crore respectively, as against ₹1,722.07 crore and ₹1,010.46 crore respectively during the previous year ended 31st March, 2021.

On a consolidated basis, the total revenue from operations for the year 2021-22 was ₹11,947.94 crore as against ₹ 9,846.09 crore in 2020-21. The PBT and PAT for the year 2021-22 were ₹2,603.14 crore and ₹1,115.65 crore respectively as against ₹ 2,223.07 crore and ₹1,314.11 crore respectively in the year 2020-21.

The details of profit earned for the financial year 2021-22 and appropriation of the same are as follows:

(₹ crore)

	Standalone		Consolidated	
Particulars	**2021-22**	**2020-21***	**2021-22**	**2020-21***
Revenue from operations	9,856.48	7,249.63	11,947.94	9,846.09
Profit Before Tax	2,606.42	1,722.07	2,603.14	2,223.07
Tax Provision	1,369.64	711.61	1,488.01	909.03
Profit /(Loss) for the Period (PAT)	**1,236.78**	**1,010.46**	**1,115.65**	**1,314.11**
Appropriation				
Transfer (to) / from Interest Differential Fund Reserve	(4.90)	(6.70)	(4.90)	(6.70)
Transfer to PRMA Reserve Fund	(1.50)	(7.18)	(1.50)	(7.18)
Transfer to Contingency Reserve	(10.00)	(10.00)	(10.00)	(10.00)
Dividend (Interim / Final)	(416.00)	(138.66)	(456.92)	(145.88)
Tax on Dividend	-	-	-	-
Ind AS – 116 Lease adjustment	-	-	-	-

* Restated

Share holding of GoI

The present shareholding of the President of India in the Company is 79.20%.

Projects under implementation

The details of projects under implementation are as under:

Mine IA Expansion

This Expansion Project is being implemented to expand the Mine IA from 3.0 MTPA to 7.0 MTPA at a cost ₹ 709.06 Crore. The achieved physical progress is 70.47% and the cumulative expenditure incurred on this project upto 31st March 2022 is ₹ 526.11 Crore. The COD of the project declared from 01.04.2022 and expected to attain the normative capacity of 7.0 MTPA by the year 2027-28. The area of concern is the acquisition of required land for the capacity expansion and the same is being pursued with the State Administration for appropriate resolution.

Lignite to Methanol

As an diversification initiative, your Company has intended to set up the Methanol Project utilizing the lignite from Neyveli Mines and based on the Feasibility Study carried out by PDIL, the Board of Directors of your Company has accorded approval for implementing the above lignite gasification based Methanol Project at Neyveli with a capacity of 1200 Tonnes per Day (TPD) on Lump Sum Turnkey (LSTK) mode, at an estimated cost of ₹4,394 crore. Engineers India Limited (EIL) has been appointed as the Project Management Consultant for this Project and floating of tenders are in process. Prior to the investment decision, this project would be evaluated based on the final bid price the aforesaid tender. This Project is anticipated to be completed within 42 months from the zero date.

150 MW ISTS-connected Wind-Solar Hybrid Power Projects
Your Company had participated in the 1200 MW Wind & Solar Hybrid RfS floated by SECI for a capacity of 150 MW and emerged as a successful bidder with a quoted tariff of ₹2.34/ Unit. Letter of Award has been received from SECI to this effect. Your Company is in the process of floating domestic competitive bidding for setting up of 100 MW Solar Power Projects and 50 MW Wind Projects on Pan India basis.

510 MW grid connected solar power projects in India under CPSU scheme Phase – II
Your Company has also bagged 510 MW capacity in the CPSU Scheme of IREDA for setting up 510 MW Solar Projects. Letter of award has been received from IREDA. Discussions are being held with the prospective Government Users for firming up of the Power Usage Agreement, tenders would be floated inviting bids for setting up of the Solar Power Projects. Under this CPSE Scheme, Letter of Award has been issued for setting up 10 MW Solar Plant at Neyveli Township as part of Smart City initiatives.

Thermal Power Station II 2nd Expansion (TPS II 2nd Expansion – 2 X 660 MW)
Thermal Power Station II 2nd Expansion (TPS II SE) is a lignite based thermal power plant of capacity 1320 MW with two units of 660 MW capacity each proposed to be set up at Mudanai village (near Neyveli), Cuddalore District, Tamil Nadu which is linked to Lignite Mines of Neyveli. Similar to NTTPP, this project is also proposed to be set up based on the state of the art Ultra Super-critical technology, compliant with latest emission norms. All necessary approvals for setting up the project including the Environmental Clearance have already been obtained. TANGEDCO has expressed their willingness to procure the entire 1320 MW from this proposed project. Land for the project is already in possession of your Company. Consent to Establish is also available. The first unit of the project is scheduled to be commissioned in 50 months from the date of award of the Contract and the second unit with a phase shift of 6 months.

Overburden (OB) to Sand
Your Company's in-house research centre, CARD had earlier undertaken a research project jointly with IIT/Madras for conversion of OB materials into aggregates and that the preliminary study indicated that OB materials contain 40% to 70% sand & considerable quantity of clay. Based on the above research study and the Feasibility Report, the Board of Directors of your Company has accorded approval for establishing one sand beneficiation plant each at Mine I, Mine IA and Mine II at Neyveli.

Bithnok Lignite Mine Project linked to Bithnok Thermal Power Project and the Hadla Lignite Mine Project linked to Barsingsar Thermal Power Extension Project
As informed to the shareholders in the previous reports of Directors, the Bithnok Lignite Mine Project linked to Bithnok Thermal Power Project and the Hadla Lignite Mine Project linked to Barsingsar Thermal Power Extension Project have been kept presently on hold. The contract awarded to Reliance Infrastructure Limited, for execution of the Projects on turnkey basis have been foreclosed. Discussions with Government of Rajasthan are in progress for exploring for various options, including supply of hybrid power i.e., thermal & solar power, with reduced power tariff so that the land acquired for the above Projects are effectively utilised. MoC has been requested to delink Bithnok Mine Project from Thermal Power Station in order to open up the mine for commercial operation.

Mine III
The project with a peak rated capacity of 11 MTPA encompassing a project area of 4842 Ha is proposed to be commissioned to fuel the requirement of TPS II 2nd Expansion at an estimated cost of ₹3755.71 Crore. The block has a mineable reserve of 415 MT. obtaining of all necessary approvals for commencement of mining project is in progress. The project expected to commence its operations by 2026.

Projects under formulation
The details of projects under formulation are as under:

NLC Talabira Thermal Power Project (NTTPP – 3 X 800 MW)
NLC Talabira Thermal Power Project (NTTPP), a coal based thermal power project of capacity 2400 MW with three units of 800 MW capacity each, is proposed to be set up at Jharsuguda District in the State of Odisha, linked to the allocated captive mine at Talabira. The proposed plant will be of state of the art Ultra Super-critical technology, compliant with latest emission norms. All statutory approvals for setting up the project including the Environmental Clearance have already been obtained. Power Purchase Agreement for the off-take of 1600 MW power from this project has already been signed with TANGEDCO (for 1500 MW) and Puducherry Discom (for 100 MW). Signing of PPAs with KSEB Kerala (for 400 MW) and GRIDCO Odisha (for 400 MW) are expected shortly. The land acquisition for the project is in progress. The EPC Notice Inviting Tender for the project has been floated and techno-commercial bids opened on 12-07-2022, QR evaluation is under progress. The first Unit of the project is scheduled to be commissioned in 52 months from the date of award of the EPC Contract and the other units with a phase shift of 6 months each.

Green Energy
Considering the thrust being given by Government of India for green energy and competitive market of renewable energy, together with the tax benefits available to new manufacturing companies, the Board of Directors of your Company, subject to approval of Government of India, has accorded approval for forming a wholly owned subsidiary company to undertake future renewable power projects.

Commercial Mining
Recently GOI has launched the auction process for commercial mining of various coal blocks across the Country. As Members may be aware that GOI with a view to increase the coal production has removed various restrictions including the end use criterion. It is expected that the demand for coal would continue to be in existence and the total demand for Non-Coking Coal is forecasted at 1331 MT by the year 2047. As part of its growth plan, based on the exploration status, geological reserves, topographical features, tentative ratio, local issues and other relevant data, your Company has short-listed two coal blocks in IB valley, namely i) Rampia and Dip Side of Rampia and (ii) Ghogharpalli & its Dip Extension in Sundargarh district, Odisha for bidding for commercial mining.

Status on CAPEX performance in 2021-22 including by Subsidiaries

Product	Annual Target (₹ In crore)	Actual CAPEX (₹ In crore)	%age of achievement
NLCIL – Standalone	311.00	560.73	180.30
Pachwara Coal Block of NUPPL	250.00	4.36	1.74
NTPL	--	74.90	--
NUPPL - GTPP	1,500.00	1,901.77	126.78
Total	2061.00	2,541.76	123.33

Corporate Plan 2030

Mining Projects
Currently your Company operates four opencast Lignite Mines with an aggregate capacity of 30.6 MTPA. After restructuring of Neyveli Mines and commissioning of Mine - III, the aggregate lignite mining capacity is expected to reach 40.10 MTPA by the FY 2030.

In the Coal Sector, presently your Company operates an open cast coal mine of capacity 20 MTPA at Talabira, in the State of Odisha and through NUPPL, its Subsidiary, your Company is developing the Pachwara South Coal Block in the State of Jharkhand, with a capacity of 9 MTPA. Your Company has intended to enter into commercial mining of coal, with a planned addition of 15 MT, thereby envisaging an aggregate mining capacity of 44 MTPA in the Coal Sector.

Total CAPEX projected for FY 2022-30 for the mining projects is ₹ 8351 crore.

Power Generation Projects
Your Company is currently operating five lignite based thermal power stations, four at Neyveli, in Tamil Nadu and one at Barsingsar, in Rajasthan, with an aggregate capacity of 3,640 MW. Your Company through NTPL, the Subsidiary, is operating one coal based thermal power plant of 1,000 MW (2 X 500 MW) capacity. On implementation of two Coal based Thermal Power Projects viz GTPP (NUPPL) of capacity 1980 MW (3X660 MW) and Talabira Thermal Power Project of capacity 3200 MW (4 X 800 MW), the power generation capacity would reach 9820 MW. The Projected CAPEX for the Thermal Energy is ₹ 34,834 crore.

On Renewable front, by 2030, NLCIL plans to increase its capacity from 1421 MW to 6031 MW by implementing various Solar & Wind Projects. The Projected CAPEX for Renewable Energy is ₹ 23,403 crore

Diversification Projects:
NLCIL has adopted the diversification strategy and has ventured into implementation of OB to Sand and Lignite to Methanol projects and has earmarked a capex of ₹ 4397 crore

The total capital expenditure for mining, power generation, and diversification businesses has been projected to be ₹ 70,985 crore during FY 2022-30.

Subsidiaries /Joint Venture (JV) Projects

NLC Tamil Nadu Power Limited (NTPL) – A Joint Venture between NLCIL and TANGEDCO
Tuticorin Power Plant (1000 MW) in Tamil Nadu
As Members may be aware that NTPL, the Subsidiary Company is operating a 1000 MW coal based thermal power plant in

Tuticorin in the State of Tamil Nadu. During the year 2021-22, the total Power Generation (Gross) of NTPL was 4,182.46 MU (excluding power surrender) as against 5,290.58 MU registered in the year 2020-21. The short-fall in power generation during the year 2021-22 as compared to the last financial year was mainly on account of shortage of coal witnessed during the year and because of power surrender. To mitigate the coal shortage issue, agreement has been entered into amongst MCL, NTPC, NTPL and your Company for transferring 2.4 Million Tons of coal from MCL to NTPL, against the transfer of equivalent quantum of coal from Talabira II & III OCP Mines to NTPC Talcher Kaniha TPS and further order has also been placed for import of coal.

During the year ended 31st March, 2022, NTPL registered a revenue from operations of ₹ 2,221.60 crore as against ₹ 2,629.46 crore registered in the year 2020-21. The Profit Before Tax & Profit After Tax for the year 2021-22 were ₹ 329.65 crore and ₹ 211.28 crore respectively as against ₹ 560.41 crore and ₹ 363.00 crore registered in the year 2020-21. Interim Dividend of ₹0.70 (7%) per equity share was declared by NTPL Board for the FY 2021-22 and the same was paid on 21st Feb.2022.

Neyveli Uttar Pradesh Power Limited (NUPPL) – A Joint Venture between NLCIL & UPRVUNL Ghatampur Thermal Power Project (GTPP) (1980 MW) linked to Pachwara South Coal Block (9.0 MTPA) in Jharkhand

NUPPL, the Subsidiary Company is implementing the 3 x 660 MW Ghatampur Coal based Thermal Power Project (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh at a project cost of ₹17,237.80 crore. As per the present progress of the project, Unit I is expected to be commissioned by March 2023 while the commissioning of the other two Units viz., Unit II & III is expected four months there after. The delay in execution of the Project was mainly due to the slow progress of works in Balance of Plant (BOP) Package (GA3), as the Package contractor M/s. BGRSE is under a financial stress. Further because of lockdown during the period of Covid-19 pandemic, Inter-State Migrant Labours (ISML) returned to their native places besides the inadequacy of skilled man power and disturbances in supply chains distributions during that period contributed to the delay in the progress of the project. This project is being monitored by MoC and at the apex level by the Office of Prime Minister and considering the gravity of the situation of dismal performance by BGRSE the Board of NUPPL is taking all necessary steps to expedite the implementation of the Project.

NUPPL has signed a Power Purchase Agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL) for supplying 75% of the Power from the plant. Balance 25% has been allotted to the State of Uttar Pradesh by Ministry of Power, GoI for which the Company is pursuing with UPPCL to sign the PPA. In the meantime Assam Power Distribution Company (APDCL) has also given their consent for availing the balance power from this Project and the same has been forwarded to UPPCL for obtaining their consent to approach Ministry of Power for the formal allocation to them.

The coal supply for the GTPP is linked to Pachwara South Coal Block (PSCB) which is in early stage of Mine Development. Based on the Company's request, CEA had recommended Coal India Limited (CIL) to supply 0.99 MT (0.33 MT for each unit) coal to GTPP to facilitate commissioning activities, trial run & achieving COD etc. The remaining quantity of Coal is expected to be supplied from the Talabira II and III Mine belonging to the Company till commencement of operation of PSCB. In line with the CEA recommendation, CIL has allocated 0.33 MT of coal (0.20 MT from NCL and 0.13 MT from BCCL) for Unit-1. Memorandum of Understanding (MoU) for 0.20 MT supply of coal from NCL has been signed on 27.03.2021.

The project has achieved a CAPEX of ₹1,901.77 crore in the year 2021-22. The cumulative expenditure incurred since inception up to 31st March 2022 is ₹13,361.07 crore.

Pachwara South Coal Block (9.0 MTPA) in Jharkhand

NUPPL has been allotted with the Pachwara South Coal Block (PSCB), in the State of Jharkhand, with a capacity of 9.0 MTPA (Normative) & 13.50 MTPA (Peak), at an estimated cost of ₹1795.01 crore. In order to develop and operate the above Coal Block, MIPL GCL Infra contract Private Limited has been appointed as the Mine Developer Operator (MDO). Geological Report (GR), Mining Plan & Mine Closure Plan have been approved by MoC. Terms of Reference (ToR) for EC has been issued by MoEF & CC in favour of PSCB to carry out EIA/EMP study at PSCB. Application for Stage-I Forest Clearance uploaded in MoEF& CC Portal and the proposal has been forwarded to the Government of Jharkhand by PCCF, Ranchi for further processing, while the Gazette notification u/s 9 (1) & 11 (1) of CBA (A & D) Act, 1957 has been issued by MoC. Final EIA/EMP report along with application for EC has been uploaded at PARIVESH portal of MoEF & CC. The Project has achieved a CAPEX of ₹4.36 crore in the year 2021-22. The cumulative expenditure incurred up to 31st March 2022 was ₹ 39.28 crore.

Coal Lignite Urja Vikas Private Limited (CLUVPL) – A Joint Venture Company between NLCIL & CIL

Your Company had entered into a Joint Venture Agreement with Coal India Limited (CIL) to implement thermal and solar power projects of 5000 MW capacity by forming a JV Company with an equity participation of 50% each. The JV Company "Coal Lignite Urja Vikas Private Ltd" was incorporated on 10th Nov.2020 and the Board of the JV Company has given in-principle approval for participating in the tariff based competitive Solar Power Project tenders to be floated by SECI and /or any such agencies.

The JV Company has been awarded with the Project Management Consultancy Contract by South Eastern Coalfields Limited (SECL) for developing 40 MW Solar Power Project at Bishrampur and Bhatgaon locations of SECL in the State of Chhattisgarh. Presently the project activities are in progress.

Consultancy Services for developing Coal Block

Your Company has been awarded with a work order for providing consultancy services to Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) for selection of MDO, supervision & monitoring of exploration and other site activities for its Saharpur Jamarpani Coal Block in Jharkhand.

MNH Shakti Limited

Mahanadi Coalfields Limited, your Company and Hindalco jointly formed MNH Shakti Limited with an equity participation of 70:15:15 to implement 20.0 MTPA Coal Mining Project in Talabira, in the State of Odisha. The Talabira II & III Coal Blocks allocated for this purpose have been cancelled pursuant to the judgement of Hon'ble Supreme Court of India and the Coal Mines (Special Provisions) Ordinance, 2014. The JV Company has been proposed for winding up and necessary formalities are underway. In the meantime MNH Shakti Limited with the approval of its shareholders has reduced its Paid-up Equity Share Capital from ₹85.10 crore to ₹ 35.10 crore by way of cancellation of five crore equity shares of ₹10/- each aggregating to ₹50 crore and the said amount has been returned to the JV Partners in accordance to their shareholding in the JV Company.

Loan, Guarantees and Investments

Details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

Deposits

The Company has not accepted any deposits from the public during the year.

Bonds, Borrowing & Credit Rating

During the financial year 2021-22, your Company has issued Unsecured Rated Listed Redeemable Non-Cumulative Taxable Non-Convertible Bonds of ₹ 10 lakh each in the nature of Debenture Series I (NLCIL BONDS 2021 SERIES II) for an aggregate value of ₹500 crore at a coupon rate of 6.85% maturing on 13th April, 2032.

Commercial Paper

During the financial year 2021-22, as part of optimising the financial cost, your Company had mobilized funds by issue of Commercial Papers in different tranches with different tenures for an aggregate value of ₹ 7,000 crore. The Commercial Papers issued earlier were redeemed on the due date as per the terms of allotment.

Sales Bill Discounting

During the financial year 2021-22, your company has explored the Sales Bills Discounting facility available in the Banking System with recourse to your company and discounted the power bills issued to DISCOMs. The total value of sales bills discounted during the year under review was ₹4,663.19 crore. During the year under review, there were no instances of bankers sending the bills to the Company for meeting the obligations since the DISCOMs have honoured their commitments to the Bankers on the due date.

Credit Rating for Borrowings

During the year, your Company has retained AAA rating for Long Term Borrowings including Issue of Bonds and A1+ for issue of Commercial Papers from Credit Rating Agencies. The present ratings are given below:

	Rating Agency / Particulars	Rating Assigned
1	**ICRA**	
	Rating for NLCIL Bonds (1475 Crore + 525 Crore) – ₹ 2,000 Crore	ICRA ''AAA/Stable
2	**CRISIL**	
	Working Capital Loan - ₹ 5000 Crore	CRISIL AAA/Stable
	Proposed Bonds - ₹ 3000 Crore	CRISIL AAA/Stable
3	**Brickwork Ratings**	
	NNTPS - RTL ₹ 3000 Crore.	BWR AAA/Stable
	Talabira Mine - RTL ₹ 1680.75 Crore.	BWR AAA/Stable
	Proposed Bonds - ₹ 3000 Crore	BWR AAA/Stable
4	**CARE Ratings**	
	Solar 130 MW - RTL ₹ 481 Crore	CARE AAA; Stable
	Solar 500 MW - RTL ₹ 1406 Crore	CARE AAA; Stable
	Commercial Paper - ₹ 6000 Crore	CARE A1+
5	**India Rating (Fitch Group)**	
	Solar 709 MW - RTL ₹ 2552 Crore	IND AAA/Stable
	NLCIL Bonds (1475 Crore + 525 Crore) - ₹ 2000 Crore	IND AAA/Stable
	Commercial Paper - ₹ 6000 Crore	IND A1+

Commercial

Power Dues Realisation:

- During the year under review, your Company had received an amount of ₹10,693 crore out of the total billed value of ₹8,422 crore for the FY 2021-22 working out to a collection efficiency rate of 127%.
- The outstanding power dues including for the month of March 2022 invoices as on 31st March, 2022 was ₹3,958 crore as against ₹6,256 crore for the corresponding period of the year ended 31st March, 2021. The dues beyond the 45 days limit as on 31st March, 2022 was ₹2,675 crore as against ₹4,977 crore for the corresponding period of the previous year ended 31st March, 2021.
- Your Company realized a sum of ₹2,041 crore from Discoms under the Govt. of India's Atmanirbhar Bharath Liquidity Infusion Scheme through Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) & Banks towards liquidation of outstanding dues.
- Further, the Discoms were encouraged and persuaded to avail Bill Discounting Scheme to liquidate their dues, which resulted in the realisation of dues to the tune of ₹4,663 crore from the Discoms.
- Scheduling of power is being done in compliance with the MOP directives on LC - Payment priority mechanism.

Power Trading in Power Exchange

- During the year 2021-22, 1,246.05 MUs of Un-Requisitioned Surplus (URS) power was sold from NLCIL thermal power stations in different market segments of Power Exchange leading to a gross revenue addition of ₹ 340.45 crore. As per the CERC regulations, gains earned from sale of such URS power is being shared with the beneficiaries.
- During the year, the final power surrender for all the power stations of the Company was 805.79 MU as against 995.59 MU in the year 2020-21. The Trade / Surrender ratio for the year 2021-22 is 60.73% against 53.42% in 2020-21. With an improvement of URS power sale efficiency, Power surrender was significantly less during FY 2021-22 as compared to last year.
- Though, NLCIL is able to sell the quantum of power surrendered by the beneficiaries, mostly the final surrender was due to Reserve Regulation Ancillary Services (RRAS) down schedule issued by National Load Despatch Centre (NLDC) for maintaining grid parameters and security.
- Near Zero surrender for Discoms power was achieved for 163 days (44.6%) during the financial year 2021-22 as against 110 days (36%) in 2020-21 out of 304 days since the commencement of Real Time Market (RTM) from 01.06.2021. The RTM has not only enabled efficient utilisation of generation capacity but has also monetize power surrender during the day of operation, thus increasing the Capacity Utilization Factor (CUF) of Mines.
- NLCIL has traded 59.59 MU under Trading Licence which included purchase and sale of power for various open access customers from power exchange.
- The Energy Savings Certificates (ESCerts) of 86,800 numbers were purchased in the Power Exchange in compliance to the Perform, Achieve, Trade scheme under PAT Cycle II in respect of NLCIL plants TPS 2 & TPS 1 EXPN.

Tariff Regulations

Central Electricity Regulatory Commission (CERC) has issued the CERC (Terms and Conditions of Tariff) Regulations, 2019 on 07.03.2019, which are applicable for the period 01.04.2019 to 31.03.2024. The tariff of electricity generated from your Company's stations would be determined by CERC based on these Regulations for the above-mentioned period.

CERC (Terms and Conditions of Tariff) First Amendment Regulations 2020 covering Emission Control System was issued on 25th August, 2020. CERC (Terms and Conditions of Tariff) Second Amendment Regulations 2021 covering Input Price Regulations for Integrated Mines came into effect on 13.09.2021 i.e. the date of notification of these Regulations in Official Gazette and applicable for the five-year tariff period from 1.4.2019 to 31.3.2024.

Environment Compliance Measures

Your Company practices and promotes the best environment management plan since its inception and is committed to environment friendly mining and power generation. The environment policy of your Company is in line with the Vision and Mission Statement.

Ministry of Coal has constituted an Apex Committee with Additional Secretary/ MoC as its Chairman to monitor the compliance of Environmental Clearance (EC) and Forest Clearance (FC) conditions in Lignite / Coal Mines. In this connection your Company has constituted Environmental Monitoring Committees at Head Quarter (HQ) level and Area level as per the guidelines of Ministry of Coal for the above monitoring purposes.

Your Company continued to undertake mass tree plantations during the year besides undertaking of slope stabilisation of the Mines Overburden dumps in order to convert the Mine spoil into cultivable soil making it fit for habitation. The units have installed dust suppression mechanisms such as water sprinklers, spray guns, Fog Cannons etc to control the fugitive dust. The ambient air quality is being monitored regularly in the surrounding villages and is well within the prescribed norms.

Consequent to the Amendments of Environment (Protection) Act, 1986, the norms for water consumption and emissions from Power Plants [Particulate Matter (PM 2.5 & PM10), Sulphur dioxide (SO2), Oxides of Nitrogen (NOx) & Mercury (Hg)] have been made stringent for the existing as well as new Thermal Power Plants. In this regard, installation of Flue Gas De-sulphurisation (FGD) Systems is in progress.

As a result of continued environment management measuring undertaken your Company has received many awards for maintaining better environment management practices. The lists of such awards received during the year 2021-22 are as under:

- EKDKN Environmental Exceed Award supported by Ministry of Environment, Forest & Climate Change - Platinum Award for Environmental Protection.
- 21st Annual Greentech Environment & Sustainability award 2021- Winner for Outstanding achievement under "Environment Protection Category".
- Grow Care India Environment Excellence Platinum Award 2021- under Environment Preservation Category.
- Green Leaf Awards 2021 – Gold Award in "Energy Efficiency" & "Environment Excellence" to BTPS.
- Fly Ash Utilization Award 2021– For best practices & Fly ash management in TPS-II Expn.

Insurance

During the year, your Company had taken Mega Insurance Policy for the Assets and Stocks of Production Units viz. Mines, Thermals & Renewable Energy (RE). It broadly covers, Material damage (MD) of all Mine assets and Material damage (MD), Machinery Breakdown (MBD), Fire Loss of Profit (FLOP) & Machinery Loss of Profit (MLOP) of all Thermal & RE assets. Assets of Service units are covered under Standard Fire and Special Peril Policy (SFSP) which also cover Electronic Equipment Insurance (EEI), Transit Insurance, Public Liability Industrial Risk Insurance.

Land Acquisition and Rehabilitation & Re-settlement

The extensive land requirement for continuous mining necessitates invoking the law for the acquisition of private property leading to involuntary displacement of people. Your Company is sensitive to the painful involuntary relocation of displaced families and strives to minimize the trauma of such displacement besides continuously and consciously balance the techno-economic and the socio-economic goals of its projects.

The law applicable for the acquisition of lands for the projects in the State of Tamil Nadu has been changed from the Central Act 1 of 1894 to the Tamil Nadu Acquisition of Lands for Industrial Purposes Act,1997 (TN Act 10 of 1999) with effect from 20.09.2001.

Your Company has been following the National Policy on Rehabilitation and Resettlement, 2007 for the benefit of the Project Affected Population, for lands acquired upto 31.12.2013. The Provisions for compensation and R&R as per Schedule-I, II & III of "Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act – 2013" (RFCTLARR) are applicable since 01.01.2014 to your Company. A revised R&R policy was unveiled by the Hon'ble Minister for Coal on 17.01.2022 and as per this policy in addition to the monitory benefits as per the provisions of Schedule-II of RFCTLARR Act, the settlers on Govt. lands are also covered for some more benefits besides providing alternate house sites, annuity or onetime grant in lieu of employment.

Your Company takes good care of the Project Affected Persons (PAPs) through R&R Policy measures thereby minimizing the trauma of displacement. The guidelines issued by the Government of India, from time to time on R&R for the on-going projects are being duly complied with. Your Company develops the Re-settlement Centres (RCs) and also provides good infrastructure facilities thereby helping the affected families to re-settle in the RCs. In addition to this, legal compensation is also being paid with the co-operation of the District Administration.

Research and Development (R & D)

Centre for Applied Research & Development (CARD) is the in-house R&D Centre of the Company and has been recognized by the Department of Science & Technology. CARD has been granted NABL accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL) based on the international standard ISO/IEC 17025:2017.

The major functions of CARD include:

- Carrying out Science & Technology (S&T) Research Projects,
- Environmental monitoring,

- Pollution level measurements,
- Quality Control Testing & Consultancy, Technical Services.
- Technology development, patenting and commercialization based on the R&D and Pilot Plant outcome,
- Coordinating for S&T Projects undertaken by the Company, Institutional services to students, special studies for operation & new schemes and new initiatives etc.
- Rendering analytical services towards quality control of various products/materials used in Mines, Power Stations and other service units as well as outside agencies on chargeable basis.
- R&D works on lignite utilization, diversification, product development, by-product utilization, Solid Waste Management, wasteland reclamation, renewable energy, Clean Coal Technologies, introduction of real time monitoring facilities etc.

CARD has successfully developed the following pilot plants based on the outcome of the R&D studies 1. Humic Acid, 2. Separation of Iron particles from bottom slag, 3. Extraction of sand from Mines overburden 4. Biofertilizer, 5. Zeolite 6. Solar Drying of Lignite, 7. Activated Carbon from Lignite 8. Floating Solar as a part of Business Diversification Plan.

As per the action plan announced in the CPSE-PM Conclave for "Vision New India 2022", your Company has initiated action for setting up Innovation Incubation Centre (IIC) in association with Indian Institute of Science (IISc) and with Anna University, at a total outlay of ₹8.94 crore. In the first phase, so far 17 Start-up Project proposals have been taken up for 'Proof of Concept"(PoC) demonstrations by the innovators. After successful completion of PoC, necessary funding support will be provided for establishing the pilot / prototype plant and to establish technical feasibility of the concept.

The total R&D expenditure, incurred during the year 2021-22 was ₹ 23.26 crore.

Human Resource Development

Your Company believes in its human assets who are the key performers driving the Company's growth. Your Company provides a conducive working environment to its employees wherein they deliver their best potential.

Training

Your Company strongly believes that the pursuit of excellence can be achieved only through continuous learning, competency building, reinforcing good work practices, etc. Learning and Development Centre (L&DC) continuously strives to harness the in-house talents by conducting various in-house / deputation training programmes, webinars etc.

Apprentices were also given training as per Statutory Guidelines of the Regional Director of Apprenticeship Training, Chennai (RDAT) and the Board of Apprenticeship Training (BOAT) of Southern Region, Chennai.

Industrial Relations

Your Company continued its faith in participative management and has a regular system of holding bipartite structured meetings with the Recognised Unions (collective bargaining agents) / Associations in addressing the common issues of the employees. The significant events of IR department during FY 2021-22 are as below.

Employment on compassionate grounds to the dependents of deceased due to COVID-19

Based on the representations received from various stakeholders the Board of Directors of your Company has evolved a policy to provide employment to the dependents of the deceased due to COVID-19 in order to alleviate the sufferings of the dependents of the deceased employees/ contract workmen who have succumbed to COVID-19, taking into account the industry practice and various relief measures provided by the State and Central Governments.

Minimum rates of Wages & Dearness Allowance to Contract Workmen

In accordance with the Order of Chief Labour Commissioner (Central), New Delhi, the contract workmen deployed in the Company are being paid minimum wages and dearness allowance as per the notification issued by CLC from time to time.

Enrollment into Indcoserve Society

In accordance with the settlement arrived under Sec. 12 (3) of the Industrial Disputes Act, 1947 between the Contractor Employers and Trade Unions representing the contract workmen on 07/08/2020, 3150 private contract workmen were enrolled into NLC Indcoserve Society w.e.f. 01-02-2022 as per the seniority list submitted to the Hon'ble Supreme Court of India.

Covid-19 - Medical Professionals/ Frontline Warriors – Payment of one-time Ex-gratia

To motivate and encourage all the frontline warriors who were directly involved in the activities of prevention/treatment/ tracing and tracking Covid–19 pandemic, your Company granted one time ex-gratia payment ranging from ₹15,000/- to ₹30,000/- as a token of appreciation for their priceless services rendered in the fight against COVID-19.

Enhancement of "Death Relief Fund" to the dependents of deceased Employees and Contract Workmen

Regular Employees

In the event of death of a Member on the rolls of the Company an amount not exceeding ₹100/- per member shall be recovered instead of ₹50/- from the salary/ wage bills of other alive members w.e.f.01-08-2021.

Contract Workmen

The payment of solatium, in case of death due to accident arising out of and in the course of employment (while on duty) was revised from 5 lakh to ₹30 lakh (inclusive of compensation payable under Employee compensation Act and EDLI) effective from 01-10-2020 and the shortfall in total solatium of ₹30 lakh to be made good from the Contract Workmen Death Relief Fund.

The payment of solatium effective from 01-10-2020 was revised from ₹10 lakh to ₹15 lakh in case of death during the course of employment occurring on natural cause / ailment during the course of employment with in the Unit Premises but does not include (a) suicide and (b) death occurring during non-duty periods and outsides the Unit premises, Hospital including referral hospitals but does not include suicide.

Regularisation of 750 Contract Workmen

In accordance with the settlement under Sec. 12 (3) of the ID Act 1947 entered into between the contractor employers and trade union representing contract workmen in the presence of NLCIL Management, during the financial year, 714 numbers of contract workmen have been regularised into NLCIL rolls. Further, NLCIL has accorded approval for regularisation of 510 Contract Workmen into the rolls of the company as per the settlement dated 07-08-2020.

Uniform to Contract Workmen

In accordance with the settlement under Sec. 12 (3) of the ID Act 1947 entered into between the contractor employers and trade union representing contract workmen in the presence of NLCIL Management, it was agreed to provide two sets of stitched uniform to the contract workmen engaged through the private contractor employers.

In general, the Industrial Relations Scenario of the organisation was peaceful and cordial during the year 2021-2022.

Manpower

The total employee strength (including subsidiaries) stood at 11,246 as on 31st March, 2022 as against 11,379 as on 31st March 2021.

Reservation of Posts

Your Company scrupulously follows the reservation policy applicable to SCs, STs and OBCs as prescribed in the presidential directives / GOI Guidelines. The group-wise representation of SC/ST/OBC as on 31st March, 2022 stands as follows.

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	3186	676	305	520	21.22	9.57	16.32*
B	343	67	9	110	19.53	2.62	32.07
C	6618	1288	75	2346	19.46	1.13	35.45
D	1099	304	2	641	27.66	0.18	58.33
Total	11246	2335	391	3617	20.76	3.48	32.16

*strength of OBCs on rolls of NLCIL after reservation for OBCs came in to effect w.e.f 08-09-1993. However more than required percentage of employees (covered in the Central list of OBC category) have been recruited on the strength of BC category prior to reservation for OBCs came to effect and continue to be on the rolls of the Company.

Employees' Welfare and Social Security Schemes

Educational facilities

Your Company is presently running 9 Schools with student strength of 4647 nos. The schools admit children coming from peripheral villages, wards of employees, contract employees, daily wages workmen and others from economically weaker sections of society.

Scholarship Schemes and Tuition Fee Concession

Your Company provides educational assistance to the wards of General, SC/ST, OBC category employees and wards of Contract Workmen for pursuing higher studies (under graduate degree / diploma / professional courses) till the duration of the course subject to a maximum of five years. Out of the total slots earmarked under Contract Workmen Educational Assistance Scheme, 50% has been allotted exclusively for girl children. Besides these schemes, a separate Cash Award Scheme and a Scholarship Scheme were also provided under CSR for the benefit of girl children studying in the peripheral districts of Barsingsar Project, Rajasthan. In addition to the above, your Company reimburses the tuition fees every year for students belonging to SC/ST/OBC category (predominantly hailing from the surrounding villages of NLCIL projects) studying in Jawahar Science College, Neyveli, patronised by your Company.

Medical Facilities

The Company's health care model for protecting, preserving and promoting the health and wellbeing of workforce is a time tested one with proven results. The company which believes that healthy workforce is the key driver of its economic wellbeing is supporting a sustainable health care model since instituting the Hospital in 1962. NLCIL Hospital – a secondary level medical facility with a bed capacity of 350 provides the following medical care facilities/ services to the villages in and around Neyveli:

- Emergency care linked with Advanced Life Support ambulance services for inter-facility transfer of critically ill patients to higher centres.
- 8 bedded emergency unit equipped with centralized oxygen and suction lines, bed monitors, devices and mini operation theater is capable of handling all emergencies including trauma and industrial accidents.
- Emergency care service is provided on 24 X7 basis. Patients are treated in various specialties that include General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Orthopaedics, Ophthalmology, ENT, Dermatology, Chest Medicine, Psychiatry, Dental and Ayurveda Services.
- Out Patient Department (OPD) service is well supported by diagnostic facilities, pharmacy and other therapy.
- Two Renal Care Units (RCU) – RCU I run by the Company and RCU II through an outsourced facility, with a combined capacity of 28 beds provide haemodialysis service to chronic kidney disease patients.
- Surgical care services in General Surgery, Ophthalmology, ENT, Orthopaedics, Obstetrics & Gynaecology and Dental leveraging the two state of the art Theater Complexes adequately staffed with anaethesiologists, OT Nurses and OT Technicians to support all major surgeries at secondary level.

In coordination with State health dept, the following were implemented for the benefit of the general public.

- Family Welfare Services for achieving fertility control among the local population.
- Universal Immunization programme for protecting children and adults against all infectious diseases.
- Integrated Counselling and Testing, Treatment facilities for HIV infected patients
- Revised National Tuberculosis programme for prevention and treatment of TB among the local population.
- National Leprosy Control Programme for early detection and treatment of leprosy among local population
- Occupational Health services that monitor health and wellbeing of workforce through medical surveillance programme.
- Community Health camps to reach out to rural population and create awareness on various health issues
- Geriatric care services to the inmates of Anandha Illam run by the company for care of elderly persons who have no family support.

Multi-disciplinary team approach is adopted to provide a holistic health screening experience to the beneficiaries. Disciplines of General Medicine, Obstetrics & Gynaecology, Paediatrics, Ophthal, Dermatology, ENT, Chest medicine, Ayurveda Medicine, Ortho, Physiotherapy, and Dental from the clinical team provide comprehensive screening and wider coverage of treatment for women, children and elderly population. NLC India Hospital has successfully completed 5 medical camps in year 2021-2022.

Elders Home

To fulfil the special needs and requirements of the senior citizens, your Company runs ANANDA ILLAM in Neyveli. This elders home provides hospice & home care to the elders and help them to lead a happy and peaceful life with dignity. The employees of your Company also lend their helping hand by contributing a fixed amount every month from their salary to run the old age home.

Compliance under Persons with Disabilities Act, 2016

Your Company has evolved a comprehensive policy for Persons with Disabilities (PwDs) as per the guidelines issued by DoPT for providing certain facilities / amenities to PwDs to meet their requirements and enable them to effectively discharge their duties. The strength of PwDs as on 31-03-2022 stood at 211.

"SNEHA" Opportunity Services and School

Your Company implements various social welfare measures towards the cause and upliftment of the Physically Challenged Persons through Neyveli Health Promotion and Social Welfare Society (NHPSWS), "SNEHA" Opportunity Services and School both patronised by your Company. This School imparts education and training to mentally challenged children which includes training in vocations like arts & crafts, candle making, paper cup & cover making, carpentry, gardening, cooking and doormat weaving.

Health Promotion and Social Welfare Society (NHPSWS)

Through this Society, Tricycles, Wheel chairs, Hearing aids etc., were distributed to the disabled persons during Independence Day and Republic Day celebrations. The society runs retail outlet shops namely VAIGHAI.

Implementation of Official Language Act, 1963

Your Company has made all concerted efforts to promote the Official Language Implementation Policy in line with the provisions and guidelines prescribed by Government of India under the Official Language Act 1963. During the year 2021-22 due to COVID-19 pandemic and restrictions imposed for physical meetings, your Company had organised Hindi Workshops through Webinars.

In line with the Policy of Government of India and the Provisions prescribed under the Official Language Act, 1963 your Company continues to promote the Official Language and periodic Official Language Implementation Committee (OLIC) meetings are held to monitor the implementation of Official Language Policy. During the year under review Hindi Workshops were organised besides celebration of Hindi Fortnight wherein competitions on Essay Writing in Hindi, Poetry and Noting & Drafting in Hindi were conducted.

Women Empowerment - Forum of Women In Public Sector (WIPS):

WIPS NLCIL chapter was formed in 12-02-1990 and is a Corporate Life Member in the SCOPE since 1990.The strength of women employees in the Company as on 31st March 2022 stood at 901 constituting 8.01% of Company's human resource.

Safety

Your Company is taking pioneering efforts in the industrial safety area along with, the on-going safety related initiatives, apart from compliance of statutory requirements for enhancing safety standard in all the Mines and Thermal Plants which are given below:

- Safety audit of all the Mines is conducted by ISO Team every year and Safety audit of Thermal plants is conducted by accredited external agencies once in two years.
- Central Safety Council members comprising representatives of different units make inspection of the pre-determined unit every month and present its findings to the Unit Head.
- Conducting workshops & Training on Safety by Mines and Thermal units.
- Life-Saving Rules have been prepared & implemented in all the units.
- Conducting Safety officers' meet every month by Central Safety Wing and discussing the Safety performance, Action taken on recommendations, etc.
- Mines at Neyveli (Mine I, Mine IA & Mine II) are being operated with State-of-the-Art Technology i.e. Bucket Wheel Excavators, Spreaders, stackers and series of conveyors having inbuilt safety features.
- Standard Operating Procedures (SOPs) have been established for all the activities of the mines and thermal plants and are strictly implemented.
- Risk assessment based Safety Management Plans (SMPs) have been prepared as per Coal Mines Regulation 2017 for all the mining activities like Bench operation, Specialized Mining Equipment (SME), Conveyor Zone, Ground Water Control (GWC), Conventional Mining Equipment (CME) etc. and is being practiced.
- Pit Safety Committee meeting for the mine is conducted every month besides special safety meetings by individual divisions like conveyor division, blasting division, electrical division etc. Similarly, Unit Safety committee meeting is conducted by all thermal plants every month.
- Weekly Safety inspections of Mines, Thermal plants and other units are being carried out by Central Safety Wing executives and inspection report is submitted to Unit Heads for compliance and improvement in safety standard.

Risk Management

A comprehensive Integrated Risk Management Policy and Frame work as approved by the Board is in place in your Company. Besides risk prioritization, the roles and responsibilities of the Members are clearly defined. As per the policy, an Internal Risk Review Committee (below Board level) review the risks on a quarterly basis. The risk assessment together with the minimization procedure is reviewed by the Risk Management Committee, Audit Committee and the Board periodically.

Vigilance

The activities undertaken by Vigilance Department are Pro-active & Punitive and other measures to sensitize the employees of the Company. Complaints received in the department are dealt based on the "Complaint Handling Policy" and are processed through the Complaint Tracking System (CTS) from receipt up to disposal. As a preventive measure, Surprise Checks, Regular Checks, Quality Checks, Follow-up Checks and CTE Type Examinations are conducted.

As a part of Preventive Vigilance exercise, Customized Training Programmes were conducted at Thermal Units, Mines, Offices at Neyveli, Barsingsar Project, NTPL, NUPPL & Talabira Project to sensitize the officials on Contracts/ Purchase and various CVC guidelines issued in this regard through Vigilance case studies.

Implementation of Integrity Pact

Your Company is committed to have most ethical business dealing with the Vendors, Bidders and Contractors of goods and services and deal with them in a transparent manner with equity and fairness. To achieve these goals, your Company is implementing the Integrity Pact Programme in co-operation with Central Vigilance Commission (CVC) and renowned International Non-Governmental Organisation, Transparency International India (TII). Integrity Pact with the suppliers / contractors for all Tenders with estimate of ₹ one crore and above are monitored. Structured meetings are held with the Independent External Monitors (IEMs) wherein procurement and contract related issues and 5 complaints are taken up. During the year 2021-22, **4** Contractors meetings and **11** review meetings with the Independent External Monitors were held.

Cyber Security

To protect against cyber security threats, your Company has a maze of protective equipment like Network and Web application firewall for perimeter security and antivirus protection to desktops/laptops.

Digital Culture

Your Company has taken the following initiatives while transforming to digital culture:

a. SAP ERP is used as the enterprise software for core business.
b. E-Procurement of products and services through a common portal.
c. Office automation with the product e-office for file and e-Tapal.
d. Email, intranet, SMS services help information dissemination and Virtual Private Network (VPN) has enabled extended office connectivity especially during the pandemic.
e. Video Conferencing, Collaboration tools and virtual meetings are being used for conducting out of office information exchange.
f. E-payments are carried out for all financial transactions.
g. Artificial Intelligence tools like Chatbot and Robotic Process Automation have been deployed in few areas and a separate division has been formed to enhance the usage of Artificial Intelligence in the Company.
h. In Barsingsar, OB dump monitoring has been given to National Institute of Rock Mechanics (NIRM); Terrestrial Laser Scanner (TLS) is being used in NLCIL mines for OB land slope monitoring.

Compliance Monitoring

Your Company has set up a software based Legal Compliance Management System (LCMS) for effectively monitoring and ensuring compliances of all legal provisions applicable to the Company.

Corporate Social Responsibility

Your Company, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, right from its inception, focusing on the socio economic development of the operating regions for achieving inclusive & sustainable growth.

- Your Company is adopting a Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. The Policy is available in the Company's Website https://www.nlcindia.in/new_website/index.htm
- Your Company outlays funds for the CSR projects, programs and activities selected for implementation under the CSR Policy.
- The CSR Committee of the Board is monitoring the implementation of the CSR Projects. The Board of Directors reviews the same and ensures that your Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.
- Initiatives of State/Central Government, Departments/Agencies are dovetailed/synergized with the CSR Activities of NLCIL.

The amount spent by your Company for the year 2021-22 towards CSR projects is ₹ 40.80 Crore.

The major CSR initiatives undertaken during the year 2021-22 are given below:

MEASURES TAKEN TOWARDS PREVENTION OF COVID-19

Your Company has been at the forefront in tackling the adverse effects of the pandemic since March 2020. During the FY 2021-22, Your Company has spent ₹ 1614.10 lakh towards various COVID 19 preventive measures for the benefit of public at various locations of the Country. The following initiatives are undertaken.

- Setting up of 17 Nos. Oxygen Plants of 30 Nm3/Hr capacity in Tamil Nadu, Rajasthan & Karnataka States at the following locations at a cost of ₹ 1113.65 lakh.

Sl. No.	Location of Oxygen plants		State Assigned
1	1. Chidambaram	4. Thittakudi	TAMILNADU
	2. Villupuram	5. Vridhachalam	
	3. Panruti		

Sl. No.	Location of Oxygen plants		State Assigned
2	1. Bilgi	4. Byadagi	KARNATAKA
	2. Gadag	5. Challakere	
	3. Badami	6. Holakere	
3	1. Bikaner	4. Jodhpur	RAJASTHAN
	2. Ajmer	5. Nagaur	
	3. Jaipur	6. Udaipur	

- Supply of 184 Nos of Oxygen Concentrators of capacity 10 lit/Min in Tamil Nadu at a cost of ₹ 218.02 lakh.
- Supply of 86 Nos of Oxygen Concentrators of capacity 10 lit/Min in Rajasthan at a cost of ₹ 108.13 lakh.
- Sparing of 10 Nos of Hired Basic Life Support Ambulances to Cuddalore District Administration for 3 Months at a cost of Rs 58.34 lakh.
- Financial Assistance of ₹ 32.20 lakh to M/s Socio Economic Research Institute (SERI) towards distribution of PPE Garments, Surgical Masks, Hand Sanitizers, Infrared forehead Thermometer, Oxygen concentrators and Probass UV-C disinfection systems for Cuddalore District.
- Providing food packets to the needy people through Sneha Opportunity Services, Neyveli at a cost of ₹ 24.78 lakh.
- Soap solution, Sanitizer, Cold chain equipment, Electrical connection to PSA Oxygen Plants at a cost of ₹ 17.40 lakh.
- Remdesivir Injection to Government Hospitals at a cost of ₹ 11.19 lakh.
- Distribution of medical equipments to combat COVID -19 for Govt. Hospitals at Kattumannarkoil & Kurinjipadi at a cost of Rs 10.41 lakh.
- Financial Assistance of ₹ 10.00 lakh to M/s SANTHIGIRI ASHRAM towards distributing Ration & cleaning and personal hygiene kits to 300 families for COVID Prevention.
- Financial Assistance of ₹ 10.00 lakh to M/s Sri Aurobindo Society, Puducherry for COVID relief activities.

PROMOTING HEALTH CARE, NUTRITION & SANITATION

Your Company has spent an amount of around ₹ 744.16 lakh during FY 2021-22 towards promoting Health Care, Nutrition & Sanitation. The following initiatives are undertaken.

- Emergency / life saving treatment to common residents in Neyveli Township and patients from surrounding villages of Neyveli on OP Basis at a cost of ₹ 130.94 lakh.
- Nutritional support to the students of NLCIL Schools at a cost of ₹ 25.20 lakh.
- Conducting Medical camps around Neyveli at a cost of ₹ 24.25 lakh.
- Construction of Trauma Care centre at Govt. General Hospital, Kurinjipadi at a cost of ₹ 14.04 lakh (Under Progress).
- Poshak - Supply of Health Mix Powder, dates, Chenna to HIV +ve Society, Cuddalore by Monthly supply at a cost of Rs 13.90 lakh.
- Swachhta Pakwada, Yearlong swachhta, Swachh Bharat related activities at a cost of ₹ 9.42 lakh.
- Supply of Food Supplements and soaps to Oasis, home by Monthly supply at a cost of ₹ 8.33 lakh.
- Construction of 2 Nos of RCC OHT in Kurinjipadi at a cost of ₹ 4.56 lakh (Under Progress).
- Periodical health check up of villagers by organizing Free Medical camps at surrounding villages of Barsingsar Unit at a cost of ₹ 2.91 lakh.
- Distribution of Baby Kits to new born babies under Beti Bachao scheme at a cost of ₹ 2.00 lakh.
- Diapers, food supplement and cleaning materials to Annai Theresa Home, Vadalur at a cost of ₹ 1.63 lakh.
- Hygiene and Health Care works of NLC Schools, Kendriya Vidyalaya and education department at a cost of ₹ 70.75 lakh.
- Your Company is extending financial assistance towards Construction of Public Toilet Blocks in the circulating areas of 170 nos. of Railway stations of Southern Railway in Tamil Nadu. During the year under review, Your Company has contributed Rs 436.25 lakh for this Project.

PROMOTING EDUCATION & EMPLOYMENT ENHANCING SKILLS

Your Company has spent around ₹ 1373.26 lakh during the FY 2021-22 under review, towards promoting Education & Employment Enhancing Skills. The following initiatives are undertaken.

- Financial assistance of ₹ 500.00 lakh to Jawahar Education Society patronized by NLCIL towards promoting Education of the students in the operating region of NLCIL, Neyveli.
- Tuition fees of ₹ 458.99 lakh towards promoting education of SC, ST & OBC Students of Jawahar Science College, Neyveli benefitting 1152 OBC students and 490 SC & ST students
- Educational Assistance of ₹ 148.86 lakh towards promoting education of the students of Kendiriya Vidyalaya School.
- Financial Assistance of ₹ 92.50 lakh towards construction of 9 Smart Class Rooms to Sri Sarada Niketan College of Science for Women, Kodangipatti, Karur.
- Educational Assistance of ₹ 44.54 lakh to Contract Workmen Children.
- Awareness, motivation Guidance Programmes/Functions for students, parents and teachers. Programmes as per directives of the State and Central Govt like swachh related activities, celebration of important days, Scouts and Guides Camp & Thinking day, School Sports & Literary Activities, Competitions, Issue of school Uniforms, Issue of text books/ educational aids and lease charges for photo copier etc. at a cost of ₹ 24.34 lakh
- Certain facilities to Sneha Opportunity Services and School at a cost of ₹ 8.72 lakh.
- Distribution of Scholarship to girl students at a cost of ₹ 7.24 lakh.
- Educational Promotional activity/Skill Development Programme/Smart class at a cost of ₹ 4.68 lakh.
- Distribution of school kits to 1st standard girl student under "Beti Padhao" scheme at a cost of ₹ 2.00 lakh.
- Distribution of Books on Indian Freedom to village students at a cost of ₹ 0.13 lakh.
- Financial Assistance of ₹ 79.69 lakh to Gram Vikas Society, Dharwad, Karnataka towards Skill Development (Fashion Design) Training.
- Skill Development Training Programmes in various Skill sectors for project affected persons (PAPs), students and teachers at a cost of ₹ 1.57 lakh.

PROMOTING RURAL SPORTS

Your Company emphasizes importance in promoting Rural Sports by conducting sports events and extending financial assistance to prominent persons in sports, who also took part in TOKYO Olympics. During FY 2021-22, Your Company has spent an amount of ₹ 30.68 lakh. The following initiatives are undertaken.

- Cash Award of ₹ 5.00 lakh each to the Sports Persons Shri Sajan Prakash, Ms. Revathi Veeramani and Ms. C.A. Bhavani Devi, who had represented India in TOKYO Olympics.
- Conducting of Sports Events and providing Sports items at a cost of ₹ 10.68 lakh.
- Financial Assistance of ₹ 5.00 lakh to Sri Dhurga Prasad Public Charitable Trust (SDPPCT).

RURAL DEVELOPMENT

Members may be aware that the transportation services are provided by NLCIL for the public in nearby villages for connectivity to Neyveli Township for their day-to-day social and business activities. As a part of this activity Your Company has spent during FY 2021-22 a total of ₹ 68.90 lakh - Providing affordable access of social facilities of Neyveli T.S to the peripheral villages and connecting services by NLCIL Bus Service.

DISASTER RELIEF

Your company has extended financial assistance of ₹ 35.00 lakh during FY 2021-22 to M/s. Deseeya Sevabharathi Keralam for providing relief material to the affected families of flash floods and landslides in Kottayam district in Kerala State.

PROTECTION OF NATIONAL HERITAGE, ART AND CULTURE

Your company has provided Financial Assistance of ₹ 5.00 lakh to Uttarakhand's Virasat Arts & Heritage Festival in FY 2021-22.

MEASURES FOR THE BENEFIT OF ARMED FORCES

Your company has contributed ₹ 5.00 lakh to Armed Forces Flag Day Fund (AFFDF) for FY 2021-22.

In addition, Your Company has spent ₹ 204.00 lakh as Administrative Overheads, which is 5.00% of the total CSR Expenditure.

ANNUAL THEME

As per DPE guidelines, CSR expenditure towards thematic activities shall be around 60% of the CSR fund. As communicated by DPE, "Health & Nutrition, with special focus on COVID related measures including setting up makeshift hospitals and temporary COVID Care Facilities" was considered as annual theme for FY 2021-22. Accordingly, Your Company has carried out the CSR activities during 2021-22 choosing from the above theme spending ₹ 24.81 crore, which is 60.80% of CSR expenditure. In addition to the above, the details on specific Corporate Social Responsibility projects undertaken in compliance with Section 135 of the Companies Act, 2013 is placed as **Annexure- 1**.

Awards & Recognition

In recognition of its various activities, your Company, has been conferred with the following awards during the year 2021-22:

- Mine-I bagged three National Safety Awards (Mines), instituted by Ministry of Labour and Employment, Govt. of India, for the years 2018,2019 & 2020 under the category, Lowest Injury Frequency Rate per million cubic metre of output.
- Mine-II was awarded National Safety Award (Mines) under the category Longest Accident-Free Period for the year 2020.
- Learning and Development Centre received APEX India Training Excellence Award 2020 (Platinum Category), instituted by APEX India Foundation, New Delhi, in the Metal & Mining sector, for its dedication, innovation and contribution in the area of HR Excellence and for maintaining highest standard in Training Management.
- Mine-I & Mine-II bagged the 5-star ratings and Mine-IA & Barsingsar Mine bagged 4-star ratings as declared by Union Coal Ministry.
- "Greentech Environment & Sustainable Award - 2021" from Greentech Foundation, New Delhi in the Environmental Protection Category.
- Mine-II & Mine IA won the Greentech Environment Award-2021 for its outstanding achievements in Environment Protection.
- CSR department won the Greentech CSR Award 2021 for its achievements towards rural development initiatives.
- "EKDKN Platinum Award-2021" from Sustainable Development Foundation, a unit of Ek Kam Desh Ke Naam, New Delhi for the environment preservation in the Mining & Power Sector category.
- Mine I won the "APEX India occupational Health & Safety Platinum Award-2021" from the APEX India Foundation, New Delhi in appreciation of its Occupational Health & Safety Practices.
- APEX India Foundation has also awarded Mine IA with "APEX India Green Leaf Award - 2020 (Platinum Category)" for eco innovation and APEX India Occupational Health Safety Award-2021, (Gold Category) for its OHS practices.
- Mine-II has been honoured with prestigious APEX India Occupational Health & Safety Awards – 2021 (Gold Category) for its excellent OHS practices.
- Greentech Foundation, New Delhi, has conferred Corporate Governance Award-2022 to the Corporate Environment Cell for the outstanding achievements in the fields of Governance, Risk Management and Compliance. Greentech Awards on Energy Conservation and Effective Safety Culture.
- Greentech Foundation, New Delhi, has conferred, Energy Conservation Award, 2021 to the Mine-I for its outstanding and exemplary initiatives and practices adopted to reduce energy consumption and for adopting Renewable energy for clean environment.
- Effective Safety Culture Award - 2021 was awarded to Mine-II by Greentech Foundation, for the contribution towards accident-free operation.
- Mine-I and Mine-II have bagged exceed Occupational and Safety Awards 2021, instituted by the Sustainable Development Foundation, (A unit of EK KAAM DESH KE NAAM).
- Public Relations & Society of India, has honoured with the first prize for the 'Best PSU implementing RTI.
- The Quality Circle of SME/RC division of Mine-I and the Quality Circle of, Electrical Township Maintenance division of TA department, won 'PAR Excellence Awards', instituted by the Quality Circle Forum of India,
- Green Leaf Awards 2021 – Gold Award in "Energy Efficiency" & "Environment Excellence" to BTPS.
- Fly Ash Utilization Award 2021– For best practices & Fly ash management in TPS-II Exp.
- EKDKN Environmental Platinum Award 2020 for Environmental Protection.
- Grow Care India Environment Excellence platinum Award 2021 under Environment Preservation Category

Compliance under the Right to Information Act, 2005

Your Company ensures compliance under the Right to Information Act, 2005. Central Assistant Public Information Officers representing different functional areas, Nodal Officer,Central Public Information Officer, Appellate Authority and Transparency Officer have been nominated to attend to the queries and appeals received under the RTI act in a time bound manner.

During the year 2021-22 under the above Act, 519 applications containing 1945 queries were received and 499 applications covering 1834 queries have been replied.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSMEs) has notified the Public Procurement Policy. The total procurement made from MSMEs during the year 2021-22 was 32.66% as against the target of 25%. Your Company has on boarded on Trade Receivable e-Discounting System (TReDS), a platform which facilitates the financing of trade receivables of MSMEs from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers.

Procurement through GeM Portal

During the year 2021-22, your Company has procured goods & services from Government e-Marketplace (GeM) Portal for ₹516.28 crore, which is 200% as against 25% of the IMC guidelines. Efforts are being continuously made to maximize the procurement in GeM Portal by using the functionality of "Custom Bid" introduced in GeM during the year.

Citizen's Charter

Your Company maintains Citizen's Charter, indicating details of clients, customers under different heads, different system of redressal of grievance etc., and the same is regularly updated.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars required under Section 134(3) (m) of the Companies Act,2013 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished in **Annexure-2.**

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis Report is furnished in **Annexure-3**. The report on Corporate Governance on the compliance of Corporate Governance conditions stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015 and the DPE guidelines on corporate governance is furnished in **Annexure-4.**

The Auditors' Certificate on the compliance of above Corporate Governance Conditions is furnished in **Annexure – 5**.

Statutory Disclosures under Companies Act,2013 and SEBI (LODR) Regulations, 2015 Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at https://www.nlcindia.in/investor/AR1.pdf .

Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered during the year 2021-22 were in the ordinary course of the business and are on an arm's length basis. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company. Members may refer to note no. 42 to the financial statement which sets out related party disclosures pursuant to Ind AS-24.

Declaration by Independent Directors

The Independent Directors have given a declaration on meeting the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 & Regulation 25(8) SEBI (LODR) and they have registered their names in the Independent Directors' Databank.

Particulars of Employees

As per provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each Director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

As on 31st March, 2022, there were no shares pending unclaimed in the Demat Suspense Account/unclaimed Suspense Account.

Material changes affecting financial position occurring between the end date of Financial Year and the date of the Report.

There are no material changes affecting the financial position of the Company between the end of the Financial Year and the date of this Report.

Sexual Harassment of Women at Workplace:

As required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, suitable mechanisms were put in place in NLCIL to address the issues faced by women employees. A separate Internal Complaints Committee has been constituted for looking into the complaints relating to sexual harassment of women at workplace. During the year 2021-22, two complaints were received and same were resolved and no case is pending.

Auditors

Statutory Audit

M/s. R Subramanian and Company, LLP, Chartered Accountants and M/s. Manohar Chowdhry & Associates, Chartered Accountants were appointed by the Comptroller and Auditor General of India (C&AG) as the Joint Statutory Auditors for the year 2021-22 under Section 139 of the Companies Act, 2013.The Board of Directors of your Company has fixed ₹43.00 lakh plus applicable taxes as the Statutory Audit fees for the year 2021-22, to be shared equally by the Joint Statutory Auditors.

Branch Audit

M/s. Dhoot & Associates, Chartered Accountants, has been appointed as the Branch Auditor for the year 2021-22 by C&AG for conducting the audit of Mine and Thermal Units at Barsingsar. The Board of Directors of the Company has fixed ₹ 3.0 lakh plus taxes as the Branch Audit fees for the year 2021-22.

M/s. Kadmawala & Company, Chartered Accountants, has been appointed as the Branch Auditor for the year 2021-22 by C&AG for conducting the audit of Mines at Talabira. The Board of Directors of the Company has fixed ₹ 3.0 lakh plus taxes as the Branch Audit fees for the year 2021-22.

Secretarial Audit

M/s. Kumar Naresh Sinha & Associates, Practicing Company Secretaries, was appointed as the Secretarial Auditor for the year 2021-22. The Secretarial Audit report for the year 2021-22 & the reply to observations of the Secretarial Auditors and the Secretarial Auditor Reports of the Subsidiary Companies are furnished in **Annexure-6.**

Cost Audit

M/s. Dhananjay V. Joshi & Associates, was appointed as the Cost Auditor for the year 2021-22 to conduct Cost Audit for Mines & Power Stations of the Company. The Cost Audit Report for the year 2020-21 was filed with Ministry of Corporate Affairs on 7th Oct,2021 against the due date of 30th November,2021.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained Cost Accounts and Records.

C&AG's Comments:

Comments of the Comptroller & Auditor General of India (C&AG) on the Financial Statements of the Company for the year ended 31st March, 2022 under Section 143(6)(b) of the Companies Act, 2013 along with the Management reply to the comments thereon are furnished in **Annexure-7**.

Directors' Responsibility Statement as per Section 134 (3) (c) & 134 (5) of the Companies Act, 2013

The Board of Directors declares 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 the Companies Act, 2013 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;
e. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
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.

Board of Directors

Appointment

Details of appointment of Directors on the Board of the Company are as under:

a. Shri Dharmendra Pratap Yadav, Principal Secretary to Government of Tamilnadu, Energy Department and Part-time Official Director w.e.f. 15.06.2021.
b. Shri Subrata Chaudhuri, Part-time Non-official (Independent) Director, w.e.f. 05.11.2021.
c. Shri Prakash Mishra, Part-time Non-official (Independent) Director, w.e.f. 08.11.2021.
d. Prof.Nivedita Srivastava, Part-time Non-official (Independent) Director, w.e.f. 10.11.2021.
e. Shri Ramesh Chand Meena, Additional Chief Secretary to Government of Tamilnadu, Energy Department and Part-time Official Director w.e.f. 23.12.2021.
f. Shri M.Nagaraju, Additional Secretary, Ministry of Coal and Part-time Official Director, w.e.f. 03.01.2022.

g. Shri K Mohan Reddy, Director (Planning & Projects), w.e.f. 21.02.2022.
h. Shri M T Ramesh, Part-time Non-official (Independent) Director, w.e.f. 06.04.2022.
i. Dr. Suresh Chandra Suman, Director(Mines), w.e.f. 11.05.2022.

Cessation

The following Directors relinquished from the Board of Directors of the Company:

a. Shri Nadella Naga Maheswar Rao, Director (Planning & Projects) w.e.f . 01.06.2021 due to superannuation.
b. Shri S K Prabakar, Principal Secretary to Government of Tamilnadu, Energy Department and Part-time Official Director w.e.f. 04.06.2021.
c. Shri Prabhakar Chowki, Director (Mines) w.e.f. 01.09.2021 due to superannuation.
d. Shri Dharmendra Pratap Yadav, Principal Secretary to Government of Tamilnadu, Energy Department and Part-time Official Director w.e.f. 09.12.2021.
e. Dr. Vishnu Dev, Part-time Non-official (Independent) Director, w.e.f. 13.12.2021.
f. Shri Vinod Kumar Tiwari, Additional Secretary, Ministry of Coal and Part-time Official Director, w.e.f. 03.01.2022.
g. Shri R Vikraman, Director (Human Resources) w.e.f. 01.03.2022 due to superannuation.
h. Shri N K Narayanan Namboothiri, Part-time Non-official (Independent) Director w.e.f. 10.07.2022.
i. Dr. Muralidhar Goud, Part-time Non-official (Independent) Director w.e.f. 10.07.2022.
j. Shri Jaikumar Srinivasan, Director (Finance) w.e.f. 22.07.2022.

Your Directors wish to place on record their whole-hearted appreciation for the valuable guidance and services rendered by them during their tenure as Directors on the Board of the Company.

Further, pursuant to Section 152 of the Companies Act, 2013, Shri Ramesh Chand Meena, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the re-appointment.

Acknowledgement

The Board of Directors of your Company places on record its sincere appreciation for the continued support and guidance extended by the Ministry of Coal, Ministry of Power, Ministry of New and Renewable Energy, Ministry of Finance, Ministry of Environment & Forest and Climate Change, Ministry of Industry, Ministry of Labour, Ministry of Railways, Ministry of Heavy Industries, NITI Aayog, DIPAM, DPE, Central Electricity Authority, Central & State Government Departments, Central & State Electricity Regulatory Commissions, Andaman & Nicobar Islands Administration, State Electricity Boards and beneficiaries of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Kerala, Puducherry and Rajasthan and also the Joint Venture Partners, viz., Tamil Nadu Generation and Distribution Corporation Limited(TANGEDCO), Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited(UPRVUNL), Coal India Limited, Mahanadi Coalfields Limited and Hindalco.

The Board of Directors of your Company is pleased to acknowledge with gratitude the cooperation and continued support extended by the Governments of Tamil Nadu, Rajasthan, Uttar Pradesh, Jharkhand and Odisha, V.O.C. Port Trust, Tuticorin and the District Administrations of Cuddalore, Tuticorin, Bikaner, Andaman & Nicobar, Sambalpur, Jharsuguda, Kanpur Nagar and Dumka. The support and co-operation extended by the Comptroller and Auditor General of India, Statutory Auditors, Branch Auditor, Internal Auditors, Cost Auditor, Secretarial Auditor, Director General of Mines Safety, Directorate of Industrial Health & Safety, Boiler Inspectorates, Chief Inspector of Factories, the Director of Boilers, Central Pollution Control Board, State Pollution Control Board, Chief Controller of Explosives, Chief Vigilance Commissioner, Coal Controller Officers, Regional Labour Commissioner, Regional Provident Fund Commissioner and other Statutory Authorities, the Company's Bankers, Financial Institutions and KfW of Germany, Vendors, Suppliers, Contractors and other valued Stakeholders need special mention and the Directors acknowledge the same.

Your Directors also wish to place on record their appreciation for the dedicated work put forth by the Employees at all levels. The positive role played by the recognized Trade Unions and Associations of the Engineers and Officers in maintaining cordial industrial relations deserves special mention.

For and on behalf of the Board of Directors

Place : Neyveli
Date : 29.08.2022.

Rakesh Kumar
Chairman-cum-Managing Director

CSR REPORT

FOR THE YEAR 2021-22

ANNEXURE – 1

1. Brief outline on CSR policy of the Company.

- NLCIL has been carrying out peripheral developmental activities for betterment of communities in the surrounding villages since inception.
- The vision of NLCIL is to emerge as a leading Mining and Power Company, with social responsiveness accelerating Nation's growth.
- NLCIL'S Values

  N – National Orientation

  L – Learning and Development

  C – Commitment for Excellence

  I – Innovation and Speed
- NLCIL has adopted a CSR Policy, under which new / ongoing CSR projects/ programme / activities are undertaken.
- The CSR activities of NLCIL focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.
- Aiding in the Socio economic development of the local State(s) in which NLCIL operates and also the country at large.
- The CSR of NLCIL contributes to various sectors of development, as enumerated in the Schedule VII of the Companies Act. The major thrust areas are:

S. No	CSR Focus Area
1	Promoting Healthcare
2	COVID-19 Preventive/ Relief Measures
3	Promoting Sanitation
4	Promoting Education
5	Promoting Employment Enhancing Skills
6	Protection of national heritage, art and culture
7	Measures for the benefit of armed forces veterans
8	Promoting Rural Sports
9	Rural development projects.
10	Disaster Management, including relief, rehabilitation and reconstruction activities

- The CSR Committee of the Board of Directors of NLCIL monitors the CSR Activities.
- The Board of Directors of NLCIL reviews the same from time to time and ensures that at least two percent of the average net profit of NLCIL for the last three years is spent by NLCIL on CSR.

2. Composition of CSR Committee:

S. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Prakash Mishra	Chairman/Independent Director w.e.f. 15th Dec. 2021	0	0
2	N.K. Narayanan Namboothiri	Member/Independent Director (Chairman upto 15th Dec. 2021)	2	2
3	P. VishnuDev	Member/Independent Director (Relinquished w.e.f. 13.12.2021)	2	2
4	V. Muralidhar Goud	Member/Independent Director	2	2
5	R. Vikraman	Member/Director (Relinquished w.e.f. 01.03.2022)	2	2

3. **Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**
   Web-link: https://www.nlcindia.in/new_website/index.htm

4. **Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**
   Impact assessment of projects of FY 2020-21 has been planned to be undertaken during FY 2022-23 in accordance with sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, which came to effect from 22.01.2021.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
2020-21	Nil	Nil

6. **Average Net Profit of the company as per Section 135 (5):** **₹ 2040.23 Crore.**

7. (a) Two percent of average net profit of the company as per section 135 (5): **₹ 40.80 Crore.**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial years: **Nil**
   (c) Amount required to be set off for the financial year, if any: **Nil**
   (d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 40.80 Crore.**

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year.	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹40.80 Crore.	Nil	NA	NA	Nil	NA

8(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No).	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes /No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

8(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ In lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
A	**Promoting Healthcare**	Item No. I							
1	Conducting Medical camps		Yes	Tamil Nadu	Cuddalore	24.25	Yes		
2	Swachhta Pakwada, Yearlong swachhta, Swachh Bharat related activities		Yes	Tamil Nadu	Cuddalore	9.42	Yes	-	-
3	Nutritional support - to the students of NLCIL Schools		Yes	Tamil Nadu	Cuddalore	25.20	Yes		
4	Poshak - Supply of Health Mix Powder, dates, Chenna to HIV +ve Society, Cuddalore - Monthly supply		Yes	Tamil Nadu	Cuddalore	13.90	Yes	-	-
5	Supply of Food Supplements and soaps to Oasis, home - Monthly supply		Yes	Tamil Nadu	Cuddalore	8.33	Yes	-	-
6	Supply of Diapers, Food Supplement and cleaning materials to Annai Theresa Home, Vadalur - Monthly Supply		Yes	Tamil Nadu	Cuddalore	1.63	Yes	-	-
7	Construction of Trauma Care centre at Govt. General Hospital, Kurinjipadi		Yes	Tamil Nadu	Cuddalore	14.04	Yes	-	-
8	Distribution of baby kits to new born babies under Beti Bachao scheme		Yes	Rajasthan	Bikaner	2.00	Yes	-	-

8(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ In lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
9	**Periodical health check up of villagers by organizing Free Medical camps at surrounding villages of Barsingsar Unit**		**Yes**	**Rajasthan**	**Bikaner**	**2.91**	**Yes**	**-**	**-**
10	Emergency / life saving treatment to common residents in Neyveli Township and patients from surrounding villages of Neyveli on OP Basis		Yes	Tamil Nadu	Cuddalore	130.94	Yes	-	-
11	Construction of two nos. of RCC OHT of 30000 liters capacity for KANNADI Village (Anna Nagar West & East) in Kurinjipadi TK		Yes	Tamil Nadu	Cuddalore	4.56	Yes	-	-
B	**COVID-19 Preventive/ Relief Measures**	**Item No. I**							
12	Setting up of 5 Nos. Oxygen Plants of 30 Nm3/Hr capacity in Tamil Nadu at the following locations 1. Chidambaram 2. Villupuram 3. Panruti 4. Thittakudi 5. Vridhachalam		Yes	Tamil Nadu	Cuddalore Villupuram	13.90	Yes	-	-
13	Setting up of 6 Nos. Oxygen Plants of 30 Nm3/Hr capacity in Karnataka at the following locations 1. Bilgi 2. Gadag 3. Badami 4. Byadagi 5. Challakere 6. Holakere		No	Karnataka	Bagalkot Gadag Bagalkot Haveri Chitradurga	448.07	Yes	-	-
14	Setting up of 6 Nos. Oxygen Plants of 30 Nm3/Hr capacity in Rajasthan at the following locations 1. Bikaner 2. Ajmer 3. Jaipur 4. Jodhpur 5. Nagaur 6. Udaipur		Yes	Rajasthan	Bikaner Ajmer Jaipur Jodhpur Nagaur Udaipur	385.77	Yes	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ In lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
15	Supply of 184 Nos of Oxygen Concentrators of capacity 10 lit/Min in Tamil Nadu		Yes	Tamil Nadu	Cuddalore Villupuram	218.02	Yes	-	-
16	Supply of 86 Nos of Oxygen Concentrators of capacity 10 lit/Min in Rajasthan		Yes	Rajasthan	Bikaner	108.13	Yes	-	-
17	Sparing of 10 Nos of Hired Basic Life Support Ambulances to Cuddalore District Administration for 3 Months		Yes	Tamil Nadu	Cuddalore	58.34	Yes	-	-
18	Purchase of masks, sanitizer and soap for distribution to surrounding villages of Mine-II for containing the spread of COVID-19		Yes	Tamil Nadu	Cuddalore	2.20	Yes	-	
19	Purchase of materials for sanitizer for preparation of Soap Solution/ Sanitizer		Yes	Tamil Nadu	Cuddalore	7.70	Yes	-	-
20	Procurement of Cold Chain Equipment for COVID 19 Vaccination for Andaman and Nicobar Is.		Yes	Andaman & Niocobar Islands	Andaman & Niocobar Islands	1.10	Yes	-	-
21	Financial Assistance to M/s Socio Economic Research Institute (SERI) towards distribution of PPE Garments, Surgical Masks, Hand Sanitizers, Infrared forehead Thermometer, Oxygen concentrators and Probass UV-C disinfection systems for Cuddalore District		Yes	Tamil Nadu	Cuddalore	32.20	No	M/s. Socio Economic Research Institute	CSR00006843
22	Financial Assistance to M/s SANTHIGIRI ASHRAM towards distributing Ration & cleaning and personal hygiene kits to 300 families – COVID Prevention		No	New Delhi	New Delhi	10.00	No	M/s. Santhigiri Ashram	CSR00007322
23	Distribution of medical equipments to combat COVID -19 for Govt. Hospitals at Kattumannarkoil & Kurinjipadi		Yes	Tamil Nadu	Cuddalore	10.41	Yes	-	-
24	Financial Assistance to M/s Sri Aurobindo Society, Puducherry		No	Puducherry	Puducherry	10.00	No	M/s. Sri Aurobindo Society	CSR00000200
25	Providing food pockets to the needy people through SOS		Yes	Tamil Nadu	Cuddalore	24.78	Yes	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ In lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
26	Financial Assistance to District admin Cuddalore for electrical connection for four PSA Oxygen Plants		Yes	Tamil Nadu	Cuddalore	6.40	Yes	-	-
27	Remdesivir Injection given to Government Hospital		No	Tamil Nadu	Trichy Chidambaram Sambalpur	108.13	Yes	-	-
C	**Promoting Sanitation**	**Item No. I**							
28	Contribution to M/s RITES, towards the Construction of Toilets in the Circulating Areas of Railway Stations in Tamil Nadu		No	Tamil Nadu	Various Districts in Tamilnadu	436.25	No	M/s. RITES Limited	-
29	Hygiene and Health Care works of NLC Schools, Kendriya vidyalaya and education department		Yes	Tamil Nadu	Cuddalore	70.75	Yes	-	-
D	**Promoting Education**	**Item No. II**							
30	Awareness, motivation Guidence Programmes/ Functions for students, parents and teachers. Programmes as per directives of the State and Central Govt like swachh related activities, celebration of important days, Scouts and Guides Camp & Thinking day, School Sports & Literary Activities, Competitions, Issue of school Uniforms, Issue of text books/ educational aids and lease charges for photo copier etc.		Yes	Tamil Nadu	Cuddalore	24.34	Yes	-	-
31	Distribution of school kits to 1st standard girl student under "Beti Padhao" scheme		Yes	Rajasthan	Bikaner	2.00	Yes	-	-
32	Distribution of Scholarship to girl students		Yes	Rajasthan	Bikaner	7.24	Yes	-	-
33	Tution fees for the students of SC, ST & OBC towards promoting Education (JSC)		Yes	Tamil Nadu	Cuddalore	458.99	Yes	-	-
34	Educational Assistance to Contract Workmen Chilldren (CLC)		Yes	Tamil Nadu	Cuddalore	44.54	Yes	-	-
35	Educational promotional activity/ Skill Development programme/ smart class maintenance and other Items related to Promotion of Education		Yes	Tamil Nadu	Cuddalore	4.68	Yes	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ In lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
36	Educational Assistance towards promoting education of the students of Kendiriya Vidyalaya School		Yes	Tamil Nadu	Cuddalore	148.86	Yes	-	-
37	Financial assistance to Jawahar Education Society (JES) patronized by NLCIL towards promoting Education of the students in the operating region of NLCIL, Neyveli.		Yes	Tamil Nadu	Cuddalore	500.00	Yes	-	-
38	Fiancial Assistance towards construction of 9 Smart Class Rooms to Sri Sarada Niketan College of Science for Women, Kodangipatti, Karur		No	Tamil Nadu	Karur	92.50	Yes	-	CSR00006324
39	Distribution of books related to Indian Freedom to village students		Yes	**Tamil Nadu**	Cuddalore	0.13	Yes	-	-
40	Certain Facilities to Sneha Opportunity Services		Yes	Tamil Nadu	Cuddalore	8.72	Yes	-	-
E	**Promoting Employment Enhancing Skills**	**Item No. II**							
41	Skill Development Training Programmes in various Skill sectors for project affected persons (PAPs)		Yes	Tamil Nadu	Cuddalore	1.57	Yes	-	-
42	Skill Development Training Programmes for students and teachers		Yes	Tamil Nadu	Cuddalore		Yes	-	-
43	Financial Assistance to Gram Vikas Society, Dharwad, Karnataka towards Skill Development (Fashion Design) Training		No	Karnataka	Dharwad	79.69	No	M/s. Gram Vikas Society	CSR00000084
F	**Protection of national heritage, art and culture**	**Item No. V**							
44	Financial Assistance for Uttarakhand's Virasat Arts & Heritage Festival		No	Uttarakhand	Dehradun	5.00	No	M/s. REACH	CSR00009576
G	**Measures for the benefit of armed forces veterans,war widows and their dependents.**	**Item No. VI**							
45	Contribution to Armed Forces Flag Day Fund (AFFDF) for 2021-22		No	Delhi	-	5.00	Yes	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ In lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
46	Conducting of Sports Events, Providing Sports items etc.		Yes	Tamil Nadu	Cuddalore	10.68	Yes	-	-
47	Financial Assistance of ₹ 5.00 lakh each to the Sports Persons 1. Shri Sajan Prakash 2. Ms. Revathi Veeramani and 3. Ms. C.A. Bhavani Devi who had represented India in TOKYO Olympics		Yes	Tamil Nadu	Cuddalore	15.00	Yes	-	-
I	**Rural development projects.**	**Item No. X**							
49	Janapravesh - Providing affordable access of social facilities of Neyveli T.S to the peripheral villages and connecting services by NLC Bus Service		Yes	Tamil Nadu	Cuddalore	68.90	Yes	-	-
J	**Disaster Management, including relief, rehabilitation and reconstruction activities**	**Item No. XII**							
50	Financial Assistance to M/s. Deseeya Sevabharathi Keralam towards providing relief material to the affected families of flash floods and landslides in kottayam districts in Kerala state		No	Kerala	Kottayam	35.00	No	M/s. Deseeya Sevabharathi Keralam	CSR00006235
	Total					**3876.14**			

8 (d) Amount spent in Administrative Overheads: **₹204.00 lakh.**

(e) Amount Spent on Impact Assessment, if applicable: **0.00**

(f) Total Amount spent for the Financial Year (8b+8c+8d+8e): ₹40.80 Crore.

g) Excess amount for set off, if any

(₹ crore)

Sl. No	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	**40.80**
(ii)	Total amount spent for the Financial Year	**40.80**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**0.00**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**0.00**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**0.00**

9(a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount	Date of transfer	
1.	2018-19	0.00	0.00	-	0.00	-	0.00
2.	2019-20	0.00	0.00	-	0.00	-	0.00
3.	2020-21	0.00	0.00	-	0.00	-	0.00

9(b) Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project -Completed / Ongoing
	Nil							

10. In case of creation or acquisition of Capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

S. No	Description	Details
(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of the capital asset(s)	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135 (5): **Not Applicable**

(Chairman cum Managing Director) **(Chairperson CSR Committee)**

ANNEXURE: 2

A. Conservation of Energy

I. The steps taken or impact on Conservation of Energy

a. Energy Conservation is being achieved through regular maintenance, replacements, using energy efficient equipments and through innovative ideas using in-house expertise.

b. Multifarious methods were adopted to inculcate and imbibe the energy conservation measures in the Industrial and Service units.

c. During this financial 12 meetings/training programmes were organized in observance with promotion of fuel and energy conservation.

d. The conventional lights are being replaced with contemporary energy saving LED lights. During this financial year 4500 conventional lights were replaced with LED lights.

e. Capacitor banks are being introduced in phased manner in motors of conveyors, Special mining equipments and transformers to improve power factor thereby reducing reactive power energy losses. During this financial year 26 capacitor banks were installed in various locations.

f. Dynamic loading system is being introduced in conveyors in Mines for energy conservation.

g. 200 conventional ceiling fans were replaced with energy efficient Bush Less DC Motor (BLDC) Fans.

h. Measures taken to reduce the consumption of diesel in various sectors (surface transport, mining equipments, cranes etc.)

i. 6 hired passenger E-Vehicles are in service in regional offices.

j. 15 goods carrier e-vehicles are in service for solid waste management.

k. Energy Audit has been conducted in all the three mines inside Neyveli Township during this financial year.

l. During the Financial Year 2021-22, by adopting energy conservation measures, about 64.54 Million Units of energy was conserved.

II. The steps taken by the Company for utilizing alternate source of energy

a. Measures are being taken to utilize alternate source of energy wherever permissible, to minimize the consumption of energy.

b. Solar panels are erected and commissioned in Library, TPS-IE, Mine-II etc.

c. Solar Heaters are erected in General Hospital and Guest House.

d. 51 MW Wind Mills were commissioned inside Tamil Nadu.

e. 10 MW & 130 MW Solar Power Plants were installed and commissioned inside Neyveli Township and synchronized with Grid.

f. 500 MW Solar Power Plants were installed and commissioned in Tamil Nadu.

g. 20 MW Solar Power Plants were installed and commissioned in Andaman & Nicobar islands.

h. NLCIL with its expertise in Solar Power Plant has installed and commissioned 709 MW of Solar Power Plant for TANGEDCO.

i. 1.06 MW Solar Roof PV Panels were installed and commissioned on Non-Residential Buildings in Neyveli Township.

j. 200 KW floating Solar Power Panels were erected and commissioned in TPS-I lake.

k. NLCIL and CIL have signed MOU for JV project to erect and commission Solar Power Projects.

l. Formation of 2000 MW Ultra Mega Solar Power project is under active consideration.

m. LOA issued for 10 MW Neyveli Solar Project under smart city scheme in Neyveli Township.

n. NLCIL won 150 MW Solar-Wind hybrid project floated by Solar Energy Corporation of India (SECI)

o. NLCIL won 510 MW solar tender from IREDA (Indian Renewable Energy Development Agency Limited) under CPSU scheme.

p. As an alternative fuel, Lignite to Diesel conversion is being considered as a R&D project.

III. The capital investment on energy conservation equipment

During the Financial Year 2021-22, for implementing various Energy Conservation measures, the company has invested ₹ 1.64 crore in the Industrial and Service Units.

B. Technology Absorption – Research and Development (R&D)

i. The efforts made towards technology absorption:

a. Development of mobile EV based air quality Modelling

Environmental monitoring in and around Neyveli is being carried out by manual air quality sampling system. R&D initiatives have been under taken to develop sensor based real time monitoring of Ambient Air Quality Monitoring (AAQM) and also using mobile E-Vehicle. The project has been taken up jointly with IITM, Chennai. Air quality monitoring equipment have been installed at 10 locations by IITM, Chennai. Development of sensor-based monitoring, Isopleth modelling, E-Vehicle procurement completed and field studies are in progress.

b. Use of Overburden Clay as alternate for coarse aggregate(OB to sand):

The overburden removed during mining operations has been dumped without any utilization. The overburden materials contain sand materials. IITM, Chennai and NLCIL have jointly taken up a research project, funded by Ministry of Mines, to explore the possibilities for extraction of sand, clay from the overburden materials. A small pilot plant for extraction of sand from over burden has been installed at CARD. Preliminary lab studies and pilot plant trials were conducted. Processed sand samples have been sent to IITM and testing of the samples are in progress. Around 40 to 60% of sand has been recovered from OB and further sampling and trials are in progress.

c. Electronification of GWC bore wells & Conveyor systems

As the area of mine is vast expanding and it has become a necessity to monitor and control the full network electronically, Coal S&T funded project has been jointly taken up with NIT Trichy. Proactive input for Ground Water Controlling System will enhance Mines production and automation of Mining Conveyor System will reduce break-downs. The GWC & Conveyor system installation, real time pumping, data collection, analysis and testing have been completed. The above project has been replicated.

d. Pilot Plant studies on Beneficiation of Iron recovered from bottom slag.

CARD has successfully developed technology to separate the iron from bottom slag in pilot plant scale. Various trial runs have been carried out using the bottom slag in the pilot plant. From the trials it is observed that around 40% of magnetic materials can be separated from the bottom slag. The iron particles separated from the pilot plant needs further beneficiation to improve the Fe content for better utilization and sales. Hence, a pilot plant to enhance the quality of the separated iron particles installed and further downstream studies is in progress.

e. Lignite to Diesel

NLCIL has taken up feasibility study for extraction of Diesel from Lignite in collaboration with LEMAR Industries, USA. This firm has submitted the feasibility report and the diesel extracted from Lignite for further evaluation. As per the study, the Lignite is found to be good for gasification and further processing into diesel fuel. The quality of diesel extracted was also found to be on par with the diesel available in market.

f. Humic Acid - on farm demonstration studies and promoting Organic farming in agriculture applications.

CARD has successfully developed technology to extract humic acid from lignite and patented the technology and commercialized. Humic acid is an approved input for organic farming. Trials were conducted in fields and agricultural research stations to demonstrate the use of humic acid in organic farming. The product field studies and popularization have been undertaken in association with International Crops Research Institute for Semi-Arid Tropics (ICRISAT). Field trials were conducted in various states across the country on various crops. Demonstration were conducted during kharif season 2021 in Odisha state which has recorded an increase in yield from 15 to 38%. Further field trials at farmer’s field are in progress.

g. Innovation –Incubation Centre:

The Government of India has setup the Atal Innovation Mission (AIM) under NITI Aayog. Under the Mission, all CPSEs have to form Incubation Centers. NLCIL has taken up initiative for the formation of Innovation Incubation Centre with premier Institutions. MoU / MoA has been signed with IISc Bangalore and with Anna University Chennai for establishing Innovation and Incubation Centre. The formation of Innovation Incubation Centre has been completed. In the first wave, Development of Proof of Concept (PoC) were completed and MoU has been signed between NLCIL, Anna University and innovators for execution of selected prototype projects. Prototype projects finalization through IISc in progress. The second wave, Development of PoC with the support of respective institute is in progress.

h. **Study on Development of Hi-Tech Agriculture using Hydroponics / Aeroponics**

Reclamation and afforestation activities are being taken up regularly in Mine dumping yards in all the three mines in Neyveli. As a part of reclamation activities, a hi-tech agriculture system using Hydroponics / Aeroponics is being established. The objective of the project is to develop a hydroponic cultivation at Mine-IA reclaimed area with suitable technology with an enablement enabled to capture the live data and use for monitoring the growth of the plant. In this regard, to develop value added crops with green house facility through hydroponics/aeroponics system, a project has been taken up in consultation with IISc, Bangalore. The successful development of this method will be useful for more revenue generation with minimum land resource as well as create job opportunity to the society, to utilize the wasteland generated in Mining. Project trials are in progress.

i. **Lignite to Hydrogen**

NLCIL indents to take up R&D studies for development of new products through processing of Lignite into value added products. In this regard, a non binding-MoU has been signed between NLCIL & BHEL to take up the studies on generation of Green Hydrogen through Electrolysis route from renewable energy and Grey hydrogen generation through gasification routes. Discussions are in progress.

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ii. **The benefits derived like product improvement, cost reduction, product development or import substitution:**

a. The overburden material contains considerable quantity of sand. The extraction of sand & clay will provide additional source of revenue from waste.

b. NLC Mines & Thermal are having lakes around 150 hectare to store the groundwater for industrial purposes. Floating solar paves the way for double benefits of water conservation by 30% and utilization of land occupied by water body .

c. Electronification of GWC pumps and Conveyor system benefits the productivity, real time monitoring & safety in Mines.

d. Pilot plant study on iron beneficiation from TPS slag leads to waste utilisation.

e. Formation of Innovation Incubation Centre is to promote innovation, entrepreneurship and helps to support start-ups.

f. Development of hi-tech agriculture system will be useful for more revenue generation with minimum land resource as well as create job opportunity to the society, to utilize the wasteland generated in Mining.

g. In the R&D outcome 1 patent have been filed during 2021-22

iii. **Imported technology (imported during last three years reckoned from the beginning of the financial year) – Nil**

The expenditure incurred on Research and Development for the year 2021-22 is ₹23.26 crore.

C. **Foreign exchange earnings and outgo**

Foreign Exchange Inflow	:	Nil
Foreign exchange Outflow	:	₹ 1.46 crore

For and on behalf of the Board of Directors

Place: Neyveli
Date: 29.08.2022.

Rakesh Kumar
Chairman-cum-Managing Director

ANNEXURE – 3

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Energy Sector – an Outlook

Energy sector plays a major role in the economic development of any nation. India is the world's third-largest energy consuming country, after China and United States. The raising energy consumption was mainly on account of expanding economy, higher income level resulting in improved lifestyle etc. However, COVID-19 pandemic played a havoc globally in the year 2020 affecting the economy of all developed/ developing nations and our nation was no exception. The energy demand during the year 2020 fell substantially in view of significant reduction in demand from the industrial & commercial sectors on account of enforcement of strict lockdown measures. However, the year 2021 has been positive in terms of higher energy demand consequent to the recovery of economy.

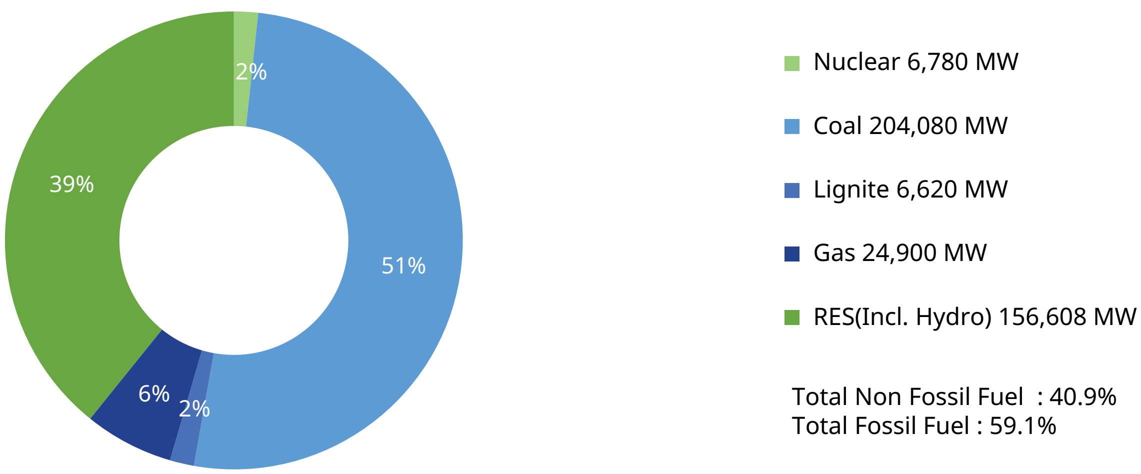
Snapshot 2021-22

- India is the third largest producer and the third largest consumer of electricity worldwide, with an installed power capacity of 399.50 GW in FY 2021-22.
- Net conventional (including coal fired and hydro categories) power capacity addition of 4,878 MW has been achieved in FY 2021-22.
- Renewable energy capacity addition (including large hydro) stood at 15.97 GW in FY 2021-22 against 7.92 GW in FY 2020-21.
- The target for electricity generation from the conventional sources for FY 2022-23 was 1,459.37 billion unit (BU). The target comprises of 1,257.39 BU thermal, 150.66 BU hydro, 43.32 BU nuclear and 8.00 BU import from Bhutan, with targeted annual growth of 10.48% over actual generation of 1,320.88 BU for FY 2021-22.
- Annual generation (including renewable energy sources) increased from 1,381.69 BU to 1,491.79 BU registering annual growth of 7.96% in total annual generation in the FY 2021-22.
- Renewable energy generation increased from 147.25 BU in FY 2020-21 to 170.91 BU in FY 2021-22, while conventional source of energy generation (including Bhutan import) increased from 1,234.44 BU to 1,320.88 BU.
- The power supply position in FY 2021-22, energy deficit remains unchanged at (0.4%) in comparison to previous year. The peak deficit has increased from (0.4%) to (1.2%).
- The Government of India has announced issuance of sovereign green bonds in the union budget for FY 2022-23. The energy storage systems, including grid scale battery systems have been given infrastructure status.

Installed Capacity

The total installed capacity as on 31.03.2022 was 399.50 GW, out of which 236.11 GW was fossil fuel based (Coal/gas etc.) and 163.39 GW was non-fossil fuel (Renewable Energy + Nuclear) based. The installed capacity is now close to double the peak demand and India is exporting power to Nepal, Bangladesh and Myanmar.

Installed Generation Capacity Fuel wise (Total : 399,497 MW)



(Source: Central Electricity Authority)

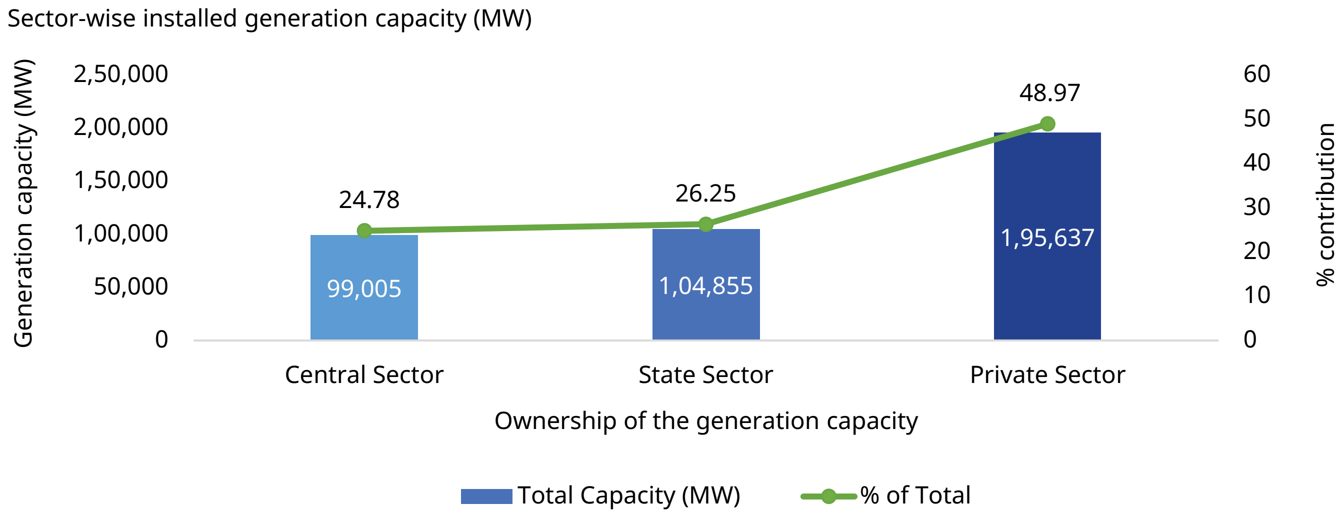
Capacity addition

The thermal sector added net generation capacity of 4,485 MW during FY 2021-22 vis-a-vis 4,926 MW in 2020-21. Hydro power generation segment added net generation capacity of 393 MW vis-a-vis 510 MW generation capacity added during FY 2020-21. The total new generation capacity added in FY 2021-22 was 4,878 MW against 5,436 MW in FY 2020-21. However, some of the thermal generation capacity was also decommissioned during FY 2021-22. Therefore, the net increase in the installed thermal capacity was only 1,388 MW during FY 2021-22.

Total installed capacity of renewable energy sources increased from 382.15 GW as on March 2021 to 399.50 GW as on March 2022. This is net increase of 17.35 GW which is higher than the net increase in generation capacity from renewable energy sources in FY 2020-21 of 12.04 GW.

Total installed capacity

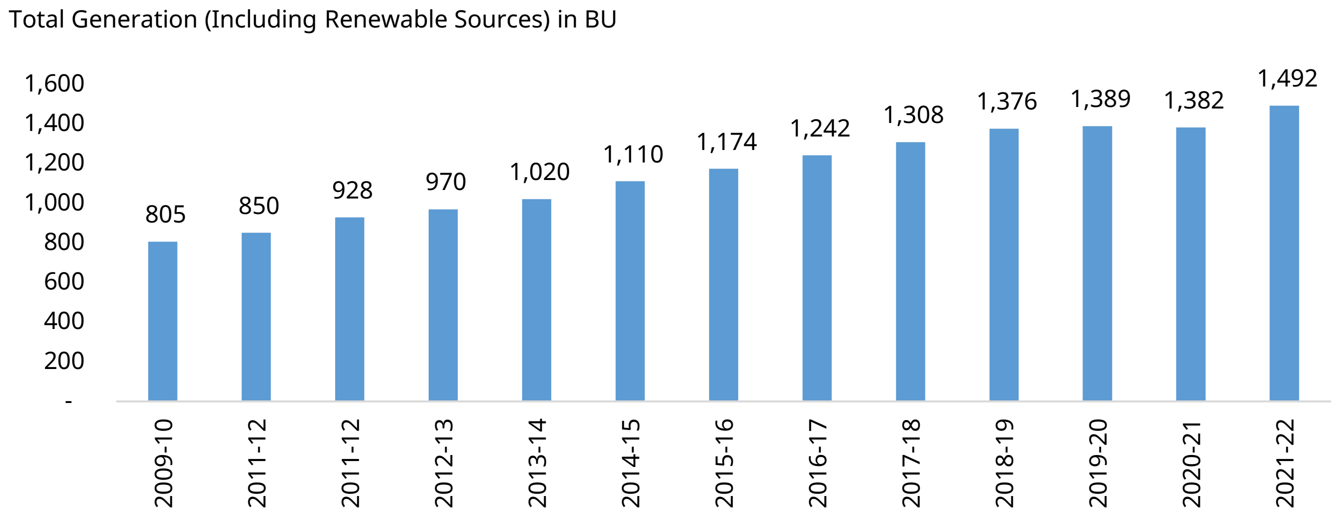
The total installed power generating capacity was 399,497 MW as on March 31, 2022 (as per CEA reports). The private sector generates 48.97% of India's thermal power, whereas the States and Central Sectors generates 26.25% and 24.78% respectively.



(Source: Central Electricity Authority)

Generation

The historical trend of the total annual electricity generation in India is as shown in the chart below. The generation below is inclusive of generation from renewable energy sources.

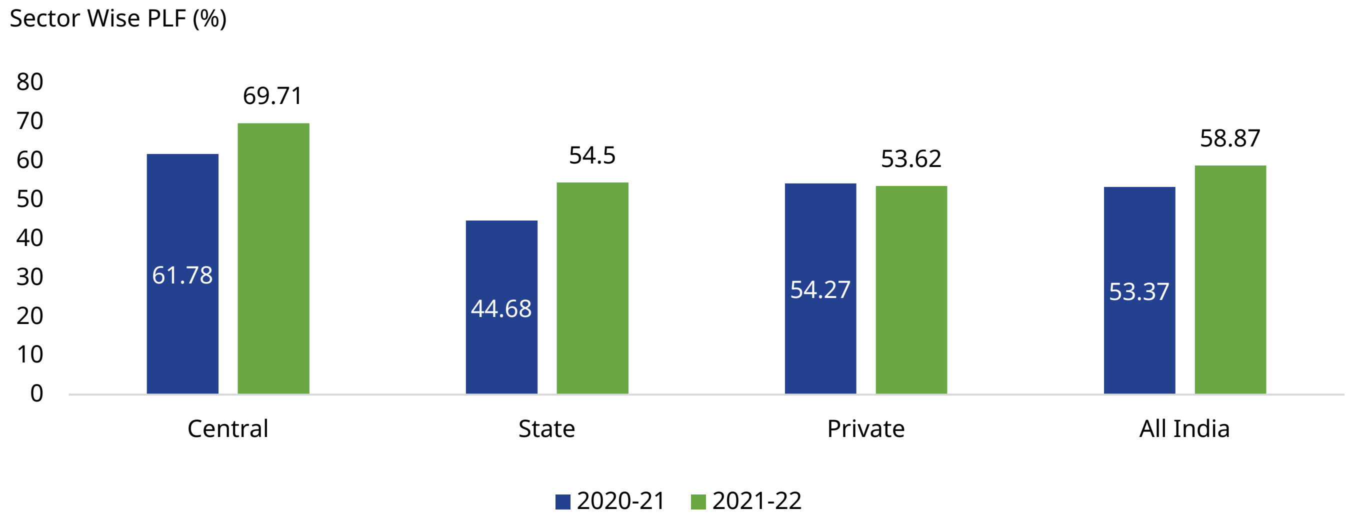


Out of the total annual electricity generation of 1,491.90 BU for FY 2021-22, the generation from thermal, nuclear and hydro power plants (along with import from Bhutan) has been 1320.88 BU in FY 2021-22. The details of sector-wise break-up of these conventional sources of energy for FY 2021-22 are as under:

Sector/Fuel	Central	State	Private	Bhutan Import	Total
Thermal	414.64	336.51	363.54	-	1,114.69
Nuclear	47.06	-	-	-	47.06
Hydro	58.42	79.76	14.44	-	151.63
Bhutan Import	-	-	-	7.50	7.50
Total	**520.12**	**415.27**	**377.98**	**7.50**	**1,320.88**

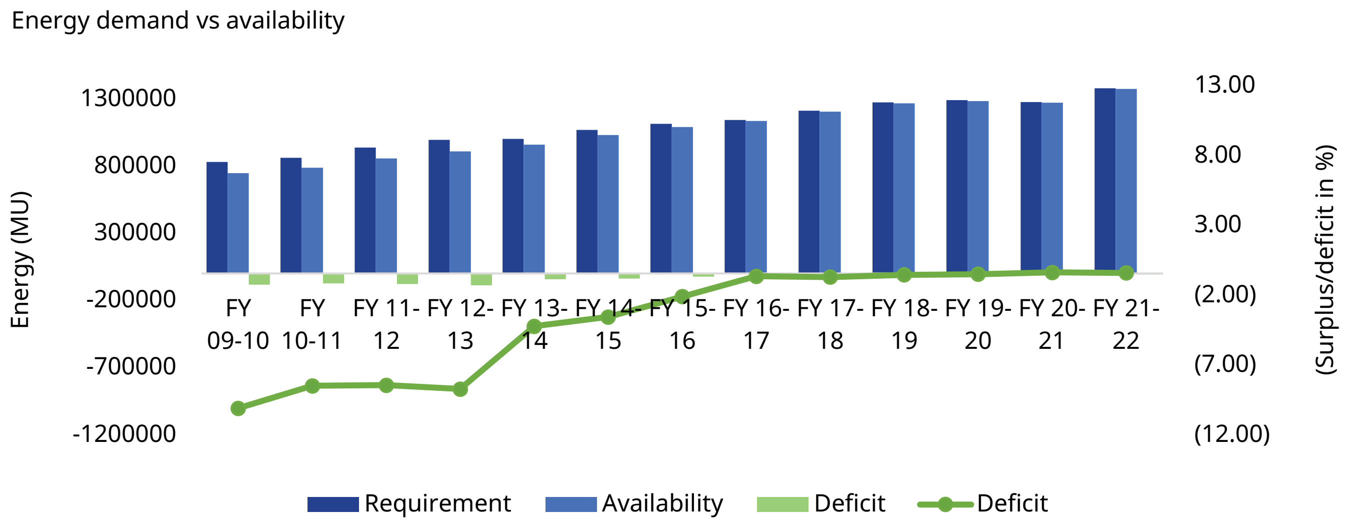
(Source: Central Electricity Authority)

Sector wise Plant Load Factor (PLF) in % (Coal and Lignite based stations)
PLF of coal based stations increased from 53.37% to 58.87% in the FY 2021-22



(Source: Central Electricity Authority)

Power – Demand & Supply



(Source: Website of the Ministry of Power, Government of India)

Availability of power in rural areas which was about 12:30 hours in 2015 has gone up to 21:09 hours and in the urban areas it has gone up to 23:41 hours. This has also significantly reduced consumption of kerosene from 892 crore litres in 2014-15 to 204 crore litres in 2020-21.

GoI has taken a number of steps to keep the power tariff down and had put in place flexibility in the use of coal so as to permit the generation companies to switch coal from less efficient units to more efficient units, leading to lower generation costs and ultimately lesser cost of electricity for the consumers.

After 2014, 1.60 lakh circuit kilometer (ckm) transmission lines have been added and connected the whole country into one grid running on one frequency with the capability of transferring 1,12,250 MW from one corner of the country to another. The national grid has emerged as one of the largest unified grids in the world. Connecting the whole country into one grid has transformed the country into one unified power market. Distribution Companies can buy power at cheapest available rates from any generator from any corner of the country.

Further the following four drivers will push the Energy demand multifold in the country:

1. Urbanization: Presently, the total residential floor space in urban area is less than 20 Billion Sqm. which is likely to go up to 50 Billion Sqm in 2 decades, even with this increase only 40% of Indian population will be in urban area. The urbanization of people will lead to enhanced use of electrical appliances and use of vehicle which will push the energy demand ultimately.
2. Transportation & Infrastructure sector is currently the fastest growing end use sector in terms of energy use demand and more shift of people to urban areas will further increase the demand of personal vehicles and mass transportation, both of which will lead to increase in energy demand.
3. More industrialization in the country is bound to take place with pace of GDP of the country is increasing. As per World Energy Outlook 2021, presently energy consumption of industries is 36% of total energy, which is likely to increase to 41% by 2040.
4. Technological advancement and adoption of new technologies in all domains will lead to increase in energy demand.

The electrification of the Indian energy economy continues a pace in all scenarios. The share of electricity in total final consumption grows in all sectors, and particularly in the buildings sector, where there is a continued pivot away from traditional biomass and a steady uptake of appliances. The share of demand met by electricity rises from around 17% today to nearly a quarter by 2040. The dominance of coal in India's energy system continues to recede. The energy mix in India becomes much more diverse. Today coal, oil and traditional biomass meet more than 80% of demand. In 2040 modern bioenergy and renewables including solar, wind and hydropower will meet nearly a quarter of India's total energy demand. Primary energy use per unit of GDP falls by half as the link between economic growth and energy consumption weakens further.

India has set a target to make available 24x7 power supply without interruption. All States and Union Territories (UTs) have signed MoUs with the Central Government to ensure 24x7 power supply to all households, industrial & commercial consumers, and adequate supply of power to agricultural consumers. In order to achieve this, more than adequate power generation capacity has been installed to meet peak demand as well as a robust National Grid enabling seamless transmission of power from resource centric regions to load centric regions. The Distribution Systems have been strengthened to ensure reliable and uninterrupted power supply.

Government of India, over the years has come out with structural, regulatory and operational reforms in order to develop this sector. One of the initiatives in this regard is bringing out the draft National Electricity Policy, 2021 by Ministry of Power. The policy above aims at the following:

1. Promote clean and sustainable generation of electricity
2. Development of adequate and efficient transmission system
3. Revitalization of Discoms
4. Development of Efficient Markets for electricity
5. Supply of reliable and quality power of specified standards in an efficient manner

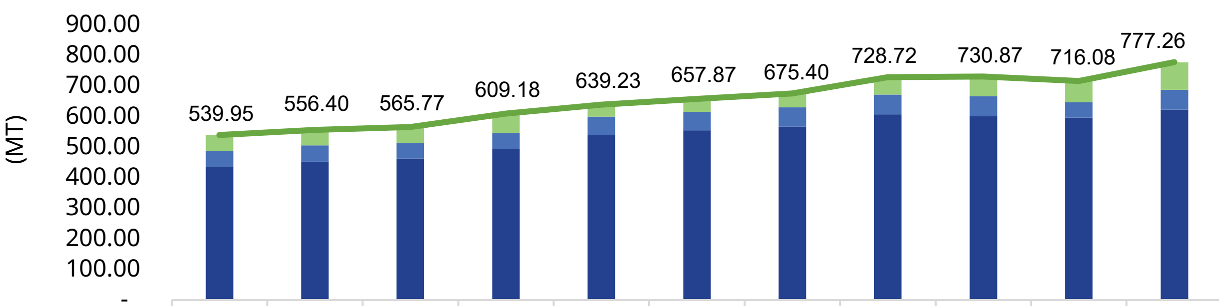
Besides the above, the other policy initiatives of the Government of India led to the creation of a single national power grid, boosted access to electricity by providing 24x7 uninterrupted, quality, reliable and affordable power supply for its citizen and promoted the dynamic growth of renewable energy. Government of India aims quadruple the RES capacity by the year 2030 with 450 GW. Towards this the following are some of the major policy initiatives notified by GOI for the development of RES power projects:

- 'Must-run' status: Renewables have priority dispatch status, which means they get access to the grid ahead of other kinds of power sources.
- Renewable Purchase Obligation: Large power users (including DISCOMs) are mandated to purchase renewables through a portfolio standard (Renewable Purchase Obligation - RPO) notified by Ministry of Power.
- Green Energy Corridor: Strengthening the intra-state transmission (ISTS) network as part of grid enhancement planning
- Government supported solar park development.
- Levelized auction tariffs
- Lower corporate tax
- Accelerated depreciation
- ISTS waiver: Wind and solar projects commissioned before 2022 are exempted from Inter-State Transmission System (ISTS) charges. The same has been extended up to June 2025.
- Capital subsidy

Coal Sector – Outlook

India is the 2nd largest producer of coal and the coal is projected to remain the largest single source for electricity generation in India up to 2040. The all India production in 2021-22 was 777.26 Million tonnes (MT) with a growth of 8.55% as against 716.08 million tonnes in 2020-21.

Year Wise Coal Production (CIL, SCCL, Captives & Others)



	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Captive & Others	51.90	51.01	52.88	62.41	40.10	42.39	46.02	57.43	64.70	69.28	89.60
SCCL	52.21	53.19	50.47	52.54	60.38	61.34	62.01	64.40	64.04	50.58	65.02
CIL	435.8	452.2	462.4	494.2	538.7	554.1	567.3	606.8	602.1	596.2	622.6
Total	539.9	556.4	565.7	609.1	639.2	657.8	675.4	728.7	730.8	716.0	777.2

CIL SCCL Captive & Others Total

(Source: Major statistics on the website of the Ministry of Coal)

Coal has been the mainstay of India's energy system, more so the electricity sector, for decades. Coal is the primary source of energy that India has in abundance. The demand for coal is the dominant factor for the future of the coal industry in India as it could be seen from the tabulation below:

Sector	2030	2035	2040
Utility electricity generation (MT)	800 – 875	May increase slowly from 2030 levels	May increase slowly from 2035 levels
Industrial demand (MT)	270 - 300	Continue to increase	334 – 420
Captive electricity generation (MT)	130 – 140	Continue to increase	160– 200

(Source: Report On Coal Demand in India - 2030 and beyond by the Expert Group constituted by Niti Aayog)

Recognizing the importance of bringing sustainability in coal mining, a "Sustainable Development Cell" has been created in Ministry of Coal and in all coal PSUs to promote adoption of better environment management practices in coal mines.

Coal Reserves

About 70% of the coal reserves of the country are from the States of Jharkhand, Odisha and Chhattisgarh. Coal is also produced from mines available in the States of Andhra Pradesh, Telangana, Madhya Pradesh, Maharashtra, West Bengal and Bihar. As on 01.04.2021, the total estimated reserves of Coal in India were 352.13 BT out of which the proved category accounted for 177.18 BT.

State	Measured	Indicated	Inferred	Total	% of Total
Arunachal Pradesh	31.23	40.11	18.89	90.23	0.03
Assam	464.78	57.21	3.02	525.01	0.15
Bihar	309.53	3,143.24	11.30	3,464.07	0.98
Chhattisgarh	31,561.55	40,425.00	1,436.99	73,423.54	20.85
Jharkhand	52,046.11	28,882.31	5,288.40	86,216.82	24.48
Madhya Pradesh	13,479.17	13,059.88	3,677.77	30,216.82	8.58
Maharashtra	7,769.53	3,319.52	1,846.59	12,935.64	3.67
Meghalaya	89.04	16.51	470.93	576.48	0.16
Nagaland	8.76	21.83	415.83	446.42	0.13
Odisha	43,325.58	35,222.11	6,330.36	84,878.05	24.10
Sikkim	0.00	58.25	42.98	101.23	0.03
Uttar Pradesh	884.04	177.76	0.00	1,061.8	0.30
Andhra Pradesh	920.96	901.07	425.19	2,247.22	0.64
West Bengal	15,199.49	13,295.98	4,596.67	33,092.14	9.40
Telangana	11,089.17	8,328.26	3,433.07	22,850.5	6.49
Total	**177,178.94**	**146,949.04**	**27,997.99**	**352,125.97**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2021 by GSI)

Global Energy Prices

Global energy prices have increased by 26.30% from January to April 2022 as per the World Bank's energy price index. There is a combination of factors that have affected the supply and demand of energy, in turn pushing up prices. The cause of the rising energy prices has been directly linked to – Russia's invasion of Ukraine; rise in global consumer demand after the opening up of economic activities adversely impacted by COVID-19 and the inability of global supply of natural gas & crude oil to match with the rising demand.

Impact of Russia – Ukraine Crisis

The impact of the Russia Ukraine crisis which began on February 24, 2022 has impacted the energy sector globally. Russia has been the third largest oil producer and a key supplier of oil globally. The conflict has been increasing energy prices and could lead to higher inflation. The coal and gas fired power plants have been affected by the shortage of fuel supply. Even import dependent power producers such as steel, aluminium and cement producers are affected by sharp increases in international and domestic coal prices.

As many nations have imposed embargo on Russian coal, the pressure on domestic coal producers has escalated. The Indian coal producers would have to ramp up production by 15-20 percent per annum to ensure adequate coal supply.

Costs of imported coal have risen by 45-55%. The domestic coal prices rose by almost 300% in March 2022. Indian electricity industry is not immune to the global energy crisis. India is currently experiencing high electricity prices that is expected to be more challenging in the next few months. This can be attributed to the following influences –

1. **Sudden spikes in electricity demand –** Record heat wave is contributing towards a surge in residential and commercial air-conditioning use and therefore on electricity demand spike. Further, all COVID related curbs have been removed, pushing industrial activity to gear up production and operations.
2. **Increase in global coal prices –** The Russia Ukraine crisis has fueled the rise in prices of crude oil and natural gas. These are also the key factors leading to the increase in coal prices. Though India does not import coal from Russia directly, the high global prices can also affect India.
3. **Inadequate demand forecasting –** Despite an increase in domestic coal production, India has witnessed coal shortage twice within the span of ten months. This can be attributed to the insufficient stockpiling of coal by the thermal power plants on site (varies between 15-30 days). The problem is more acute for the thermal plants located away from the coal mines where the coal procurement is more sensitive to the supply chain disruptions.
4. **Coal transportation –** Domestic coal is transported from coal rich states to power generators across the country through Indian Railways. During peak times, the Indian railways are unable to supply the extra coal due to capacity limitations and restrictions.
5. **Non-Payment from DISCOMS –** Some thermal power plants are also facing a cash crunch, as they have not received timely payment from the distribution companies. This leads to supply issues for the plants.

Lignite reserves

In India, lignite deposits are confined in the States of Tamil Nadu, Gujarat, Rajasthan, Puducherry, Jammu & Kashmir and Kerala where the coal is almost completely absent. Tamil Nadu contributes major share of lignite resources (80%). Major part of the lignite produced in the country is used for power generation and the demand for lignite is mainly dependent on existing and proposed thermal power stations.

The details of state wise resources of Lignite as on 01.04.2021 are as under:

(Resources in Million Tonnes)

State/Union Territory	Measured	Indicated	Inferred	Total	% of Total
Puducherry	0.00	405.61	11.00	416.61	0.91
Tamil Nadu	4,926.92	21,910.06	9,652.62	36,489.60	79.28
Rajasthan	1,168.53	3,029.78	2,150.77	6,349.08	13.80
Gujarat	1,278.65	283.70	1,159.70	2,722.05	5.92
Jammu & Kashmir	0.00	20.25	7.30	27.55	0.06
Kerala	0.00	0.00	9.65	9.65	0.02
West Bengal	0.00	1.13	2.80	3.93	0.01
Total	**7,374.10**	**25,650.53**	**12,993.84**	**46,018.47**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2021 by GSI)

Demand and production

As per the Report of the Working Group on Coal & Lignite for formulation of XII Five Year Plan, the projected demand of lignite at the terminal year of XIII Plan (2021-22) is 108.62 million tonne and the projected lignite production during the same period is 104.55 million tonne.

SWOT analysis

Strengths

- Diversified Energy Portfolio of Fossil Fuel Mining, Thermal Power Generation & Renewable Power.
- All power plants have a long term PPA and having Pit Head Power Stations.
- Expertise in Renewable Power Generation and Power trading.
- Availability of lignite, coal and water for power generation.
- Expertise in open-cast lignite mining with SME technology.
- Experienced Management Team with committed and experienced work force.
- Expertise in lignite & coal fired power station.
- Strong capabilities for exploration, mine planning, research & development.
- Harmonious industrial relations.
- Strong track record of growth and financial performance.
- Expertise in ground water management.

Weakness

- Mines moving towards higher stripping ratio and consequent increase in cost of mining.
- Poor financial health of DISCOMs.
- Higher cost of mining.

Opportunities

- Investment in promoting Green Energy
- Government of India's (GoI) commitment to improve the quality of life of its citizens through higher electricity consumption.
- Rise in the per capita consumption of power.
- Trading of Power in the Market.
- Launch of 100 Smart Cities Mission by GoI.
- GoI Atmanirbhar Bharat Abhiyaan vision (self-reliant India campaign).

Threats

- Challenges posed by Renewable energy to Thermal Power Generation.
- Huge surrender of Power by the beneficiaries and consequently under-utilization of Thermal and Mining Capacity.
- Resistance from landowners for acquisition, demand for enhanced compensation, demand for employment.
- Delay in realization of dues from beneficiaries.
- Necessity of pumping of water below the lignite seam for safe mining leading to higher cost of production.
- Higher cost for rehabilitation & resettlement measures for land evictees.
- Ongoing international conflicts.

Segment-wise performance

Covered in the main report under the heading "Operational Performance"

Company Outlook

Covered in the main report under the heading " Corporate Plan"

Risks and concerns

A brief on the major risks faced by the Company are given below:

Operational risks

- Risk in land acquisition
- Realisation of dues from DISCOMs
- Surrender of power by beneficiaries
- Denial of agreed tariff due to delay in commissioning of project within the control period prescribed by Regulators.
- Cost and time over run of projects under execution.
- Higher cost of lignite mining.
- Risk due to stringent environmental norms
- Competition consequent to de-regulation in Indian power sector.
- Stringent norms prescribed by regulatory authorities affecting power tariff.

Internal Control Systems and their adequacy

The Company has well-established Internal Control Systems and Procedures commensurate with its size. The Company has in place an approved and well laid out Delegation of Powers (DoP), Purchase, Contracts and HR Manuals. The internal audit is conducted by external firms of Chartered Accountants covering all offices / Units and their reports are periodically reviewed by the Audit Committee.

The Audit Committee periodically interacts with Internal and Statutory Auditors to assess the adequacy of Internal Control Systems and also supervises the financial reporting process through review of periodical Financial Statements. Further, the accounts of the Company are subject to C & AG audit in addition to the propriety audit conducted by them.

The effectiveness of compliance of Service Rules and Office Orders are subjected to periodical HR audit carried out with an objective to identify the deficiency/deviations and for initiating appropriate corrective measures. HR audit has been carried out Unit-wise, during the year focusing on evaluating the correctness / accuracy in complying with the rules and procedures on identified areas in HR.

Internal Financial Controls over financial reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- Regarding the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Statutory Auditors are required to review the adequacy and operating effectiveness of such internal financial control over financial reporting and furnish a separate audit report on such review as required by Companies Act, 2013 along with the audit report on financial statements.

In order to strengthen internal financial control, external expert has been appointed to prepare a comprehensive document for the key control areas along with responsibility matrix.

Financial Discussion and Analysis

A detailed discussion and analysis on financial statements is furnished below. Reference to Note(s) in the following paragraphs refers to the Notes to the standalone financial statements for the financial year 2021-22 placed elsewhere in this report.

A. Financial Position

The items of the Balance Sheet are as discussed under:

1. Property, Plant & Equipment (PPE), Capital Work in Progress, Assets Under Development

Particulars	As at March 31		
	2022 (₹ crore)	2021 (₹ crore)*	% Change
Gross Block of PPE (Note-2)	26,070.93	25,644.52	1.66
Net Block of PPE (Note-2)	18,945.65	20,017.58	(5.35)
Net Block - RoU Asset (Note-3)	54.59	3.66	1,391.53
Net Block of Intangible Assets (Note-4)	184.71	140.75	31.23
Capital work-in-progress (Note-5)	1,012.41	1,019.71	(0.72)
Assets under development (Note-6)	113.58	101.68	11.70

* Restated

During the year, the gross block of PPE increased by ₹426.41 crore, whereas the net block decreased by ₹1,071.93 crore. The increase in gross block is mainly due to capitalization of Talabira coal mines, and decrease in net block is mainly attributable to amortization of mining land on account of change in accounting policy.

The increase in Right-to-Use Assets (RoU Assets) by ₹50.93 crore is on account of acquisition of land, plant and machinery on lease. The land taken on lease for the purpose of development of township and office at Odisha, where a coal project has been commissioned, whereas plant and machinery pertain to power evacuation facility set up by SDO for the Solar 500 MW and Solar 709 MW units where NLCIL has exclusive right to use.

The increase in net block of intangible assets by ₹ 43.96 crore is attributable to capitalization of mining rights obtained to operate coal and lignite mines.

Assets under development pertains to preliminary expenses incurred on projects which are in the process of evaluation for feasibility.

2. Non- Current Financial Assets (Note-7) and other Non-Current Assets (Note-8)

a. Investments in Subsidiaries, Associate and Joint Venture Companies (Note-7a)

The break-up of investments in Subsidiaries, Associate and Joint Venture Companies is as follows:

Particulars	As at March (₹ crore)	
	2022	2021
Investment in Subsidiaries	3,927.39	3,609.21
Investment in Joint Venture	0.01	0.01
Investment in Associates	5.27	12.77

The change in subsidiaries is on account of subscription to additional equity shares @ Rs.10 per Share (₹318.18 crores) of NUPPL, through right issue. The percentage of holding remains unchanged.

Investment in associates has reduced by ₹7.50 crore pursuant to reduction of equity share capital, the percentage of holding remains unchanged.

b. Loans (Note -7b)

The secured loans and unsecured loans to employees include house building loan, car loan, vehicle loan, multipurpose loan, etc. outstanding at 31st March of current year and previous year are as follows:

Particulars	As at March (₹ crore)	
	2022	2021
Loans to Related Parties	0.03	0.04
Loans to Employees	21.87	28.87

c. Other Non-Current Assets (Note-8)

Particulars	As at March (₹ crore)	
	2022	2021
Capital Advances	395.47	390.66
Advances Other than Capital Advances	123.50	148.86

Marginal increase in capital advance is mainly due to capital advance to FGD project of NNTPS which is off set by reduction in capital advance with reference to commissioned projects.

Reduction in other advances is mainly in the nature of payment to contractors against LDBG.

3. Current Assets (Note-9 to Note-12)

The current assets as at 31st March 2022 and 31st March 2021 and the changes therein are as follows:

Particulars	As at March (₹ crore)		YoY Change (₹ crore)	% Change
	2022	2021		
Inventories (Note 9)	1,025.30	1,421.66	(396.36)	(27.88)
Trade Receivables (Note 10a)	3,128.65	5,611.18	(2,482.53)	(44.24)
Cash and Cash Equivalents (Note 10b)	123.52	152.36	(28.84)	(18.93)
Bank balances other than cash and cash equivalent (Note 10c)	538.48	465.04	73.44	15.79
Loans (Note 10d)	25.56	29.17	(3.61)	(12.38)
Other Financial Assets (Note 10e)	36.02	59.33	(23.31)	(39.29)
Income Tax Asset (Net) (Note 11)	468.56	786.83	(318.27)	(40.45)
Other Current Assets (Note 12)	1,546.26	1,482.35	63.91	4.31

Inventory (Note 9):
The reduction in inventory to the tune of ₹396.36 crore is mainly on account of decrease in the stock held of Raw Material – Lignite during the current year compared with previous year . It is mainly due to higher consumption during current year on account of commissioning of NNTPS Unit-II in February 2021, further TPS II, which was affected due to fire accident in previous year, has shown better availability and generation of power during the current year resulting to increase in consumption of stock.

Trade Receivables (Note 10a) :
Trade receivable balances have reduced due to realization of power dues under Atmanirbar Bharat Scheme and sales bill discounting in current year.

Cash and Cash Equivalents (Note 10b) :
The movement in cash and cash equivalents is on account of short term deposit. The deposits are generally maintained for a 5-7 day period, to ensure liquidity. Short term deposit amount of Rs.80 crore as on 31.03.2021 got matured in current year which was partly off set by fresh deposit of Rs.50 crore during the current year ended 31.03.2022.
The increase in current account balances is on account of deposit of realization of dues.

Bank balances other than cash and cash equivalent (Note 10c) :
Increase in bank balance other than cash and cash equivalents is on account of additional deposits towards Mine Closure by ₹66.52 crores.

Loans (Note 10d) :
Loan to employees has reduced by ₹3.61 crores due to repayment/ settlement of loan amount by the employees.

Other Financial Assets (Note 10e) :
The reduction in Other Financial Asset is mainly on account of repayment of outstanding commercial papers as at 31.03.2021 during the current year and further there is no outstanding commercial paper as at 31.03.2022.

Income Tax Asset (Net) (Note 11) :
On Account of opting VSVS scheme ,the company has settled major disputed amount w.r.t direct taxes , which were earlier classified under advance tax and now being charged to tax expenses.

Other Current Assets (Note 12) :
Movement in other current assets is on account of reduction in prepaid expenses by ₹56.90 crores and advances other than capital advances by ₹147.56 crores. Increase in deposit with government authorities by ₹52.02 crores largely towards VAT appeal and increase in unbilled debtors by ₹199.45 crores.

4. Regulatory Deferral Account Debit Balances (Note-13)

Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'. Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

i. Exchange differences arising from settlement/ translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances'.

ii. Pending filing of petition for sale of coal to end use plants under the said regulations, the company has adopted investment approval price for billing and estimated transfer price as per CERC regulation for accounting purpose amounting to ₹48.59 crore considered under regulatory income during the current year.

iii. Based on Tariff Petition filed with CERC for NNTPP (2 X 500 MW), the differential amount (as against provisional tariff order) of ₹166.47 crore considered under regulatory deferral account debit balance.

iv. The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May'2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Accordingly, for the 5 year period from 2016-17 to 2020-21, an amount of ₹165.78 crore has been considered on provisional basis under regulatory income during FY 2020-21, pending filing of the claim with "Coal Controller". Pending submission of the claim and its approval the said amount is being carried forward.

    Further an amount of ₹22.22 crore has been considered as regulatory income during the Financial Year 2021-22 in line with mine closure guidelines.

v. Security Expenses, Water Charges, Capital Spares and O&M Expenses in respect of Thermal Stations as per the CERC Tariff Regulations have been considered under "Regulatory Deferral Account Debit Balances".

5. Total equity (Note-14 and 15)

The total equity of the Company at the end of financial year 2021-22 increased to ₹13806.64 crore from ₹12959.10 crore in the previous year, an increase of 6.54%. Major reasons for the same are tabulated below.

Particulars	Total Equity (₹ crore)	Value per Share (₹)
Opening balance as on 1st April 2021	12959.10	93.46
Profit for the year	1236.78	8.92
Other comprehensive income and other adjustments to reserves	26.76	0.19
Dividend	(416.00)	(3.00)
Balance as on 31st March 2022	13806.64	99.57

The president of India holds 1098221224 of shares constituting 79.20% of total share capital and the remaining 20.80% shares are held by public as on 31.03.2022

6. Non-Current and Current Liabilities

Details of Non-Current and Current Liabilities are discussed below:

a. Non-Current financial liabilities and Current maturities of long term borrowings (Note-16(a) and 19(a)(c):

Particulars	31-Mar-22 (₹ crore)	31-Mar-21 (₹ crore)
Borrowings in Non-current financial liabilities (Note-16a)	8826.06	9697.90
Current maturities of non-current borrowings included in current liabilities-(Note-19 (a)(c)	1127.97	1519.79
Total borrowings	**9954.03**	**11217.69**

Repayment of term loans, project specific loans and other borrowings during the year has resulted in reduction in long term borrowings when compared to previous year.

b. **Non-current liabilities -Deferred tax liabilities (net) (Note-17):**
Deferred tax liabilities (net) have increased from ₹2,573.52 crore as at 31st March 2021 to ₹2,828.64 crore as at 31st March 2022. Net increase in deferred tax liability during the year amounting to ₹255.12 crore is mainly on account of higher depreciation as per Income Tax Act.

c. **Non-current liabilities- "others" (Note-18):**
Non-current liabilities (for capital purchase) have increased from ₹609.58 crore in FY 2020-21 to ₹937.27 crore in FY 2021- 22. Mine closure liability has increased from ₹361.57 crore in FY 2020-21 to ₹428.17 crore in FY 2021-22 and other deferred income increased from ₹119.03 crore in FY 2020-21 to ₹123.73 crore in FY 2021-22.

d. **Current liabilities (Note-19):**
The current liabilities excluding current maturities of long term borrowings as at 31st March 2022 were Rs.2817.35 crore as against Rs.6615.39 crore as at the end of previous year. The break-up of current liabilities are as under

Particulars	31-Mar-22 (₹ crore)	31-Mar-21 (₹ crore)	% change
Borrowings (Note- 19a(a), 19a(b))	285.00	3,700.00	(92.30)
Trade payables (Note-19 b)	1,076.51	1,512.18	(28.81)
Other financial liabilities (Note-19 c)	159.58	267.80	(40.41)
Other current liabilities (Note-20)	723.58	670.30	7.95
Provisions (Note- 21)	572.68	465.11	23.13
Total	**2,817.35**	**6,615.39**	**(57.41)**

Borrowings (Note- 19a(a) & 19a(b)) :
Borrowings have decreased by ₹3,415 crores mainly due to repayment of commercial paper outstanding in FY 2021-22. Further, there is no outstanding commercial papers as at 31.03.2022.

Trade payables (Note-19 b)
Trade payables have reduced by Rs.435.67 crore mainly due to payment to various vendors.

Other current liabilities (Note-20)
Reduction in other financial liabilities is mainly on account of repayment to subsidiary company NTPL during the current year.

Provisions (Note- 21)
The increase in provision is mainly on account of provision for loss of assets and provision for contingencies w.r.t Bithnok and BTPS Expansion projects.

7. **Regulatory Deferral Account Credit Balances (Note-22):**
Amount under regulatory deferral liabilities as on 31.03.2022 relates to the impact arises out of various regulatory orders for the previous tariff periods.

The company has filed appeals before the Appellate Authority of Electricity (APTEL) against the following CERC orders / filed review petition before CERC which are pending for disposal:

i. Thermal Power Station II (Neyveli) – Disallowance of de-capitalization of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14
ii. Lignite Truing up – Disallowance of O&M escalation at 11.50% p.a as per MOC Guidelines considering FY 2008-09 as the base year
iii. Sharing of profits on adoption of pooled lignite price considering the cost of Mines – II Expansion.

The impact on the above mentioned orders have been considered appropriately under Regulatory Deferral Account Balances/ Net Movement in Regulatory Deferral Balances in accordance with Ind AS 114, in the respective previous financial period's.The Company has filed review petition before CERC on the true up order for determination of Lignite Transfer Price for the Tariff Period 2014-19.

The company has filled truing up petition for the Tariff period 2014-19 for its termal power stations and Mines. CERC has issued True up order for tafiff period 2014-19 for its Neyveli Mines. On review of the same, few inconsistencies were observed as compared with guidelines issued by Ministry of Coal (MOC) and its previous Tariff orders. The Company is seeking clarification from MOC and also filed a review petition before the commission. Pending disposal of the review petition the impact of the order has been deferred.

All the regulatory deferral liability is being reviewed on periodic basis. Based on subsequent information/ details/orders the same is being restated if required.

Further, exchange differences arising from settlement/ translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹26.26 crore as at 31st March 2022 has been accounted for as 'Regulatory deferral account credit balance' (31st March 2021: ₹30.57 crore).

8. Results from Operations

Total Income (Note-23 & Note-24)

	Particulars	FY 2021-22 (₹ crore)	FY 2020-21 (₹ crore)	Change (₹ crore)
	Revenue			
1	Sale of Power	8,147.44	6,837.46	1,309.98
2	Sale of Lignite / Coal	1,749.88	430.25	1,319.63
3	Sale of by-products	59.08	38.83	20.25
4	Consultancy & other services	37.43	33.36	4.07
	Less: Transfer to CWIP & Rebate	137.35	90.27	47.08
5	**Revenue from Operations**	**9,856.48**	**7,249.63**	**2,606.85**
	Other Income			
6	Interest on deposits/ loan to subsidiary and loan to employees	44.24	110.28	(66.04)
7	Provisions written back	24.51	112.34	(87.83)
8	Dividend from subsidiary	331.05	58.42	272.63
9	Surcharge	344.8	1,236.53	(891.73)
10	Others (Net off transfer to CWIP and Mine closure liabilities)	61.29	199.31	(138.02)
	Total Income	**10,662.37**	**8,966.51**	**1,695.86**

Revenue from Sale of Power has increased due to full year availability of NNTPS-Unit II which was commissioned in February 2021. Further TPS II ,which was affected due to fire accident in previous year, has shown better availability and generation of power during the current year resulting to increase in sales of power.

Sale of Lignite/Coal has increased due to commissioning of Talabira Coal Mines and increase of demand in the market for Coal / Lignite.

By realizing the power dues through the Atmanirbhar Scheme and increasing the quantum of Sales Bill Discounting, the company has reduced the receivables significantly. Hence, the surcharge recovered against overdue debtors has reduced. Further, the reduction in rate of surcharge has impacted in surcharge income during the current year.

The provisions written back mainly pertain to preliminary expenses relating to Gujarat Project and provision created for TDS payable earlier which has now been written back on account of payment through the VSVS scheme

9. Expenses (Note Nos. – 25 to 29)

Details of various expenses and movement with previous year are as follows:

EXPENSES	Note	March 31, 2022 (₹ crore)	March 31, 2021 (₹ crore)	% Change
Changes in Inventories	25	476.49	(51.43)	(1026.48)
Employee Benefit Expenses	26	2,624.48	2,689.44	(2.42)
Finance Costs	27	783.78	980.63	(20.07)
Depreciation and Amortization Expenses	28	1,528.13	1,231.62	24.07
Other Expenses	29	3,306.43	2,662.11	24.20
Total Expenses		**8,719.31**	**7,512.37**	**16.07**

(Note: Expenses increase (+) and Decrease (-))

The total expenses have increased mainly due to the following reasons:

Note 25 Decrease in level of closing stock of lignite compared to opening stock resulting in movement in inventory in the current financial year.

Note 26 Decrease in the Employee Benefit Expenses is on account of reduction in employee strength from 10975 nos in FY20-21 to 10,822 nos in FY21-22 which was partly offset by annual increments and increase in DA in the current financial year

Note 27 Finance costs have significantly reduced mainly due to repayment of loans in respect of commissioned projects and commercial papers.Further the company has availed the low cost short term borrowings i.e., commercial paper.

Note 28 Increase in depreciation is mainly due to commissioning of talabira mines and full year depreciation of NNTPS Unit #2. which was commissioned in Feb-21 In addition to that ,amortization of mining land has been recognized in the current financial year on account of change in accounting policy.

Note 29 Increase in other expenses is mainly due to MDO charges and other expenses in respect of Talabira mines which was commissioned (CoD) in the current year and commissioning of Unit-II of NNTPS in Feb-21 has also resulted in increase in other expenses. Further increase in royalty expenses mainly due to increase in production quantum of lignite / coal and increase in open sales for which additional Royalty has been recognized during the current year. The company has also recognized provision i) with respect to projects put on hold such as Bithnok and Barsingsar expansion projects.and ii) loss allowance for debtors.

10. Details of Significant Changes in Key Financial Ratios

Name of Ratio	FY 2021-22	FY 2020-21	Variation (%)
Current Ratio	1.75	1.23	42.01
Debt - equity ratio	0.75	1.16	(35.55)
Interest Service Coverage Ratio	5.78	4.06	42.36
Inventory Turnover Ratio	8.06	5.26	53.02
Trade Receivable Turnover Ratio	2.26	1.18	91.39
Operating Margin	21.66	13.65	58.68
Net Profit Margin	12.47	13.78	(9.51)

Reasons for variations beyond 25%:

i. Current Ratio

Repayment of commercial paper has reduced the current liability thus increasing the current ratio.

ii. **Debt - equity ratio**
Current and long term debts have reduced due to repayment of loans and borrowings when compared with previous year. Increase in profitability has resulted in increase in availability of retained earnings for the equity shareholders. Thus resulted in reduction of debt equity ratio.

iii. **Interest Service Coverage Ratio**
Increase in EBITDA in the current year when compared with previous year on account of good operational performance, and in addition to that the finance cost has reduced mainly due to repayment of commercial paper and project related loans.

iv. **Inventory Turnover Ratio**
The inventory turnover ratio has increased due to significant increase in operating revenue and reduction in inventory in current year when compared with previous year thus resulted in increase of inventory turnover ratio.

v. **Trade Receivable Turnover Ratio**
Robust debtor collections through Atmanirbhar scheme and sales bills discounting has resulted in the reduction of average receivables outstanding. This has positively affected the trade receivable turnover ratio.

vi. **Operating Margin**
Increase in operating profit in the current financial year due to better performance of thermal, commissioning of NNTPS Unit-II in Feb-21 month, commissioning of Talabira mines in current year and improved demand of lignite and coal in the market.

The net worth of the company has increased from ₹12,857.42 crores (PY) to ₹13,693.06 crores CY.

The profit has increased from₹1,042.50 crores in the previous year to ₹1263.54 crores. The accretion to the net worth is mainly due to incremental profits earned by the company on account of better availability of power plants, commissioning of coal mines at Talabira in current year and commissioning of NNTPS Unit-II in Feb-21 month and better demand in the outside market for lignite and coal. Further, the company has also accounted income for tax recovery to the tune of ₹389.97 crores pursuant to Vivad se Vishwas Scheme (VSVS) under exceptional item

The change in revenue from operations and other income is partly offset by the changes in inventory by ₹527.92 crores, increase in depreciation by ₹296.51 crores and increase in other expenses by ₹644.32 crores. This is mainly attributable to the commissioning of NNTPS Unit-II in February 2021 and commissioning of Talabira coal mines. The finance costs have reduced by ₹196.85 crores due to repayment of loans in respect of commissioned projects and commercial papers. Further the company has availed the low cost short term borrowings i.e.., commercial paper. Further the following movements in various other expenses/ income as compared to previous financial year, which has contributed for change in Profit in the FY 2021-22:

a. Decrease in other income by ₹910.99 crores

b. Decrease in Net movement in Regulatory Income by ₹41.19 crore.

c. Decrease in employee benefit expenses by ₹64.96 crores

Corporate Social Responsibility
Covered in the main report

Environmental Protection and Conservation, Technological Conservation, Renewable Energy
Covered in the Annexure to the main report

Material developments in Human Resources / Industrial Relation front including number of people employed
Covered in the main report

Cautionary Statement
Statement in the Directors' Report, describing the Company's strengths, strategies, projections and estimates are forward looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied depending upon economic conditions, Government policies and other incidental factors and hence it is cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

Place: Neyveli
Date: 29.08.2022.

Rakesh Kumar
Chairman-cum-Managing Director

ANNEXURE – 4

REPORT ON CORPORATE GOVERNANCE

Mandatory Requirements

Company's Philosophy on Code of Governance

Transparency, Accountability and Integrity are the main ingredients of a good Corporate Governance. Your Company as a Corporate Citizen, believes in adhering to the highest standards of Corporate Governance.

Board of Directors

Composition

As on 31st March, 2022, the Board of Directors of your Company comprised an Executive Chairman, three Executive Directors, two Non-executive Directors and five Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2022 details of other directorships & Membership/ Chairmanship of Committees of Directors are furnished below:

Sl. No.	Name (Sarvashri / Smt)	Designation	Other Directorships held	Directorship in Listed Entity	Other Committee ** Memberships	
					As Member	As Chairman
Executive Directors						
1	Rakesh Kumar	Chairman-cum-Managing Director	3	--	--	--
2.	Shaji John	Director (Power)	2	--	1	--
3.	Jaikumar Srinivasan	Director (Finance)	3	--	2	--
4.	K Mohan Reddy	Director (Planning & Projects)	2	--	1	1
Non-executive Directors						
5.	Nagaraju Maddirala	Additional Secretary to Government of India, Ministry of Coal - Part-time official Director	1	--	--	--
6.	Ramesh Chand Meena	Additional Chief Secretary to Government of Tamil Nadu, Energy Department - Part-time official Director	5	--	--	--
Independent Directors						
7.	V Muralidhar Goud	Part-time Non-official Director	--	--	1	--
8.	N K Narayanan Namboothiri	Part-time Non-official Director	--	--	2	1
9.	Subrata Chaudhuri	Part-time Non-official Director	1	--	--	--
10.	Prakash Mishra	Part-time Non-official Director	--	--	1	--
11.	Nivedita Srivastava	Part-time Non-official Director	--	--	1	1

* *Membership of only Audit Committee and Stakeholders Relationship Committee have been considered

Dates of Board Meetings & Directors' Attendance

During the financial year 2021-22, 11 meetings of the Board of Directors were held on the following dates:

30.04.2021, 28.06.2021, 08.07.2021, 13.08.2021, 25.08.2021, 27.09.2021, 11.11.2021, 15.12.2021, 28.01.2022, 14.02.2022 and 07.03.2022.

The details of attendance of Directors at the Board Meetings held during the financial year 2021-22 and their attendance in last AGM are as under:

Name (Sarvashri/Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Whether Attended Last AGM held on 29/09/2021	Remarks
Rakesh Kumar	11	11	Yes	
Vinod Kumar Tiwari	8	8	Yes	Relinquished w.e.f. 03.01.2022
Nagaraju Maddirala	3	3	NA	Appointed w.e.f. 03.01.2022
SK Prabakar	1	0	NA	Relinquished w.e.f. 04.06.2021
Dharmendra Pratap Yadav	6	2	NA	Appointed w.e.f. 15.06.2021; Relinquished w.e.f. 09.12.2021
Ramesh Chand Meena	3	2	NA	Appointed w.e.f. 23.12.2021
R.Vikraman	10	10	Yes	Relinquished w.e.f. 01.03.2022
Nadella Naga Maheswar Rao	1	1	NA	Relinquished w.e.f. 01.06.2021
Prabhakar Chowki	5	5	NA	Relinquished w.e.f. 01.09.2021
Shaji John	11	11	Yes	
Jaikumar Srinivasan	11	11	Yes	
K Mohan Reddy	1	1	NA	Appointed w.e.f. 21.02.2022
P.Vishnu Dev	7	7	Yes	Relinquished w.e.f. 13.12.2021
V Muralidhar Goud	11	11	Yes	
N K Narayanan Namboothiri	11	11	Yes	
Subrata Chaudhuri	5	5	NA	Appointed w.e.f. 05.11.2021
Prakash Mishra	5	5	NA	Appointed w.e.f. 08.11.2021
Nivedita Srivastava	5	5	NA	Appointed w.e.f. 10.11.2021

Disclosures- Relationship between Directors inter-se

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31.03.2022.

Details of Shares held by Non-executive Directors

As per the declarations received, none of the Non-executive Directors are holding any equity shares in the Company.

Web-link of Familiarisation Programme imparted to Independent Directors

Familiarization programmes to Independent Directors is available at https://www.nlcindia.in/investor/familiarisation_programme_indpnt_dir.pdf

Core skills/ expertise/competencies of Board of Directors

The Board of Directors of the Company consists of expert Directors who have vast experience in their respective field of specialisation as required in the context of its business(es) and sector(s) for it to function effectively

Apart from CMD, the composition of Board as approved by GOI, consists of the following Functional Directors viz. Director (Mines), Director (Finance), Director (Planning &Projects), Director (Power) and Director (Human Resource).

The functional Directors are appointed on the Board of the Company by the Ministry of Coal, Administrative Ministry on the basis of recommendations of Public Enterprises Selection Board (PESB) after obtaining approval of competent authority and completing due formalities in this regard.

The nominees of Ministry of Coal and Government of Tamil Nadu are generally senior officers at the level of Additional Secretary and Principal Secretary respectively.

The Independent Directors are notified for appointment by Ministry of Coal and they are selected by the Search Committee constituted by the Department of Public Enterprises.

The Independent Directors being appointed on the Board are drawn from various fields and possess vast experience and by virtue of their experience and exposure, provide guidance to Board on all important issues and involve in the decision making process.

Independent Directors

It is affirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (LODR) and are independent of the management.

Separate Meeting of Independent Directors:

A separate meeting of Independent Directors was held on 07th March 2022 wherein the Independent Directors assessed the performance of Non-Independent Directors and the Board of Directors as a whole. Further the Independent Directors reviewed the performance of the Chairperson of the Company, also the quality, quantity & timeliness of flow of information between the Company management and the Board.

Audit Committee:

(i) Terms of reference:

The terms of reference conform to the requirements of the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

(ii) Composition, Names of Members and Chairperson:

The Committee as on 31.03.2022 comprised of three Independent Directors viz., Shri. N K Narayanan Namboothiri as the Chairman, Dr V Muralidhar Goud and Shri Prakash Mishra as its Members.

(iii) Meetings and Attendance:

During the financial year 2021-22, 7 meetings of the Audit Committee were held on the following dates:

09th June 2021, 28th June 2021, 13th August 2021, 27th September 2021, 11th November 2021, 01st December 2021 and 14th February 2022.

The details of number of meetings and attendance of members for the Audit Committee meetings held during the year 2021-22 are as under:

Name of the Director (Sarvashri/ Smt.)	No. of Meetings held during the period of office	No. of meetings attended
P Vishnu Dev	6	6
V Muralidhar Goud	7	7
N K Narayanan Namboothiri	7	7
Prakash Mishra	1	1

Nomination and Remuneration Committee

(i) Terms of reference:

The appointment of Executive Directors including the Chaiman-cum-Managing Director is contractual in nature and the remuneration is paid to them as per the terms of their appointment made by the Government of India. The remuneration of Part-time Official Directors is governed by their respective Government rules. Sitting fees are paid to Independent Directors. The scope & terms of reference of Nomination and Remuneration Committee in terms of the provisions of the Companies Act,2013 and SEBI Listing Regulations is limited to below Board Level employees only and for finalising the Performance Related Pay (PRP) for Executive Directors, Executives and Non-unionised Supervisors, as per DPE guidelines.

Being a Government Company, the remuneration of Board level Directors is fixed by the Government, the appointing authority. In respect of Executives and Supervisors, the same is fixed as per the guidelines issued by Department of Public Enterprises and in respect of workmen as per the settlement reached with the recognized unions under the Industrial Disputes Act.

(ii) Composition, Name of Members and Chairperson:

The Committee as on 31.03.2022 comprised four Independent Directors viz., Dr V Muralidhar Goud as the Chairman, Shri N K Narayanan Namboothiri, Prof. Nivedita Srivastava and Shri. Subrata Chaudhuri as its Members with Director (HR) and Director (Finance) as Permanent Invitees.

(iii) Meeting and Attendance:

During the financial year 2021-22, two meeting of the Committee held on 21st August, 2021 & 26th October 2021 and all the members had attended the same.

The Company, being a Government Company, the appointment of Directors, both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.

Name of the Director (Sarvashri/ Smt.)	No. of Meetings held during the period of office	No. of meetings attended
N K Narayanan Namboothiri	2	2
P Vishnu Dev	2	2
V. Muralidhar Goud	2	2
Nivedita Srivastava	0	0
Subrata Chaudhuri	0	0

Remuneration of Directors:

No remuneration is being paid to Part-time Official Directors and hence no separate criteria has been laid out in this regard. Part-time Non-official Directors (Independent Directors) were paid sitting fee @ ₹35,000/- for attending the meetings of the Board and ₹25,000/- for the meetings of the Sub-committees thereof.

Remuneration Details

The details of remuneration paid to the following Executive Directors during the year 2021-22 are as under:

Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits (₹)	Performance Related Pay* (₹)
Rakesh Kumar	61,57,498	9,82,459	14,20,251
R Vikraman	46,08,886	7,62,024	10,06,736
Nadella Naga Maheswar Rao	17,46,460	1,09,196	5,45,705
Prabhakar Chowki	21,60,657	3,42,089	5,51,514
Shaji John	43,26,121	8,51,437	10,19,947
Jaikumar Srinivasan	36,83,020	7,21,637	4,07,499
K Mohan Reddy	8,07,903	1,61,696	-#

* PRP for the FY 2019-20 and PRP advance for the FY 2020-21
\# assumed office on 21.02.2022, hence the payment of PRP does not arise

Note: The service contract/ notice period/ severance fee etc., for the above Directors are as per the terms of appointment made by the Government of India. During the year 2021-22, no bonus/ commission was paid and no Stock Options were issued to the Directors.

The details of sitting fees paid to Independent Directors during the year 2021-22 are as under:

Sl. No.	Name of the Director (Sarvashri/Smt)	Sitting fee paid for (₹)	
		Board Meetings	Committee Meetings
1.	V. Muralidhar Goud	3,85,000	3,50,000
2.	Nivedita Srivastava	1,75,000	75,000
3.	P. Vishnu Dev	2,45,000	2,50,000
4.	N K Narayanan Namboothiri	3,85,000	3,00,000
5.	Prakash Mishra	1,75,000	75,000
6.	Subrata Chaudhuri	1,75,000	75,000

Stakeholders Relationship Committee:

The Committee as on 31.03.2022 comprised of Prof. Nivedita Srivastava, Independent Director as its Chairperson, Shri.Jaikumar Srinivasan and Shri.N K Narayanan Namboothiri, Directors as its Members, to look into the redressal of Stakeholders/Investors grievance and review the action taken by the Company.

Shri.K.Viswanath, Company Secretary is the Compliance Officer.

Integrated Registry Management Services Private Limited, Chennai, is the Share Transfer Agent and the Depository Registrar (STA & DR) of the Company and they attend to transfers/ transmission requests lodged with the Company. The STA & DR also co-ordinate with NSDL & CDSL, the Depositories and attend to Investors' complaints besides also by the Company and the activities of the STA & DR are under the supervision of the Compliance Officer. The complaints received from shareholders are monitored regularly and redressal action is taken immediately.

During the year 2021-22, 21 complaints were received from the shareholders/investors, generally pertaining to non-receipt of dividend & Annual Report and the same have been resolved.

Risk Management Committee

(i) Terms of reference:

The terms of reference conform to the requirements of the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(ii) Composition:

The Committee as on 31.03.2022 comprised five Directors viz., Shri. Subrata Chaudhuri as the Chairman, Shri Jaikumar Srinivasan, Shri. Shaji John, Prof. Nivedita Srivastava and Shri. Prakash Mishra as its Members.

(iii) Meetings and Attendance:

During the financial year 2021-22, three meeting of the Committee held on 06th August, 2021, 11th November 2021 & 15th February, 2022 and all the members had attended the same.

Name of the Director (Sarvashri/ Smt.)	No. of Meetings held during the period of office	No. of meetings attended
Subrata Chaudhuri	1	1
Jaikumar Srinivasan	3	3
Shaji John	3	3
Prakash Mishra	1	1
Nivedita Srivastava	1	1
Prabakar Chowki	1	1
R. Vikraman	2	2
V. Muralidhar Goud	2	2

Corporate Social Responsibility Committee:

(i) Terms of reference:

The terms of reference confirm to the requirements of the provisions of Companies Act, 2013.

(ii) Composition, Names of Members and Chairperson:

The Committee as on 31.03.2022 comprised of three Independent Directors viz., Shri. Prakash Mishra as the Chairman, Shri. N K Narayanan Namboothiri and Dr. V Muralidhar Goud, Directors, as its Members.

Name of the Director (Sarvashri/ Smt.)	Number of Meetings held during the period of office	Number of Meetings attended
Prakash Mishra	0	0
N K Narayanan Namboothiri	2	2
P Vishnu Dev	2	2
V. Muralidhar Goud	2	2
R Vikraman	2	2

General Body Meetings:

The following are the details of General Body Meetings of the Company held in the last three years:

Year	Date &Time	Venue
AGM 2018-19	01.08.2019 14.30 Hrs	"Kamaraj Arangam", 492, Anna Salai, Teynampet, Chennai - 600 006
AGM 2019-20	29.09.2020 15.00 Hrs	Through Video Conferencing
AGM 2020-21	29.09.2021 15.00 Hrs	Through Video Conferencing

Special Resolutions

No special resolution was passed in the previous three Annual General Meetings.

Postal Ballot

The Company vide Postal Ballot Notice dated February 23, 2022 had sought the consent of the Shareholders in respect of the appointment of Shri. Nagaraju Maddirala, Shri. Ramesh Chand Meena and Shri K. Mohan Reddy as Directors of the Company by way of an Ordinary Resolution and the appointment of Shri. Subrata Chaudhuri, Shri. Prakash Mishra and Prof. Nivedita Srivastava as Independent Directors of the Company by way of a Special Resolution by voting through electronic means.

Procedure of postal ballot:

The postal ballot exercise was conducted as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021 and 20/2021 dated December 8, 2021

The Postal Ballot Notice dated February 23, 2022, was sent only by electronic mode to those members whose names appeared in the Register of Members / List of Beneficial Owners as on February 25, 2022 ("Cut-Off Date") received from the Depositories and whose e-mail addresses were registered with the Company / Depositories.

Newspaper Publication of Postal Ballot Notice as per Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intimation to the Stock Exchanges was given simultaneously after the despatch of Postal Ballot Notice to the Members. The Postal Ballot Notice was also made available in the Website of the Company, website of the Stock Exchanges where the equity shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited and on the website of the E-voting service provider (i.e.) NSDL www.evoting.nsdl.com

The Company had engaged the services of NSDL to provide e-voting facility to its Members

M/s Kumar Naresh Sinha & Associates, Practising Company Secretaries, Noida, had been appointed as the Scrutinizer for conducting the Postal Ballot through the E-voting process in a fair and transparent manner.

The E-Voting period commenced during the period from March 02, 2022 (9:00 A.M.) to March 31, 2022 (5:00 P.M.)

Details of Special Resolution passed through Postal Ballot	Details of Voting Pattern	
	Voting % (in favour)	Voting % (against)
To approve the appointment of Shri Subrata Chaudhuri (DIN 05346876) as an Independent Director of the Company	98.64	1.36
To approve the appointment of Shri Prakash Mishra (DIN 09388622) as an Independent Director of the Company	98.64	1.36
To approve the appointment of Prof. Nivedita Srivastava (DIN 09388948) as an Independent Director of the Company	98.64	1.36

The above resolutions were passed with requisite majority on March 31, 2022 as per the report submitted by the Scrutinizer on April 01, 2022. The Chairman cum Managing Director announced the results stating that the Ordinary and Special Resolutions as proposed in the Postal Ballot Notice dated 23rd February, 2022 have been approved by the requisite majority of Shareholders on 31st March, 2022 being the last date of E-Voting.

Voting results of postal ballot is available on the website of the Stock , NSDL website and website of the Company

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Any decision for matters requiring approval of shareholders through postal ballot system will be obtained as per the procedures laid down under Act.

Means of Communication

The quarterly and yearly financial results are furnished immediately to the Stock Exchanges where the Company's equity shares are listed. The quarterly financial results are generally published in Business Standard and Dinamani (Tamil). The financial results are also made available in the Company's website-www.nlcindia.in and in the website of NSE & BSE. The Company's official news releases, all the events/information as per the provisions of SEBI Listing regulations are being displayed on the website of the Company. Investors/Analysts presentations is periodically uploaded in the website of the Company, besides furnishing the same to the stock exchanges.

General Shareholder Information:

AGM : Date, Day, Time : 29th September 2022, Thursday, 03.00 PM IST.

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2, particulars of Director seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

Financial Calendar for the year 2022-23

Results for the quarter ending 30th June, 30th September & 31st December	Within 45 days from the end of the quarter or such other extended date as may be permitted by SEBI
Audited Yearly results	Within 60 days from the end of the financial year or such other extended date as may be permitted by SEBI

Payment of Dividend

The final dividend @15% for FY 2020-21 was paid on October 26, 2021 after obtaining approval of shareholders at the 65th Annual General Meeting. The Board of Directors had declared an Interim Dividend of ₹ 1.50/- per equity share (15%) on March 7, 2022 and the same was paid on March 28, 2022.

Unclaimed Dividend Account Details:

The unclaimed Dividend Account details as on 31st March, 2022 is as under:

Sl. No.	Account for the Year	Balance Amount as on 31.03.2022 (in ₹)	Due date for transfer to IEPF Authority
1.	2014-2015 (Final)	6,35,733.00	21.10.2022
2.	2015-2016 (1ST Interim)	11,78,680.50	28.02.2023
3.	2015-2016 (2ND Interim)	2,65,722.00	27.03.2023
4.	2015-2016 (Final)	9,82,806.40	19.10.2023
5.	2016-2017 (Interim)	56,98,981.18	19.04.2024
6.	2017-2018 (Interim)	26,11,449.08	17.04.2025
7.	2017-2018 (Final)	2,26,279.81	30.08.2025
8.	2018-2019 (Interim)	27,51,599.31	23.04.2026
9.	2019-2020 (Interim)	51,09,068.28	01.04.2027
10.	2020-2021 (Interim)	8,26,549.00	18.03.2028
11.	2020-2021 (Final)	15,43,309.50	01.11.2028
	Total	**2,18,30,178.56**	

Details of unclaimed Dividend amount and Shares transferred to IEPF

During the Financial Year ended 2021-22, the following shares and dividends were transferred to IEPF:

Dividend Account	Unclaimed Dividend amount (₹)	Unclaimed Shares
2013-14 (Interim)	713890.00	15,663
2013-14 (Final)	1073285.00	16,748

Listing on Stock Exchanges and payment of listing fees

The equity shares and Bonds of the Company are presently listed with the BSE Ltd and National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges up to the year 2022-23.

Stock code

Name of the Stock Exchange	Stock Code	
	Equity	Debentures
BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	513683	958806 , 959237,959834,960476 & 973663
National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	NLCINDIA	NLC29 ,NLC30, NLC25, NLC26 & NLC32

Stock Market Data

The monthly high and low market price of the Company's shares during each month in 2021-22 as quoted at the BSE & National Stock Exchange and its comparative performance with the broad base BSE Sensex & NIFTY 50 during the same period were as under:

Month	Share Price (BSE) (₹)		Share Price (NSE) (₹)		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April 2021	51.35	46.25	51.20	46.20	50,375.77	47,204.50	15044.35	14151.4
May 2021	73.90	47.25	73.75	47.35	52,013.22	48,028.07	15606.35	14416.25
June 2021	66.90	58.80	66.90	58.80	53,126.73	51,450.58	15915.65	15450.9
July 2021	63.30	55.25	63.20	55.20	53,290.81	51,802.73	15962.25	15513.45
August 2021	60.15	49.90	60.30	49.80	57,625.26	52,804.08	17153.5	15834.65
September 2021	62.80	51.55	62.80	51.55	60,412.32	57,263.90	17947.65	17055.05
October 2021	80.00	60.65	80.10	60.50	62,245.43	58,551.14	18604.45	17452.9
November 2021	69.75	54.70	69.85	51.40	61,036.56	56,382.93	18210.15	16782.4
December 2021	64.10	56.75	64.10	56.75	59,203.37	55,132.68	17639.5	16410.2
January 2022	72.80	61.20	72.95	61.10	61,475.15	56,409.63	18350.95	16836.80
February 2022	77.45	56.20	77.50	56.00	59,618.51	54,383.20	17794.6	16203.25
March 2022	67.50	60.95	67.50	60.85	58,890.92	52,260.82	17559.8	15671.45

Depository Registrar and Share Transfer Agent:

Integrated Registry Management Services Pvt Ltd., is the Depository Registrar and Share Transfer Agent for the Company. The details of their address, contact numbers are as under:

Address: II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600017.

Tel.No.: 044-28140801-03|FaxNo.: 044-28142479|E-mail ID: csdstd@integratedindia.in.

Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2022 is as under:

Category	No. of Shares	% to Total
President of India	1098221224	79.2
Financial Institution – State Government	59701260	4.31
Financial Institutions/Banks	91739	0.01
Insurance Companies	47262947	3.41
Mutual Fund	31815986	2.29
NBFCs registered With RBI	50650	0
Corporate Bodies	10956737	0.79
Foreign Portfolio Investors – Corporate 1 & 2	14509720	1.05
NRI	6044143	0.44
Resident Individual/Employees	115488671	8.32
Clearing Member	1223942	0.09
Others	1269590	0.09
Total	**1386636609**	**100**

Distribution of Shareholding as on 31.03.2022

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of shareholding
1 - 500	170197	85.33	21380484	1.5419
501 - 1000	14152	7.10	11884153	0.8570
1001 – 2000	7030	3.52	11111680	0.8013
2001 – 3000	2553	1.28	6649885	0.4796
3001- 4000	1128	0.57	4107913	0.2963
4001- 5000	1207	0.61	5796181	0.4180
5001 -10000	1699	0.85	13079075	0.9432
10000 and above	1484	0.74	1312627238	94.6627
Total	**199450**	**100.00**	**1386636609**	**100.00**

Dematerialisation of shares and liquidity

The equity shares of the Company numbering to 138,46,03,430 (99.85%) have been dematerialised by the shareholders. The Company's equity shares are actively traded on the Stock Exchanges.

Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company and hence there would not be any impact on the equity.

Commodity price risk/foreign exchange risk and hedging activities:

For FY 2021-22, Commodity Price Risk and Commodity Hedging Activity : Not applicable.

Plant locations

Mine-I (including Expansion) Mine-IA, Mine-II (including Expansion), TPS-I, TPS-I Expansion, TPS-II and TPS-II Expansion, Neyveli New Thermal Power Station are located in Neyveli in Cuddalore District in the State of Tamil Nadu. Barsingsar Mine and Thermal Power Plant are located in Bikaner District in the State of Rajasthan. Solar Power Plants are located in Neyveli, Maranthai, Pudur, Ettankulam, Seliyanallur, Subbaiahpuram & Therkkupatti (Tirunelveli District), Senkulam, Pulangal, Sethupuram, Parattanatham & Thoppalakarai (Virudhunagar District), Avathandai, M. Pudukulam, Kumuthi, Kadamangalam (Ramanathapuram District), Onamakulam (Tuticorin District) and 51 MW WTGs in Kazhuneerkulam (Tirunelveli District) all in the State of Tamilnadu. Talabira-II & III Coal open cast Mines at Sambalpur in the State of Odisha. A Thermal Power Plant of the Subsidiary Company (NTPL) is in operation at Tuticorin, in the State of Tamil Nadu. Andaman Solar Plant with Battery Energy Storage System (BESS) in Andaman & Nicobar Islands. A Thermal Power Plant at Ghatampur in the State of Uttar Pradesh and a Coal Mine at Pachwara South in the State of Jharkhand is under construction/development by the Subsidiary Company (NUPPL).

Address for correspondence

Shareholders/Investors may send their correspondence to the Company Secretary to the Registered Office at EVR Periyar High Road, Kilpauk, Chennai – 600 010. Shareholders may also send their communication electronically to investors@nlcindia.in, the exclusive e-mail-id provided.

The investors may also communicate to Integrated Registry Management Services Private Limited, the Depository Registrar & Share Transfer Agent for redressal of their grievance, if any.

The details of their address, contact numbers are as under:

Address: II Floor,' Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017.

Tel.No.: 044-28140801-03 Fax No.: 044-28142479 E-mail ID: csdstd@integratedindia.in.

Credit Ratings for Borrowings

	Rating Agency / Particulars	Rating Assigned
1	**ICRA**	
	NLCIL Bonds (1475 Cr + 525 Cr) - ₹2000 Crore	[ICRA]AAA (Stable)
2	**CRISIL**	
	Working Capital Loan - ₹ 5000 Crore	CRISIL AAA/Stable
	Proposed Bonds - ₹ 3000 Crore	CRISIL AAA/Stable
3	**Brick work Ratings**	
	NNTPS - RTL ₹ 3000 Crore.	BWR AAA/Stable
	Talabira Mine - RTL ₹ 1680.75 Crore.	BWR AAA/Stable
	Proposed Bonds - ₹ 3000 Crore	BWR AAA/Stable
4	**CARE Ratings**	
	Solar 130 MW - RTL ₹ 481 Crore	CARE AAA; Stable
	Solar 500 MW - RTL ₹ 1406 Crore	CARE AAA; Stable
	Commercial Paper - ₹ 6000 Crore	CARE A1+
5	**India Rating (Fitch Group)**	
	Solar 709 MW - RTL ₹ 2552 Crore	IND AAA/Stable
	NLCIL Bonds (1475 Cr + 525 Cr) - ₹ 2000 Crore	IND AAA/Stable
	Commercial Paper - ₹ 6000 Crore	IND A1+

Other Disclosures:

(i) The policies on related party transactions and 'material subsidiaries' are available at
https://www.nlcindia.in/new_website/policy_on_related_party_transactions.pdf
https://www.nlcindia.in/investor/policy_on_material_subsidiaries.pdf

During the year, the Company did not enter into any contracts/arrangements/transactions with any Related Party which are not on an arm's length basis and no material contracts/arrangements were entered into with them at an arm's length basis. No materially significant related party transactions were entered into that may have potential conflict with the interests of the Company at large.

(ii) The Company has complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India except that the Company is non-compliant w.r.t. number of Non-Executive Directors on the Board was less than 50% of the total strength between the period 01.04.2021 to 31.05.2021 and between 05.06.2021 to 14.06.2021. The Board of Directors did not comprise a Woman Director/ an Independent Woman Director till 09.11.2021. The number of Independent Directors on the Board was less than 50% of the total strength except during the period from 10.11. 2021 to 22.12. 2021. The requirement of appointment of one Independent Director from the Board of the Holding Company on the Board of Subsidiary Companies has not been complied with. Further the evaluation of Independent Directors have not been done by the entire Board of Directors. The required policies / criteria for appointment of Directors on the Board were not formulated by the Nomination and Remuneration Committee. The explanations for non-compliance as stated above have been given in Annexure-6.

The Stock Exchanges have levied penalty for non-compliance with respect to the composition of the Board of Directors as per SEBI (LODR) Regulations, 2015 and the Company has represented to the Exchanges for waiver of penalty levied since the Company is a Government Company and the power to appoint Directors vests with the administrative Ministry. Based on the request made by the Company for waiver of fine for all the quarters citing the above reason. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last 3 years.

(iii) Dividend Distribution Policy

Policy Framework

The policy is framed broadly in line with the provisions of Companies Act, 2013 and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI and other guidelines, to the extent applicable. The policy shall deem to cover the amendments if any, issued by any of the regulatory authorities and / or Govt. of India from time to time.

Being a Central Public Sector Enterprise (CPSE), the Company is required to comply with the guidelines dated 27th May, 2016 and 19th Dec 2016 on "Capital Restructuring of Central Public Sector Enterprises" issued by DIPAM mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5 % of Net-worth, whichever is higher subject to the maximum dividend permissible under the extant provisions. Nonetheless, CPSE are expected to pay the maximum dividend permissible under the Act under which CPSE has been set up, unless lower dividend proposed to be paid is justified on a case to case basis after the analysis of the following aspect:

- Net-worth of the CPSE and its capacity to borrow
- Long- term borrowing
- CAPEX / Business Expansion needs
- Retention of profit for further leveraging in line with the Capex needs: and
- Cash and bank balances

Further internal factors such as Cash Flow and Capex Plan and external factors such as economic environment, taxation and other regulatory concern, macro-economic conditions and cost of borrowing are also considered for declaration of dividend.

The detailed Dividend Distribution Policy is available at the following weblink
https://www.nlcindia.in/investor/dividenddistributionpolicy_15042017.pdf

(iv) The Company has formulated Vigil Mechanism / Whistle Blower. It is affirmed that no personnel had been denied access to the audit committee.

(v) Disclosure of commodity price risks and commodity hedging activities:

For FY 2021-22, Commodity Price Risk and Commodity Hedging Activity: Not applicable.As per CERC Norms and Regulations, Foreign Exchange Variation is a pass-through item in the Tariff fixation and hence, hedging of Foreign Exchange Risk is not done.

(vi) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: During the year 2021-22, two complaints were received and same were resolved and no case is pending.

(vii) Details of administrative, office and financial expenses for the year under review and for the previous year are available in the annual accounts. No Presidential Directive was received during the year and also in the last three years.

(viii) Certification from Company Secretary in Practice

Kumar Naresh Sinha & Associates, Company Secretaries, Noida has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such Statutory authority. The same is placed at Annexure - 6A

(ix) Details of total fees paid to statutory auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part, are as follows:

(₹ crore)

Type of service	FY 2021-22	FY 2020-21
Audit fees	0.76	0.65
Tax Audit fees	0.07	0.06
Others	0.16	0.30
Total	**0.99**	**1.01**

(x) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the year

As regards adopting discretionary requirements, the following are stated

The Board

The requirement of maintenance of an office for the Non-Executive Chairman and the reimbursement of expenses to him are not applicable to the Company presently as the Company has an Executive Chairman.

Shareholder Rights

The Company's financial results are published in English National newspapers having wide circulation all over India and also in a vernacular newspaper having a wide circulation in the State of Tamil Nadu and hence the financial results are not being sent individually to the shareholders. Further, as required under SEBI (LODR), the results of the Company are also furnished immediately to the Stock Exchanges and also uploaded in the Company's website www.nlcindia.in for the information of shareholders and other investors.

All significant events and information about the Company are uploaded in the Company's website and also in the website of NSE & BSE.

Modified opinion(s) in audit report

It is always the Company's endeavour to present unqualified financial statements. The Audit Report for the year 2021-22 does not contain any audit qualifications.

Separate posts of Chairman and CEO

The Composition of Board of Directors of the Company is approved by the Government of India. In case of PSUs, the major owner is the Government of India. The CMD as CEO of the Company implements the decisions of the Board of Directors through a team of Functional Directors and the functions of CMD are subject to superintendence and control of the Board of Directors of the Company.

Reporting of Internal Auditor

The internal audit is being done by external firms of Chartered Accountants. Internal Audit reports containing periodical reports includes significant findings, if any, and the same is reviewed by the Audit Committee periodically. The Internal Auditors of the Company are generally invited to the meetings of Audit Committee.

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in the SEBI Regulations and DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of Secretarial Auditors.

Declaration - Code of Conduct

The Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard, a declaration by the Chairman-cum-Managing Director is reproduced below:

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance".

For and on behalf of the Board of Directors

Place : Neyveli
Date : 29.08.2022.

Rakesh Kumar
Chairman-cum-Managing Director

ANNEXURE - 5

R.Subramanian and Company LLP,
Chartered Accountants,
New No.6 Old. No. 36,
Krishna Swamy Avenue, Luz Mylapore,
Chennai – 600004

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
NLC INDIA Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 22nd August 2022 .
2. We have examined the compliance of conditions of Corporate Governance by NLC INDIA Limited ("the Company"), for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises ('DPE Guidelines').

Managements' Responsibility

3. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations and DPE Guidelines.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned the Listing Regulations and DPE Guidelines, except for the following:

   a. As per Regulation 17(1)(a), Board of Directors shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty per cent of the Board of Directors shall comprise of non-executive directors. Except during the period from April 1, 2021 to May 31, 2021 and from June 05, 2021 to June 14, 2021, the composition of non-executive directors was not less than fifty per cent as prescribed under Regulation 17 (1)(a). Also refer point c below.

   b. As per Para 3.1.2 of DPE Guidelines, the number of Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board of Directors. Except during the period from April 1, 2021 to May 31, 2021 and from June 05, 2021 to June 14, 2021, the composition of Functional Directors was less than fifty per cent as prescribed under Para 3.1.2 of DPE Guidelines.

   c. The Board of Directors did not comprise a Woman Director/ Independent Woman Director as prescribed under Section 149(1)(a) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 till November 9, 2021.

   d. As per Regulation 17 (I)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors, the number of Independent Directors on the Board shall be at least half of the Board of Directors. Except during the period from November 10, 2021 to December 22, 2021, the composition of Independent Directors was less than 50% of the total strength of the Board.

   e. The requirement of appointment of at least one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiaries as required under Regulation 24(1) of SEBI (LODR) Regulations, 2015 have not been complied with.

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

For R. Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AQFOIM6565

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No 001997S

M.S.N.M. Santosh
Partner
M No. 221916
UDIN: 22221916AQFKXO8883

Place : Chennai
Date : August 29, 2022

ANNEXURE - 6

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
NLC India Limited
CIN: L93090TN1956GOI003507
No.135, EVR Periyar High Road
Kilpauk, Chennai
Tamilnadu – 600010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC India Limited** (hereinafter called "The Company"), having its Registered Office at **No.135, EVR Periyar High Road, Kilpauk, Chennai Tamilnadu – 600010.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms & returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on, **March 31, 2022,** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms & returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022,** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period).**

   e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**

   f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period); and**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

vi. The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:
- The Mines Act, 1952 and the rules made thereunder.
- Coal Mines Regulations, 1957.
- DGMS Guidelines on Periodic Medical Examination for Mines.
- Mines Vocational Training Rules, 1966.
- The Electricity Act, 2003 and the rules made thereunder.
- Indian Boiler Act, 1923 and the regulations made thereunder.
- Explosives Act, 1884 and the rules made thereunder.
- Hazardous Waste (Management, Handling &Transboundary Movement) Rules, 2008.
- Mines and Mineral (Development and Regulation)Act, 1957
- For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents & records as produced and shown to us and the information & explanations as provided to us, by the management of the Company, and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General & Labour Laws.
- The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor(s) and other designated professionals.

We have also examined compliance with the applicable regulations / clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

ii. Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

iii. Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F No. 5/2/2016-Policy dated 27th May, 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above **except the following**:

1. ***The number of Non-Executive Directors on the Board was less than 50% of the total strength during the period from April 1, 2021 to May 30, 2021 and from June 5, 2021 to June 14, 2021 as prescribed under Regulation 17 (1) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.2 of DPE Guidelines on Corporate Governance.***
2. ***The Board of Directors did not comprise a Woman Director/ Independent Woman Director as prescribed under Section 149(1)(a) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 till November 9, 2021.***
3. ***The number of Independent Directors on the Board was less than 50% of the total strength as required under Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors excepting during the period from November 10, 2021 to December 22, 2021.***
4. ***The requirement of appointment of at least one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiaries as required under Regulation 24(1) of SEBI (LODR) Regulations, 2015 have not been complied with.***

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, except that the Company has not been able to appoint a Woman Director/ Independent Woman Director till November 9, 2021 and requisite number of Independent Directors as required under the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015. The changes in the composition of the Board of Directors, that took place during the period under review, were carried out in compliance with the provisions of the Act.

- The Company, being a Central Public Sector Enterprise (CPSE), the appointment of Directors on the Board is made by the Administrative Ministry, i.e., Ministry of Coal, Government of India (GoI). The Company has been continuously following up with the Ministry for appointment of requisite number of Independent Directors including Woman Director / Independent Woman Director on the Board.
- According to the information and explanations given to us, the evaluation of Independent Directors has not been done by the entire Board of Directors during the review period, in compliance with Regulation 17(10) and Regulation 19(4) read with Schedule II Part D (A) of the SEBI (LODR) Regulation, 2015, as the Directors including Independent Directors are appointed by the Government of India. The required policies / criteria for appointment of Directors on the Board were not formulated by the Nomination and Remuneration Committee. The Government of India, being the appointing authority has its own set of processes in determining the criteria and also for evaluation of the performance of Independent Directors at the time of appointment / re-appointment. However, Ministry of Corporate Affairs' (MCA) vide its Notification dated 5th June, 2015, has exempted the Government companies from the requirement of performance evaluation of Directors under Section 178(2) of the Companies Act, 2013. Further, MCA vide its notification dated 5th July, 2017 made an amendment in the Schedule IV of the Act, whereby Government Companies were exempted from complying with the requirement of performance evaluation of Independent Directors by the Board, if the concerned Department or Ministry have specified aforesaid requirements.
- Adequate notice were given to all Directors for the Board Meetings and generally agenda and detailed notes on agenda were sent at least seven days in advance, other than those held at shorter notice, to all Directors as per provisions of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions were carried unanimously in the Board/Committee Meetings during the period under review

We further report that on the basis of the information and explanations provided to us, we are of the opinion that, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has;

i. issued and allotted Commercial Papers in various tranches aggregating to ₹ 7000 crore and the same was listed with BSE and all the outstanding Commercial Paper have been redeemed.

ii. allotted 5000 nos. of Unsecured, Non-Cumulative, Non-Convertible, Redeemable, Taxable Bonds (Series Il of 2021) of Face Value of ₹ 10,00,000/- each, aggregating to ₹ 500 Crore in the nature of Debentures on December 20, 2021 at a coupon rate of 6.85% p.a.

iii. paid final dividend @15% for FY 2020-21 on October 26, 2021 after obtaining approval of shareholders at the 65th Annual General Meeting

iv. declared an interim Dividend of 15% (i.e. ₹ 1.50 per equity share) on March 7, 2022 for FY 2021-22 and the same was paid on March 28, 2022.

v. In the meeting held on May 30, 2022, the Board of Directors have recommended a final dividend @15 % i.e., ₹1.50 per equity share for the financial year ended March 31, 2022, subject to C&AG Audit and approval of shareholders at the ensuing Annual General Meeting of the Company.

We further report that during the audit period the Company does not have any specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except as reported above.

Place: Noida
Date: August 8, 2022

For Kumar Naresh Sinha & Associates
Company Secretaries

CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807D000762996

*Note: 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.*

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Annexure A

To,

The Members,
NLC India Limited
CIN: L93090TN1956GOI003507
No.135, EVR Periyar High Road
Kilpauk, Chennai
Tamilnadu – 600010

Our Secretarial Audit Report for the financial year ended March 31, 2022 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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 the random 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 our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Reports of statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statement of the relevant financial year, which give a true and fair view of the state of the affairs of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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 random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida
Date: August 8, 2022

For Kumar Naresh Sinha & Associates
Company Secretaries

CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807D000762996

Reply to the Observations of Secretarial Auditor

<table>
<tr><th>Sl.No.</th><th>Secretarial Auditor's Observations (as per SI.No. of the Report)</th><th>Reply / Explanation</th></tr>
<tr><td>1</td><td>The number of Non-Executive Directors on the Board was less than 50% of the total strength during the period from 01.04.2021 to 31.05.2021 and from 05.06.2021 to 14.06.2021 as prescribed under Regulation 17 (1) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.2 of DPE Guidelines on Corporate Governance.</td><td rowspan="3">Being a Government Company, as per the Articles of Association, the power to appoint Directors including the Independent Directors and Woman Director / Independent Woman Director on the Board of the Company vests with the President of India.

The Company has from time to time communicated to the Ministry of Coal, Government of India, being the Administrative Ministry, for appointment of Independent Directors including Woman Director / Independent Woman Director on the Board.</td></tr>
<tr><td>2</td><td>The Board of Directors did not comprise a Woman Director/ Independent Woman Director as prescribed under Section 149(1)(a) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of of SEBI (LODR) Regulations, 2015 till 09.11.2021.</td></tr>
<tr><td>3</td><td>The number of Independent Directors on the Board was less than 50% of the total strength as required under Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors excepting during the period from 10.11.2021 to 22.12.2021.</td></tr>
<tr><td>4</td><td>The requirement of appointment of at least one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiaries as required under Regulation 24(1) of SEBI (LODR) Regulations, 2015 have not been complied with.</td><td>The Company has from time to time communicated to Ministry of Coal, the Administrative Ministry, for appointment of one Independent Director from the Board of the Company on the Board of Directors of the unlisted material subsidiaries.</td></tr>
</table>

For and on behalf of the Board of Directors

Place : Neyveli
Date : 29.08.2022.

Rakesh Kumar
Chairman-cum-Managing Director

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
NLC Tamil Nadu Power Limited
CIN: U40102TN2005GOI058050
No.135, EVR Periyar High Road
Kilpauk, Chennai, Tamil Nadu - 600010

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC Tamil Nadu Power Limited** (hereinafter called "The Company"), having its Registered Office at **No. 135, EVR Periyar High Road, Kilpauk, Chennai, Tamil Nadu - 600010.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NLC Tamil Nadu Power Limited (hereinafter called "The Company"), having its Registered Office at No. 135, EVR Periyar High Road, Kilpauk, Chennai, Tamil Nadu - 600010. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions prescribed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms & returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable during the Audit Period under review)**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings; **(Not Applicable during the Audit period)**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the Audit period)**

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the Audit period)**

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the Audit period)**

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, **(Not Applicable during the Audit period)**

f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review); and**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review)**

vi. The other laws, as informed by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:

a. The Electricity Act, 2003 and the Rules made thereunder;

b. Indian Boiler Act, 1923 and the Rules made thereunder;

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditors and other designated professionals.

We have also examined compliance with the applicable clauses/Regulations of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May 2010.

iii. Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F No. 5/2/2016-Policy dated 27th May 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

During the period under review and as per the explanations and representations made by the management and subject to the clarifications given to us, the Company has satisfactorily complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except to the extent mentioned below:**

The Company did not have:

1. ***Requisite number of Independent Directors as required under the DPE Guidelines on Corporate Governance regarding composition of the Board of Directors.***

2. ***At least one Woman Director on its Board as required under Section 149(1) of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014.***

3. ***Appropriate composition of the Audit Committee with the requisite number of Independent Directors as required under the DPE Guidelines on Corporate Governance.***

4. ***The quorum for the meetings of the Audit Committee of the Board of Directors as prescribed under the DPE Guidelines on Corporate Governance.***

5. ***An Independent Director as the Chairman of the Audit Committee as prescribed under the DPE Guidelines on Corporate Governance.***

6. ***An Independent Director as the Chairman of the Nomination and Remuneration Committee as prescribed in the DPE guidelines on Corporate Governance.***

We further report that:

- During the period under review, the Company was not having Independent Directors including Woman director as reported herein-above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings, other than those held at shorter notice, to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Decisions were carried unanimously during the period under review

We further report that based on the representations received from the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period the Company has;

i. The Company has issued and allotted Commercial Paper, in various tranches aggregating to ₹ 5,300 crores, listed with BSE, and they were redeemed on their respective maturity dates.

ii. The Company has paid final dividend (in respect of FY 2020-21) of Re. 1/- per equity share on face value of ₹ 10/- per equity share.

iii. The Company has declared and paid interim dividend @ ₹ 0.70/- per equity share on face value of ₹ 10/- per equity share.

We further report that during the audit period, there were no instances of:

i. Public / preferential issue of Shares / Debentures / Sweat Equity, etc.

ii. Buy-back of securities.

iii. Merger / amalgamation / reconstruction, etc.

iv. Foreign technical collaborations.

Place: Noida
Date: August 9, 2022

For, Kumar Naresh Sinha & Associates
Company Secretaries

CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807D000762996

Note: *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.*

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Annexure-A

To,

The Members,
NLC Tamil Nadu Power Limited
CIN: U40102TN2005GOI058050
No.135, EVR Periyar High Road
Kilpauk, Chennai, Tamil Nadu - 600010

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our finding/ 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 the random 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 our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Reports of statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statement of the relevant financial year, which give a true and fair view of the state of the affairs of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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 random test basis, which satisfies the compliances of applicable laws.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida
Date: August 9, 2022

For, Kumar Naresh Sinha & Associates
Company Secretaries

CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807D000762996

GUNJAN GOEL

A.C.S., M.B.E.

Office: C-4/152, Vikas Khand, Gomti Nagar, Lucknow, Uttar Pradesh
Email: csgunjangoel@gmail.Com Mobile: 9415343577, 8318757293

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
NEYVELI UTTAR PRADESH POWER LIMITED
CIN: U40300UP2012GOI053569
Reg. Office: 6/42, Vipul Khand, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.
E-mail id: cosec.nuppl@nlcindia.in

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neyveli Uttar Pradesh Power Limited, CIN:U40300UP2012GOI053569** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

i. maintenance of various statutory registers and documents and making necessary entries therein;
ii. forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
iii. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
iv. notice of Board and various Committee meetings of Directors;
v. Meetings of Directors
vi. notice and convening of Annual General Meeting held on 25th September, 2021;
vii. minutes of the proceedings of the Board Meetings, Committee and Members Meetings;
viii. approvals of the Board of Directors, Committee of Directors, Members and Government authorities, wherever required;
ix. Committees of Directors and appointment and reappointment of Directors;
x. payment of remuneration to Directors and Managing Director and Key Managerial Personnel;
xi. appointment and remuneration of Statutory Auditors, Secretarial Auditors and Internal Auditors;
xii. transfer of Company's shares, issue and allotment of shares;
xiii. contracts, registered office and publication of name of the Company;
xiv. report of the Board of Directors;
xv. investment of Company's funds;
xvi. generally, all other applicable provisions of the Act and the Rules there under;
xvii. The Company has, in our opinion, proper Board-processes and compliance mechanism and has complied with the applicable statutory provisions, Act(s), rules, regulations, guidelines, applicable secretarial standards, etc., mentioned above and as stipulated under the Memorandum and Articles of Association the Company.

I have examined the books, papers, minute books, forms & returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
(Not applicable to the Company during the Audit period)

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the Rules and the Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(Not applicable to the Company during the Audit period)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(Not applicable to the Company during the Audit period)

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the Audit period)

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not applicable to the Company during the Audit period)

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(Not applicable to the Company during the Audit period)

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(Not applicable to the Company during the Audit period)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period)

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period)

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(Not applicable to the Company except Regulation 24 during the Audit period)

I further report that the following are other laws specifically applicable to the Company:

a. The Coal Bearing Areas (Acquisition and Development) Act, 1957 and the Rules made thereunder.

b. Mines and Mineral (Development and Regulation) Act, 1957.

c. The Electricity Act, 2003 and the Rules made there under.

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

I have also examined the applicable clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India (Standards).

ii. Guidelines on Corporate Governance issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises (DPE Guidelines).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following:

1. **The composition of the Board of Directors did not comply with the requirements to have number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**

2. **The requirement of appointment of at least one Independent Director of the Listed Holding Company on the Board of Directors of the company as required under Regulation 24(1) of SEBI (LODR) Regulation, 2015 have not been complied with.**

3. **The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**
4. **In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**
5. **In the absence of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**
6. **The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with.**
7. **The Company has not undertaken training program for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.**

I further report that:
The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally adequate notice was given to all Directors to convene the Board Meetings. Agendas and detailed note on agendas were sent at least seven days in advance/ at a shorter notice as per the provisions of the Act/ Regulations and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which were not included in the agenda or circulated at a shorter notice, were considered vide supplementary agenda with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

a. the Company has further issued 62,38,72,800 Equity shares of ₹10/- each on Right basis to the promoter companies i.e., NLC India Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited in the ratio of 51:49 respectively, for a consideration of ₹10/- per share, in dematerialized form.
b. the Members have accorded following approval in pursuance to section 180 of the Companies Act, 2013:
    i. Approval for borrowings by the Board of Directors of the Company not exceeding the limit of ₹17,200 crore.
    ii. Approval for creation of Mortgage/Charge on the assets of the Company for securing the borrowings from time to time up to a limit of ₹17,200 crore.

I further report that during the audit period, there were no instances of:

i. Public / preferential issue of Shares / Debentures / Sweat Equity, etc.
ii. Redemption / buy-back of securities.
iii. Merger / amalgamation / reconstruction, etc.
iv. Foreign technical collaborations.

Place: Lucknow
Date: 23rd August, 2022

CS Gunjan Goel
Practicing Company Secretary

FCS No. 11565
CP No. 16350
UDIN: F011565D000835333

Note: 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

To,

The Members,
NEYVELI UTTAR PRADESH POWER LIMITED
CIN: U40300UP2012GOI053569
Reg. Office: 6/42, Vipul Khand, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.
E-mail id: cosec.nuppl@nlcindia.in

Our Secretarial Audit Report of even date for the Financial Year 2021-22 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. We have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the company are free from misstatement.
3. The audit has been conducted as per the applicable Auditing Standards.
4. We have the responsibility to only express our opinion on the evidences collected, information received and Records maintained by the company or given by the Management.
5. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
6. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
7. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
8. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the basis of relevant and appropriate audit evidences to ensure that correct facts are reflected in secretarial records.
9. The company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements, or have complied with applicable laws or rules while performing any corporate action.
10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except for the matters described under "Basis of opinion" and We conclude that:

a. there is due compliance with the applicable laws in terms of timelines and process; and

b. the Records as relevant for the audit verified by me as a whole are free from Misstatement and maintained in accordance with applicable laws.

Basis of opinion

- **The composition of the Board of Directors did not comply with the requirements to have number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**
- **The requirement of appointment of at least one Independent Director of the Listed Holding Company on the Board of Directors of the company as required under Regulation 24(1) of SEBI (LODR) Regulation, 2015 have not been complied with.**

- **The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**
- **In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**
- **In the absence of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**
- **The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with.**
- **The Company has not undertaken training program for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.**

Disclaimer

11. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
12. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company so far it is not concerned with our audit related matters.

Place: Lucknow
Date: 23rd August, 2022

CS Gunjan Goel
Practicing Company Secretary

FCS No. 11565
CP No. 16350
UDIN: F011565D000835333

ANNEXURE - 6A

Kumar Naresh Sinha & Associates
Company Secretaries

121, Vinayak Apartment, Plot No.: C-58/19,
Sector-62, Noida-201309 (U.P)
Email: kumarnareshsinha@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
NLC India Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NLC India Limited** having CIN **L93090TN1956GOI003507** and having registered office at **No. 135, EVR Periyar High Road, Kilpauk, Chennai, Tamilnadu - 600010** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on **March 31, 2022**, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

SI.	Name of Director	DIN	Initial date of Appointment in Company	Date of Cessation
1.	Shri. Rakesh Kumar	02865335	23.05.2012	Continuing
2.	Shri. Shaji John	08418401	17.04.2019	Continuing
3.	Dr. V Muralidhar Goud	03595033	17.07.2019	09.07.2022
4.	Shri. Jaikumar Srinivasan	01220828	05.02.2020	21.07.2022
5.	Shri Subrata Chaudhari	05346876	05.11.2021	Continuing
6.	Shri Prakash Mishra	09388622	08.11.2021	Continuing
7.	Prof. Nivedita Srivastava	09388948	10.11.2021	Continuing
8.	Shri Ramesh Chand Meena	08009394	23.12.2021	Continuing
9.	Shri Nagaraju Maddirala	06852727	03.01.2022	Continuing
10.	Shri K Mohan Reddy	09514050	21.02.2022	Continuing
11.	Shri. N K Narayanan Namboothiri	08527157	02.08.2019	09.07.2022
12.	Shri. Nadella Naga Maheswar Rao	08148117	29.06.2018	31.05.2021
13.	Shri S K Prabakar	01238040	02.07.2020	04.06.2021
14.	Shri. Prabhakar Chowki	08199813	28.11.2018	31.08.2021
15.	Shri Dharmendra Pratap Yadav	03392153	15.06.2021	09.12.2021
16.	Dr. P Vishnu Dev	08308279	19.12.2018	12.12.2021
17.	Shri. Vinod Kumar Tiwari	03575641	03.05.2019	03.01.2022
18.	Shri. R. Vikraman	07601778	09.12.2016	28.02.2022

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida
Date: August 8, 2022

For Kumar Naresh Sinha & Associates
Company Secretaries
CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984;
PR: 610/2019
UDIN: F001807C000725662

ANNEXURE - 7

भारतीय लेखापरीक्षा एवं लेखा विभाग
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai

Date: 05.08.2022

No. DGCA /CA-I/4-43 NLC/2022-23/135

To

The Chairman and Managing Director
NLC India Limited,
Neyveli, Cuddalore District
Tamil Nadu 607801.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Standalone and Consolidated Financial Statements of NLC India Limited for the year ended 31 March 2022.

****

I am to forward herewith comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Standalone and Consolidated Financial Statements of NLC India Limited for the year ended 31 March 2022.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

(DEVIKA NAYAR)
Director General of Commercial Audit, Chennai

इंडियन ऑयल भवन, स्तर 2, 139, महात्मा गाँधी मार्ग, चेन्नै - 600 034
Indian Oil Bhavan, Level - 2, 139, Mahatma Gandhi Road, Chennai - 600 034
Tel. : 044-28330147 Fax : 044-28330142/45 e-mail : pdcachennai@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NLC INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of NLC India Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NLC India Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

1. Comment on Balance Sheet

Current Asset
Trade Receivable: ₹ 3,128.65 crore (Note No. 10)
Other Equity (Note No. 15)
Retained Earnings: ₹ 10,069.74 crore

The above includes an amount of ₹ 1063.47 crore outstanding from DISCOMs towards Water & Security expenses and Power surrender cost which was billed in Bills of Supply of Electrical Energy for the period from April 2019 to December 2020.These expenses were billed on the basis Company's internal guidelines which are neither in line with Ministry of Coal guidelines (January 2015) nor approved by Central Electricity and Regulatory Commission in its Regulation (March 2019). Further, these expenses were neither acknowledged nor paid by the DISCOMs as these were billed without any consent from DISCOMs.

In view of this, Trade Receivables and Retained Earnings of the Company is overstated by ₹ 1,063.47 crore.

2. Comments on Notes to Financial Statement

During the financial year (2021 -22) Company changed its accounting policy on Depreciation/Amortization in respect of freehold Mining Land and Amortization of Mine Development Cost. However, the necessary disclosures for changes in the accounting policies were not made in the notes to financial statement of the Company as per the requirements or Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

For and on behalf of the
Comptroller & Auditor General of India

(DEVIKA NAYAR)
Director General of Commercial Audit, Chennai

Place: Chennai
Date: 05.08.2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NLC INDIA LTD FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of NLC India Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company.

The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of NLC India Limited for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of NLC India Limited, NLC Tamil Nadu Power Limited, Neyveli Uttar Pradesh Power Limited, Coal Lignite Urja Vikas Private Limited and MNH Shakti Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

1. Comments on Balance Sheet

Current Assets
Trade Receivables : ₹ 3,709.63 crore (Note No. 10)
Other Equity(Note No. 15)
Retained Earnings : ₹ 10,452.28 crore

The above includes an amount of ₹ 1,063.47 crore outstanding from DISCOMs towards Water & Security expenses and Power surrender cost which was billed in Bills of Supply of Electrical Energy for the period from April 2019 to December 2020.These expenses were billed on the basis Company's internal guidelines which are neither in line with Ministry of Coal guidelines (January 2015) nor approved by Central Electricity and Regulatory Commission in its Regulation (March 2019). Further, these expenses were neither acknowledged nor paid by the DISCOMs as these were billed without any consent from DISCOMs.

In view of this, Trade Receivables and Retained Earnings of the Company is overstated by ₹ 1,063.47 crore.

2. Comments on Notes to Financial Statement

During the financial year (2021-22) Company changed its accounting policy on Depreciation/Amortization in respect of freehold Mining Land and Amortization of Mine Development Cost. However, the necessary disclosures for changes in the accounting policies were not made in the notes to financial statement of the Company as per the requirements of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

For and on behalf of the
Comptroller & Auditor General of India

(DEVIKA NAYAR)
Director General of Commercial Audit, Chennai

Place: Chennai
Date: 05.08.2022

MANAGEMENT REPLY TO C&AG COMMENTS ON STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2021-22

Sl no	C&AG Comments	Management Replies
1	**Comments on Balance Sheet** **Current Assets** **Trade Receivables : ₹ 3,128.65 crore (Note No. 10)** **Other Equity (Note No. 15)** **Retained Earnings: ₹ 10,069.74 crore** The above includes an amount of ₹ 1063.47 crore outstanding from DISCOMs towards Water & Security expenses and Power surrender cost which was billed in Bills of Supply of Electrical Energy for the period from April 2019 to Dec 2020. These expenses were billed on the basis of Company's internal guidelines which are neither in line with Ministry of Coal guidelines (Jan 2015) nor approved by Central Electricity and Regulatory Commission in its Regulation (March 2019). Further, these expenses were neither acknowledged nor paid by DISCOMs as these were billed without any consent from the DISCOMs. In view of this, Trade Receivables and Retained Earnings of the Company is overstated by ₹ 1063.47 crore.	1. The lignite transfer price guidelines for 2019-24 were issued after due process of stakeholders consultation and approval by Board of directors of NLCIL in line with Ministry of Coal decision issued vide 28012/1/2014-CA-II dt 24.06.2019. 2. Ministry of Coal guidelines (2015) which were applicable for the tariff period from 2014-19 which were duly complied by NLCIL. 3. In the past tariff periods, water and security charges were claimed as part of O&M cost which was allowed by MoC and CERC which were paid by beneficiaries. For the first time, CERC issued the guidelines for transfer pricing of coal and lignite for integrated mines for the tariff period from 2019-24 in which security and water charges are part of the O&M cost. Accordingly, NLCIL has filed tariff petition for the tariff period 2019-24 with CERC and the same is under process. 4. As per CERC Tariff guidelines 2019-24, Power Surrender cost is in the nature of fixed cost being incurred in the integrated captive mines against the power surrendered by the DISCOMS. 5. The Balance confirmations and reconciliations are being carried out periodically in line with agreed terms of Power Purchase Agreement where DISCOMS disputed to pay these dues, unilaterally. Thus, the Trade Receivables and Retained Earnings are accounted accordingly.
2	**Comments on Notes to Financial Statement** During the financial year (2021-22) Company changed its accounting policy on Depreciation/Amortization in respect of Freehold Mining Land and Amortization of Mine Development Cost. However, the necessary disclosures for changes in the accounting policies were not made in the notes to Financial Statement of the Company as per the requirements of Ind As 8-Accounting Policies, Changes in Accounting Estimates and Errors.	Necessary disclosure as per IND AS 8 requirement has been provided at Note No. 34 in the Standalone Financial Statements. In addition to above, the Company has disclosed in the notes of the Financial Statements under the head Property, Plant and Equipment -Note 2 (k) & (l) in the Standalone Financial Statement.

MANAGEMENT REPLY TO C&AG COMMENTS ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2021-22

Sl no	C&AG Comment	Management Replies
1	**Comments on Balance Sheet** **Current Assets** **Trade Receivables : ₹ 3,709.63 crore(Note No. 10)** **Other Equity (Note No. 15)** **Retained Earnings: ₹ 10,452.28 crore** The above includes an amount of ₹ 1063.47 crore outstanding from DISCOMs towards Water & Security expenses and Power surrender cost which was billed in Bills of Supply of Electrical Energy for the period from April 2019 to Dec 2020. These expenses were billed on the basis of Company's internal guidelines which are neither in line with Ministry of Coal guidelines (Jan 2015) nor approved by Central Electricity and Regulatory Commission in its Regulation (March 2019). Further, these expenses were neither acknowledged nor paid by DISCOMs as these were billed without any consent from the DISCOMs. In view of this, Trade Receivables and Retained Earnings of the Company is overstated by ₹ 1063.47 crore.	1. The lignite transfer price guidelines for 2019-24 were issued after due process of stakeholders consultation and approval by Board of directors of NLCIL in line with Ministry of Coal decision issued vide 28012/1/2014-CA-II dt 24.06.2019. 2. Ministry of Coal guidelines (2015) which were applicable for the tariff period from 2014-19 which were duly complied by NLCIL. 3. In the past tariff periods, water and security charges were claimed as part of O&M cost which was allowed by MoC and CERC which were paid by beneficiaries. For the first time, CERC issued the guidelines for transfer pricing of coal and lignite for integrated mines for the tariff period from 2019-24 in which security and water charges are part of the O&M cost. Accordingly, NLCIL has filed tariff petition for the tariff period 2019-24 with CERC and the same is under process. 4. As per CERC Tariff guidelines 2019-24, Power Surrender cost is in the nature of fixed cost being incurred in the integrated captive mines against the power surrendered by the DISCOMS. 5. The Balance confirmations and reconciliations are being carried out periodically in line with agreed terms of Power Purchase Agreement where DISCOMS disputed to pay these dues, unilaterally. Thus, the Trade Receivables and Retained Earnings are accounted accordingly.
2	**Comments on Notes to Financial Statement** During the financial year (2021-22) Company changed its accounting policy on Depreciation/Amortization in respect of freehold Mining Land and Amortization of Mine Development Cost. However, the necessary disclosures for changes in the accounting policies were not made in the notes to financial statement of the Company as per the requirements of Ind As 8-Accounting Policies, Changes in Accounting Estimates and Errors.	Necessary disclosure as per IND AS 8 requirement has been provided at Note No. 36 in the Consolidated Financial Statements. In addition to above, the Company has disclosed in the notes of the Financial Statements under the head Property, Plant and Equipment -Note 2 (j) & (k) in the Consolidated Financial Statement.

NLC INDIA LIMITED
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

S. No.	Particulars	
1	Corporate Identity Number (CIN) of the Listed Entity	L93090TN1956GOI003507
2	Name of the Listed Entity	NLC India Limited ('NLCIL')
3	Year of incorporation	1956
4	Registered office address	No. 135, EVR Periyar High Road, Kilpauk, Chennai- 600010, Tamil Nadu
5	Corporate address	
6	E-mail	investors@nlcindia.in
7	Telephone	044-28360027, Fax: 044-28360057
8	Website	www.nlcindia.in
9	Financial year for which reporting is being done	2021-22
10	Name of the Stock Exchange(s) where shares are listed	• BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 • National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
11	Paid-up Capital	₹ 1,386.64 crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	D. Shankar Deputy General Manager, Management Services, gmms@nlcindia.in 04142 212558
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures made under this report are made on a standalone basis for NLCIL.

II. Products/services

14. Details of business activities:

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Electricity supply	Electric power generation	83%
2	Mining	Mining of coal and lignite	17%

15. Products/Services sold by the entity:

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Electric power generation	35102	83%
2	Sale of Coal	05101	9%
3	Sale of lignite	05201	8%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of plants	Number of offices	Total
National	15	9	24
The Company does not have any international operations			

This includes four open cast lignite mines, one open cast coal mine, five pithead thermal power stations, four solar power plants and one wind power plant.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Odisha, Madhya Pradesh, Kerala, Rajasthan, Pondicherry and Andaman & Nicobar Islands.
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

The Company supplies energy and related services to several business customers which are mainly the state distribution companies and Commercial & Industrial consumers. The company is also having a fuel supply agreement with M/s NTPC and M/s TAQA for their thermal power plants. The company sells lignite through E-Auction route to industries for captive power generation. NLCIL is having power consumers who buys the surrendered power by the DISCOMS through power trading. NLCIL is also having customers in the field of mining and solar power generation firms who receives consultancy services from NLCIL.

IV. Employees

18. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			Numbers (B)	% (B / A)	Numbers (C)	% (C / A)
Employees						
1	Permanent (D)	3,917	3,585	92	332	8
2	Other than Permanent (E) *	136	92	68	44	32
3	Total employees (D + E)	4,053	3,677	91	376	9
Workers						
4	Permanent (F)	7,329	6,760	92	569	8
5	Other than Permanent (G) **	15,465	14,607	94	858	6
6	Total employees (F + G)	22,794	21,367	94	1,427	6

Note: includes NLCIL employees of NTPL and NUPPL
* refers to fixed term employments and resident doctors
** refers to contract workmen employed by private contractors

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			Numbers (B)	% (B / A)	Numbers (C)	% (C / A)
Differently Abled Employees						
1	Permanent (D)	56	54	96	2	4
2	Other than Permanent (E)	-	-	-	-	-
3	Total differently abled employees (D + E)	56	54	96	2	4
Differently Abled Workers						
4	Permanent (F)	155	126	81	29	19
5	Other than Permanent (G)	-	-	-	-	-
6	Total differently abled workers (F + G)	155	126	81	29	19

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		Numbers (B)	% (B / A)
Board of Directors	11	1	10%
Key Management Personnel	6	-	-

20. Turnover rate for permanent employees and workers

	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in previous FY)			FY 2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	1.45	1.51	1.46	0.46	1.22	0.53	0.52	1.46	0.60
Permanent workers	-	0.18	0.01	0.03	0.17	0.04	0.01	0.16	0.02

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of Holding / subsidiary / associate companies / joint ventures

S. No.	Name of the Holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by / in listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	NLC Tamil Nadu Power Limited (NTPL)	Subsidiary	89%	Yes
2	Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary	51%	Yes
3	MNH Shakti Limited (MNH)	Associate	15%	No
4	Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint Venture	50%	No

VI. CSR Details

22.

(i)	Whether CSR is applicable as per section 135 of the Companies Act, 2013	Yes
(ii)	Turnover	₹9,856.48 crore
(iii)	Net worth	₹13,693.06 crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 22 Current Financial Year			FY 21 Previous Financial Year		
		(A)	(B)	(C)	(D)	(E)	(F)
Communities	Y	101	6		151	7	-
Investors (other than shareholders)	Y	-	-	-	-	-	-
Shareholders	Y	21	-		23	1*	-
Employees and workers	Y	-	-	-	-	-	-
Customers	Y	-	-	-	-	-	-
Value Chain Partners (Vendors)	Y	1	1	-	1	1	-

(A) & (D) refers to Number of complaints filed during the year
(B) & (E) refers to Number of complaints pending resolution at close of the year
(C) & (F) refers to Remarks

Note:
* The pending resolution was subsequently resolved post the year end

24. Overview of the entity's material business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

NLCIL, as a leading Navratna Central Public Sector Enterprise in Mining and Power Generation (Thermal and Renewable), recognises that managing risk is critical for sustainable development and in pursuit of achievement of business objectives. NLCIL is thus committed to the effective and efficient management of risks to achieve the company's vision and mission in line with the risk-reward appetite of its stakeholders.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Community Engagement	R	The communities form as a key stakeholder considering the nature of the business	Communities are engaged through skill development and contract employment and several CSR projects	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Health and safety	R	Risk of accidents that could result in impacting the health and safety of the relevant stakeholders due to the nature of operations	Safety measures and action taken to avoid fire incidents in thermal plants are: • Regular testing the readiness of Fire Detection & Suppression System; Weekly check of fire pump, hydrant pipeline and valves; 24x7 fire crew, presence of fire tender and foam tender across sites. • As per Safety and Health policy, everyone has the authority to challenge and stop unsafe activities. • Free medical facilities are available to NLC employees and contract workers. • Yes, OHSAS 45001-2018 has been implemented. • Joint Fire safety campaign conducted with CISF fire crew once in a year. • Hands on training imparted to all employees and contract workmen using portable fire extinguishers	Negative
3	Air emissions	R	The main sources of emission of pollutants are • Drilling and excavation activity • Transportation of lignite/coal • Storage yard & Haul roads • Stack emissions • Ash handling system • Fly Ash transportation	The steps taken by NLCIL for controlling emission are: • Installation of Water sprinkler/Fog systems • Haul road water sprinklers • Vehicular water spraying/ Pressurized mobile water sprinkling system for roads inside the mines • Conveyor water spraying • Working face water spray pipelines • Fixed water sprinklers guns in Bunker area • Fog Cannon dust suppression system in Coal Stock Yard • Provision of Electrostatic precipitator • Flue gas desulphurization implementation is also under progress	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Land acquisitions	R	Delay for NLCIL's operations related to mining activities.	• R&R (Rehabilitation and Resettlement) policy in place, which compensates over and above the requirements under 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013' (RFCT LARR Act). • Providing employment opportunities to project affected persons through skill development and contractual employment besides engagement in agriculture and farming.	Negative
5	Resource availability	O	Availability of abundant resource	• Improvement in operating parameters to effective usage of resources • Adoption of resource efficient technology.	Negative
6	Renewable energy	O	Renewable energy is one of the key focus areas of NLC as a long term strategy.	Development of renewable energy deployments are being ventured	Positive
7	Operational efficiency and plant reliability	O	Operational efficiencies are key parameter for resource conservation	• Super critical boilers of 800 MW with less specific fuel consumption and CO_2 emission are being implemented in thermal power plant at Talabira. • Adoption of Green mining technologies for minimizing the impact of mining activities on the environment.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Water and effluent management	R	The major pollutant that is present in the seepage & surface water is Suspended Solids. Other pollutants such as Bio-chemical Oxygen Demand, Chemical Oxygen Demand, Total Suspended Solids, Total Dissolved Solids, Oil & Grease etc., are generated from the vehicle washing & domestic waste from the mines.	• All industries are provided with requisite STPs/ETPs for meeting the standards for treated wastewater. • Rainwater Harvesting in NLCIL premises • Artificial Recharge by gravity method in the recharge area • Artificial recharge through injection well technique	Negative
9	Governance	R	Being a regulated entity we need the top most compliance in all aspects.	• Policy development to address key aspects concerning ESG for guiding the culture at NLCIL • Provision of trainings and awareness programmes on anti-corruption and anti-competitive behaviour • Building awareness among stakeholders on change in regulatory norm • Risk management with oversight of the Board. • Code of conduct training and guidance for all our stakeholders	Negative
10	Training, education and development	O	We understand the changing landscape in the context upskilling, compliance managements and career development	• Deploying and providing accessibility through digital means to the workforce has been a key initiatives undertaken during the pandemic times	Positive
11	Climate Strategy	R	Our business activities are carbon intensive in nature. With the evolving regulatory and compliance regarding carbon markets, developing a climate strategy is critical to us.	We intend to expand our portfolio in the renewable energy space. • Also, through our R&D team (CARD) we intend to develop innovations that help reduce carbon foot print	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Innovation and Digitisation	O	We believe sustained innovation is required to promote the green innovation and create a work friendly environment	• Enhancing partnerships and collaborations with new technology start-ups in the energy solutions and services domain Integrating digital technology to improve asset performance and enhance customer experience	Positive
13	Sustainable Supply Chain	O	As part our strategy to provide resilient power to our customers, we consider a sustainable supply chain is key to it.	• Implementation of sustainable supply chain guidelines • Capacity building programmes for suppliers on Environment Social and Economic fronts to create shared value • Capturing ESC data of suppliers on voluntarily basis	Positive
14	Decommissioning of old plants	R	Some of our plants have attained their end of life. We would be decommissioning such plants.	• Decommissioning of plants are governed by the norms of Ministry of Power (MoP) • Ensuring safety and security of people and environmental impact during decommissioning	Negative
15	Ethics and integrity	O	Being a regulated entity it is essential to maintain the highest standards of ethics in the organisation	• Ethics being part of core values, all business processes are aligned to principles of ethics and integrity • Policies of code of conduct, whistle blower, complaint handling and banning of business dealings in place • 100% compliance with laws and regulations ensuring a transparent and corruption free work environment • Display Boards at all offices exhorting any visitor not to succumb to pressure and report any case of corrupt practices directly to Chief Vigilance Officer	Positive
16	Biodiversity Preservation	O	We intend to conserve and promote the biodiversity in the areas which have been reclaimed after mining	• Improvement in operating parameters to reduce consumption of coal and water y Ensure and implement responsible business practices in areas of high biodiversity value	Negative

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements of administering responsible activity.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board*? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
*Note- As per the delegation granted to Chairman-cum-Managing Director									
c. Web Link of the Policies, if available	Whistle blower policy - https://web.nlcindia.in/webcount/Document/whistleblow.pdf Complaint handling policy - https://web.nlcindia.in/webcount/Document/Complaint_Policy.pdf Archival Policy - https://www.nlcindia.in/investor/ArchivalPolicy.pdf Nomination and Remuneration Policy - https://www.nlcindia.in/investor/Remuneration-policy13032019.pdf Policy for Materiality of Event - https://www.nlcindia.in/investor/policy_materiality_event.pdf Policy on Material Subsidiary - https://www.nlcindia.in/investor/policy_on_material_subsidiaries.pdf Policy on Related Party Transaction - https://www.nlcindia.in/investor/policy_on_related_party_transactions.pdf Cyber security policy - https://www.nlcindia.in/new_website/cyber-policy-17-22.pdf Vendor grievance policy - https://www.nlcindia.in/new_website/Vendor%20Grievance%20Policy%20rv1%2018082022.pdf Waste Management Policy - https://www.nlcindia.in/new_website/Waste%20Management%20Policy.pdf									

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		Dividend Distribution Policy - https://www.nlcindia.in/investor/dividenddistributionpolicy_15042017.pdf Policy for Investment in Surplus Funds - https://www.nlcindia.in/investor/policyforSTD07122018.pdf Environment Policy of NLC - https://www.nlcindia.in/new_website/env-policy-2019.pdf CSR Policy - https://www.nlcindia.in/new_website/csr_new/csr_policy_2021.pdf Code of Conduct - https://www.nlcindia.in/news/conduct.pdf Code of conduct for prevention of Insider Trading - https://www.nlcindia.in/investor/code_conduct_trading.pdf Code of Practices and Procedures for disclosure of Unpublished Price Sensitive Information - https://www.nlcindia.in/investor/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information06042019.pdf Policy on Safety & Health - https://www.nlcindia.in/new_website/NLC%20Safety%20policy.pdf								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO/IEC 17025:2005 • OHSAS 45001-2018- Safety • ISO 9001 - 2015 Quality Management System • ISO 14000-1094 – Environmental' • ISO 17025 - Testing and Calibration Laboratories								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	NLCIL has set a high growth target to become energy major with 15,851 MW power generation capacity by 2030 with its own fuel security of lignite mining capacity of 40.10 MTPA from its present capacity of 30.60 MTPA and coal mining capacity of 44.00 MTPA from the present capacity of 20.00 MTPA. The Company intends to increase its renewable energy capacity to 6,031 MW capacity by 2030 from the existing capacity of 1,421 MW								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Refer Director's Report								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Refer Director's Report									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Functional Directors are responsible for the implementation and oversight of the Business Responsibility policies with respect to their respective functional area.								

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details		No. NLCIL is in the process of creating a working committee to oversee the sustainability related topics.								
10. Details of Review of NGRBCs by the Company:										
Subject for review		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Indicate whether review was undertaken by Director / Committee of the Board/ Any other committee	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Frequency (Annually (A)/ Half yearly(H)/ Quarterly(Q)/ Monthly (M)/ Weekly(W) specify)	A	A	A	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Frequency (Annually (A)/ Half yearly(H)/ Quarterly(Q)/ Monthly (M)/ Weekly(W) specify)									
*Note- As per the delegation granted to Chairman-cum-Managing Director										
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency		Even though all the policies are not covered for independent assessment / evaluation on their workings, the Company has done evaluation and impact assessment of the CSR activities through external agency M/s Institute of Public Enterprises (IPE), Hyderabad.								
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:										
Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)										
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

SECTION C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

The Company demonstrates high standards of ethics and integrity in its operations. The Company has clear manuals and policies to guide all its stakeholders to maintain, act and engage in a manner that is ethical, transparent and accountable in nature. Further to enforce the criticality of ethics, the company has prescribed a detailed code of conduct for all employees (including senior management), directors, suppliers and other stakeholders. The policy/rules relating to ethics, bribery and corruption cover the Company and extend to the Group/Joint Ventures/Suppliers/Contractors/NGO. The Company and its subsidiaries are also governed by the guidelines issued by CVC, Government of India and provisions as per applicable Acts.

Essential indicators

1. Percentage covered by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Two masterclass sessions for directors (virtual training programme) on 31st July, 1st August 2021 and on 7th and 8th August 2021. Two online programme on masterclass for directors on 'Certified Corporate Directors' on 4th, 5th, 11th and 12th September.	46%
Key Managerial Personnel	2	Conference organized by the Ministry of Coal (5th India Energy Forum by CERA)	25%
Employees other than BoD and KMPs	1378	• Virtual Program on 'Towards an Ethical Work Culture' dated 22nd June 2021 to 24th June 2021. • Webinar Training On " Independent India @ 75: Self Reliance with Integrity on 10th October 2021. • VAW Being Self Reliant with Integrity - The Role of PSU Employees dated 8th November 2021, • The Fight Against Corruption & Role of Transparency India at NTPL dated 29th October 2021 • Regulatory Framework in Electricity Industry in India - Challenges, Governance & Future Roadmap dated 23rd and 24th March of 2022.	100%
Workers	650	• Webinar training on " Independent India@ 75: Self Reliance with Integrity dated 21st October 2021 • VAW Being Self Reliant with Integrity - The Role of PSU Employees dated 8th November 2021 • The Fight Against Corruption & Role of Transparency India at NTPL dated 29th October 2021	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Obligations) Regulations Disclosure, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR lakhs)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Monetary					
Penalty/ Fine	Principle 1	Securities and Exchange Board of India	29.50	Pursuant to the Corporate Governance Report filed by the Company during the four Quarter for the year 2021-22, BSE and NSE issued notice for non-compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations,2015	In response to the notice issued by the Stock Exchanges for levy of penalty due to non-compliance of Regulation 17(1) of SEBI (LODR), 2015, replies were made to the Stock Exchanges requesting to waive the penalty imposed on the Company stating that since our Company being a Government Company, the power to appoint directors on the Board of the Company vests with the President of India and the periodical actions taken by the Company in apprising the Ministry of Coal (MoC) with regard to the requirement of appointing requisite number of Independent Directors on the Board.
Settlement	Nil				
Compounding fee					
Non-monetary					
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory / enforcement agencies / judicial institutions
Nil	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

NLCIL has internal standing orders that advises on anti-bribery and anti-corrupt practices. NLCIL has implemented Integrity Pact Programme in co-operation with Central Vigilance Commission (CVC) and renowned International Non-governmental organization, Transparency International India (TII). Integrity pact with the suppliers/ contractors for all tender with estimate of INR 1 crore and above are monitored.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY22	FY21
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY22 (Current financial year)		FY21 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   In response to the notice issued by the Stock Exchanges for levy of penalty due to non-compliance of Regulation 17(1) of SEBI (LODR), 2015, a reply was made to the Stock Exchanges requesting to waive the penalty imposed on the Company stating that since our Company being a Government Company, the power to appoint directors on the Board of the Company vests with the President of India and the periodical actions taken by the Company in apprising the Ministry of Coal (MoC) with regard to the requirement of appointing requisite number of Independent Directors on the Board.

Leadership indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	Vendors Meet dated 10th October 2021 Vendor Development Workshop For Procurement In Government E-Marketplace (GEM) dated 5th October 2021	Not assessed

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   The Company has the following policies in place to avoid/manage the conflict of interest involving members of the Board.

   1. Code of Conduct for Board Members and Senior Management Personnel.
   2. Code of conduct for prevention of Insider Trading.
   3. Code of Practices and Procedures for disclosure of Unpublished Price Sensitive Information.
   4. Whistle Blower Policy.
   5. Compliant Handling Policy.
   6. Policy for Materiality of Event.
   7. Policy on Related Party Transaction.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

The Company does not believe in profit alone as its prime objective but follows the policy of integrating People and Planet. Corporate Sustainability vision addresses Society, Environment, and Economy for the success of the company and for the wellbeing of the various stakeholders. The Company's philosophy on sustainability is to contribute for a greener and healthier planet and hand it over to the future generations in a sustainable manner.

Essential indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current financial year (FY22)	Previous financial year (FY21)	Details of improvements in environmental and social impacts
R&D	30%	26%	CARD has taken up initiative for the formation of Innovation Incubation Centre (IIC). Under IIC, projects focusing on environmental improvement and social impacts of products and processes are taken up. In addition, R&D works like Hi-Tech Farming, Development of Mobile Electric Vehicle based - Real Time Air Quality Monitoring & Modelling for NLCIL, Study on evaluation of ageing of oils used in transformer and various equipment, Studies on Heavy/trace Metals and elements in Lignite/Coal, Real time monitoring of borewells/Conveyor at Mines, etc. are being carried out.
Capex	11%	3%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Lignite/Coal Linkage:

   - 100% of lignite requirement for the power generation is sourced sustainably by locating the power station at pithead.
   - 100% of coal requirement for the proposed NLC Talabira Thermal Power Project is sourced sustainably from Talabira II & III Coal Mines, Odisha.
   - Fuel Supply Agreement: FSA is signed with an IPP, M/s TAQA for long term supply of lignite.

   b. If yes, what percentage of inputs were sourced sustainably?

   Most of the inputs are sourced sustainably as the inputs are from the process of mining (major inputs are coal and lignite which are sourced in a captive manner). However, The Company is in process of assessing and including sustainability checks for its suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   - Usage of plastic bags, covers, etc has been banned in Neyveli Township since 2006. Thrown plastics like oil covers, milk covers, etc are collected & shredded into small pieces and processed for use as additives in construction works in the township.
   - NLCIL collects and disposes the e-waste through e-tender by MSTC to Pollution Control Board Authorized recycler.
   - NLCIL safely disposes the hazardous waste generated through e-tender by MSTC to Pollution Control Board Authorized recycler/co-processors/disposal facility.
   - NLCIL is committed towards 100% fly ash utilization in its lignite/coal based Thermal power projects and has achieved the same in its Thermal Power Stations at Neyveli, Tuticorin and Barsingsar.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Not applicable

Leadership indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.

NIC Code	Name of product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	If yes, provide web link
Life Cycle Assessment(LCA) have not been conducted. However, LCA of the fuel has been planned.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
	-	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material	
	FY22 (Current financial year)	FY21 (Previous financial year)
Not applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Indicate input material	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Only packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	11.12
Hazardous waste	-	-	245.57	-	-	159.52
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate input material	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

The Company believes in its human assets who are the key performers driving the Company's growth. The Company provides a conducive working environment to its employees wherein they deliver their best potential.

Essential indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by												
Category	**Total (A)**	**Health insurance**		**Accident insurance**		**Maternity benefits**		**Paternity benefits**		**Day Care facilities ***	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3,585	3,585	100	3,585	100	NA	NA	3,585	100	-	-
Female	332	332	100	332	100	332	100	NA	NA	332	100
Total	**3,917**	**3,917**	**100**	**3,917**	**100**	**332**	**100**	**3,585**	**100**	**332**	**100**
Other than Permanent employees											
Male	92	92	100	92	100	NA	NA	92	100	-	-
Female	44	44	100	44	100	44	100	NA	NA	44	100
Total	**136**	**136**	**100**	**136**	**100**	**44**	**32**	**92**	**68**	**44**	**100**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	**Health insurance**		**Accident insurance**		**Maternity benefits**		**Paternity benefits**		**Day Care facilities ***	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	6,760	6,760	100	6,760	100	NA	NA	6,760	100	-	-
Female	569	569	100	569	100	569	100	-	-	569	100
Total	**7,329**	**7,329**	**100**	**7,329**	**100**	**569**	**8**	**6,760**	**92**	**569**	**100**
Other than Permanent workers											
Male	14,607	8,496	58.16	14,607	100	-	-	-	-	-	-
Female	858	653	76.11	858	100	-	-	-	-	858	100
Total	**15,465**	**9,149**	**59.16**	**15,465**	**100**	**-**	**-**	**-**	**-**	**858**	**100**

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	No. of employees covered as a% of total employees	No. of workers covered as a% of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a% of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	-	-	-	-	-	-
Others - NLCIL Pension scheme, Superannuation benefit, Post Retirement Medical Assistance, Post Retirement Medical Insurance	100	100	Y	100	100	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company takes all efforts to maintain adequate representation of physically challenged persons in its workforce in compliance of provisions under the Rights of Persons with Disabilities Act, 2016. The Company has put in place a comprehensive policy for Persons with Disabilities (PwDs) for providing certain facilities, in line with the guidelines issued by Department of Personnel and Training (DoP&T).

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

NLCIL takes all efforts to maintain adequate representation of persons with disabilities in its workforce and is in compliance with the provisions of the Rights of Persons with Disabilities Act, 2016. NLCIL is in the process of developing a policy that guides the goals and objectives in this aspect.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	NA	NA	NA	NA
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

<table>
<tr><th></th><th>Yes / No (If Yes, then give details of the mechanism in brief)</th></tr>
<tr><td>Permanent Workers</td><td rowspan="4">NLCIL has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management. NLCIL has always followed an open door policy, wherein any employee irrespective of hierarchy has access to the senior management.
In addition, the Corporate Whistleblower Initiative (CWI) provides a formal platform to share grievances on various matters. The details of the grievance mechanism and CWI are shared with employees through a specific module. New recruits are also sensitized on the CWI mechanism and forms part of the employee induction programme. NLCIL has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on the same is placed on the Company's website. The ICC comprises majority of women members. Members of the Company ICC are responsible for conducting inquiries pertaining to such complaints. NLCIL on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.
The process of redressal mechanism is given below:
(i) The employee shall submit his/her grievance in the prescribed format immediately and in any case within a period of 3 months of Its occurrence.
(ii) For the purpose of prompt, correct and quick disposal of representations, employees have been grouped in the following three categories.
(i) workmen and Staff.
(ii) Supervisors and Executives.
(iii) Executives of GM and above.
For each category of employees, a separate Corporate Level Redressal Committees formed. The Grievances will be handled in two stages:
I. At Stage-I
The employee concerned shall take up the grievance with the head of his/her Dept/Unit through proper channel in the prescribed FORM-I. The Unit/Dept. Head shall call the concerned employee for redressal of the grievance and will return the Form-I with remarks/ action to be taken within 15 days from the date of receipt of the grievance petition.
II. At Stage –II
The employee may prefer an appeal if he/she is not satisfied with the reply directly to the respective Corporate Level Grievance Redressal Committee, in FORM-II. All such representations shall be submitted in duplicate to the respective Secretary of the Committee. A copy of the Form-I carrying the remarks/solution offered by the Unit Head must be enclosed with the Form-II.</td></tr>
<tr><td>Other than Permanent Workers</td></tr>
<tr><td>Permanent Employees</td></tr>
<tr><td>Other than permanent employees</td></tr>
</table>

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Total employees / workers in respective category (A)	Number of employees / workers in Respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	Number of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	3585	2878	73.10	3658	2952	80.70
Female	332	256	77.10	327	245	74.92
Total Permanent Workers						
Male	6760	4867	72.00	6810	5114	70.10
Female	569	398	69.90	584	412	70.55

8. Details of training given to employees and workers:

Category	FY 22 (current financial year)					FY 21 (previous financial year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (B / A)	Number (C)	% (C / A)
Employees										
Male	3,585	3,458	96.50	211	5.90	3,658	436	11.90	50	1.40
Female	332	312	94.00	20	6.00	327	78	23.90	15	4.60
Total	3,917	3,770	96.20	231	5.90	3,985	514	12.90	65	1.60
Workers										
Male	6,760	2,483	36.70	1,362	20.10	6,810	830	12.20	2,121	31.10
Female	569	544	95.60	51	9.00	584	345	59.10	232	39.70
Total	7,329	1,939	26.50	1,413	19.30	7,394	1,175	15.90	2,353	31.80

9. Details of performance and career development reviews of employees and workers:

Category	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/C)
Employees						
Male	3,585	3,585	100	3,658	3,658	100
Female	332	332	100	327	327	100
Total	3,917	3,917	100	3,985	3,985	100
Workers						
Male	6,760	6,760	100	6,810	6,810	100
Female	569	569	100	584	584	100
Total	7,329	7,329	100	7,394	7,394	100

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

   Yes, OHSAS 45001-2018 has been implemented.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

   HIRA i.e. Hazard Assessment and Risk Assessment is practiced and Safety Management Plan (SMP) prepared based on that.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

   As per Safety and Health policy, everyone has the authority to challenge and stop unsafe activities.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

   Free medical facilities are available to NLC employees and contract workers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 22 Current Financial Year	FY 21 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2	-
	Workers	4	15
Total recordable work-related injuries	Employees	2	-
	Workers	4	15
No. of fatalities	Employees	-	8
	Workers	-	14
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Safety audit of all the Mines is conducted by ISO Team every year and Safety audit of Thermal plants is conducted by accredited external agencies once in two years.
- Regular Inspection of Mines and Thermal plants by Internal Safety Organisation and Central Safety executives and safety observation report is given to Unit heads for compliance.
- Every accident/incident is investigated thoroughly to arrive at the root cause and corrective action is taken to prevent recurrence.
- Central Safety Council inspection and meeting is done every month to different units as per annual schedule.
- Mines & Thermal plants are under the control of qualified statutory officials having organizations set up of various divisions to ensure safety and health.
- Standard operating procedures have been established for all the activities of the mines and thermal and are strictly implemented. SOPs are reviewed from time to time. SOPs are available in local language for better understanding and implementation.
- Monthly safety officers meet is conducted by the Central Safety Wing covering all units of NLCIL, NUPPL and NTPL.
- Monthly Unit Safety Committee meetings are conducted in Mines and Thermal plants.
- Each mine is maintaining two fire tenders, being handled by CISF personnel, round the clock.
- Water danger potentials are studied and well managed by a separate division having expertise in ground water control.
- SIMULATOR was installed and commissioned at our Vocation Training Center to impart virtual based training to equipment operators to eliminate any accidents during actual equipment training.
- Coal excavation in Talabira – II & III OCP is being carried out by blast free technology using surface miner.

13. Number of Complaints on the following made by employees and workers:

Category	FY 22 (Current Financial Year)			FY 21 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

    Not applicable

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

   Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   The NLCIL ensures that all statutory dues as applicable to the transactions within the remit of the Company are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. For the contract workmen monthly Clearance is provided by concerned division executives & HR executives for ensuring all statutory compliance is complied. After Clearance only payment is released for all types of works and periodic statutory inspection is carried by concerned authorities.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		Number of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 22 (Current Financial Year)	FY21 (Previous Financial Year)	FY 22 (Current Financial Year)	FY21 (Previous Financial Year)
Employees	-	8	1	7
Workers	-	14	2	11

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   Yes

5. Details on assessment of value chain partner:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Company expects its value chain partners to follow extant regulations, including health and safety practices and working conditions, these parameters are explicitly captured in the procurement contracts. Performance is monitored on various parameters including but not restricted to explicit parameters relating to adherence to health and safety practices and working conditions regulations. Although no specific assessment has been carried out pertaining to health and safety practices and working conditions of value chain partners, periodic inspections of material value chain partners are performed.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

NLCIL maintains a strong focus on sustainable development with conservation of natural resources being integrated into all activities. NLCIL's strategy is to have minimum impact on environment and fulfil the aspirations of various stakeholders. NLCIL has framed its own Sustainable Development Policy taking into consideration the magnitude and nature of core business activity and fulfilling aspirations of the Stakeholders and protecting the Environment.

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   NLC India Limited maintains a dynamic and strategic stakeholder engagement process where it identifies key stakeholder groups from the larger universe of all possible stakeholders. This is done after considering the material influence each group has on the Company's ability to create value (and vice-versa). Through this mechanism, the Company has currently identified seven internal and external stakeholder groups: Employees, Government and Regulatory Authorities, Customers, Communities and Civil Society / NGOs, Suppliers, Institutions, Investors.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	E-mail direct communication	Engaged on a need-basis depending upon the purpose	To keep employees aware of key developments within the organization through engagement activities, training, awareness and welfare programmes
Shareholders/ Investors	No	Annual General Meetings, quarterly results investor meetings, stock exchange intimations, Emails, advertisement, Website communication	Engaged through multiple regulatory meetings, other engagements depending upon the purpose	Information of the financial and other key parameters, considering critical inputs from the shareholders.
Customers	No	Customer meetings, website publications, conferences, emails and advertisements	On a need basis	Business related discussions, awareness and training programmes, workshops and seminars.
Institutions	No	Mail communication, industry associations, conferences	On a need basis	Talent collaboration, training programmes
Communities and NGOs	Yes	CSR activities, community meetings, mail communication	Catering to the requirements as and when need arises	CSR, welfare
Suppliers	No	Mail communications, seminars, conferences	On a need basis	Business related discussions, awareness and training programmes, workshops and seminars
Governments & Regulatory Authorities	No	Compliance meetings, comments given on regulatory matters, industry associations, mail communication	Continual on a need basis	Policy advocacy, statutory meetings

Leadership indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company engages in consultation with stakeholders on the Environment, Social and Governance topics through the departments within the organization who undertakes the same on a continuous basis. NLCIL seeks feedback on a regular basis, which is then integrated into the organisation's strategy and aligning with the mission and vision. Material issues are internally discussed, shortlisted and taken for discussions with the relevant stakeholders based on the priority and impact on the stakeholders and our business.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, NLCIL ensures that the opinions and suggestions from various stakeholders are heard. The Company engages with the stakeholders to ensure the expectations are taken into policies and practices. The Company's CSR activities essentially responds to the requirements of the various stakeholders and then implements the same. NLCIL works towards promoting health care by way of conducting medical camps, construction of health care center for Government hospitals, Covid relief measures, promoting sanitation through contribution towards construction of toilets in the circulating areas of railway stations in Tamil Nadu, promoting education through scholarship to girl students, rural development projects providing affordable access of social facilities in Neyveli. NLCIL involves continuous engagement with the local communities, creating a value-based and empowered society.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   NLCIL addresses the concerns of vulnerable / marginalized stakeholder groups, especially through the wide ranging CSR projects. For more information, refer to the CSR report.

PRINCIPLE 5: Businesses should respect and promote human rights

The Company remains committed to supporting and practicing high standards of labour practices and human rights across our operating locations. The organisation has zero tolerance towards discrimination and harassment of any of the employees and workers. We take intense efforts to strictly adhere to the applicable laws and uphold the spirit of human rights.

Essential indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Total (A)	Number of employees / workers covered (B)	% (B/A)	Total (C)	Number of employees / workers covered (D)	% (D/C)
Employees						
Permanent	3,917	3,917	100	3,985	3,985	100
Other than permanent	136	136	100	91	91	100
Total employees	4,053	4,053	100	4,076	4,076	100
Workers						
Permanent	7,329	7,329	100	7,394	7,394	100
Other than permanent	15,465	-	-	16,749	-	-
Total workers	22,794	7,329	32	24,143	7,394	31

2. Details of minimum wages paid to employees and workers, in the following format:

	Total (A)	Equal to Minimum Wage		More than minimum wage		Total (D)	Equal to Minimum Wage		More than minimum wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Permanent										
Male	3,585	-	-	3,585	100	3,658	-	-	3,658	100
Female	322	-	-	322	100	327	-	-	327	100
Other than permanent										
Male	92	-	-	92	100	66	-	-	66	100
Female	44	-	-	44	100	25	-	-	25	100
Workers										
Permanent										
Male	6,760	-	-	6,760	100	6,810	-	-	6,810	100
Female	569	-	-	569	100	584	-	-	584	100
Other than permanent										
Male	14,607	-	-	14,607	100	15,826	-	-	15,826	100
Female	858	-	-	858	100	923	-	-	923	100

3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	2,34,096	-	-
Key Managerial Personnel (KMP)	1	1,81,930	-	-
Employees other than BoD and KMP	3,911	1,06,936	372	106,082
Workers	7,329	67,989	555	68,302
Other than permanent	15,465	-	16,749	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   NLCIL adheres to all the principles enshrined in the Constitution of India and the laws on Human Rights like RTI, Child Labour Prohibition, Sexual Harassment at Work place, Labour Laws etc. NLCIL has a working group that manages the functioning of the human rights activities and to address the concerns. There was no stakeholder complaint received with regard to the human rights.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   NLCIL's redressal process involves receiving the grievances, addressing them through a formal procedure and resolving the same in a timely manner. NLCIL also adheres to the redressal mechanisms that are statutorily covered under the relevant laws covering the human rights.

6. Number of Complaints on the following made by employees and workers:

	FY 22 Current Financial Year			FY 21 Previous Financial Year		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual harassment	2	0		0	0	
Discrimination at workplace	Nil					
Child labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company takes all efforts to protect the stakeholders from any adverse consequences in discrimination and harassment cases. The Whistleblower policy provides protections to genuine whistle blowers from any kind of harassment / unfair treatment / victimization.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, business agreements and contracts does contain human rights requirements on a need basis.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company is in compliance with the laws, as applicable
Forced /Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
Not applicable. NLCIL believes in upholding the basic principles of human rights in all its dealings. This is in alignment with its Human Rights Statement. The Company regularly sensitises its employees on the Code of Conduct through various training programmes.

2. Details of the scope and coverage of any Human rights due diligence conducted.
Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
The Registered Office, Corporate Office and all the Units of NLCIL have ramps for easy movement of differently abled visitors. The offices have adequate elevators and infrastructure facility to cater the needs of differently abled visitors. The Company also maintains application forms in Braille to cater to the special needs of visually impaired customers.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	NLCIL expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. No specific assessment in respect of value chain partners has been carried out other than certain covenants where some of these parameters are being monitored closely in certain lending arrangements.
Discrimination at workplace	
Child labour	
Forced Labour / Involuntary Labour	
Wages	
Other human rights related issues	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
No corrective actions pertaining to Question 4 was necessitated during the year under review.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

NLCIL maintains a strong focus on sustainable development with conservation of natural resources being integrated into all activities. NLCIL's strategy is to have minimal impact on the environment and fulfill the aspirations of various stakeholders. Thrust areas include environment improvement programmes such as eco restoration in mines, massive afforestation programmes, rainwater harvesting, waste utilization, and conservation of biodiversity, effective water and energy management, pollution control, mitigating the impact of climate change. NLCIL is also proactive in training its employees in Environment Management.

Essential indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Total electricity consumption (A) (in Mega Joules)	10403308800	9391273200
Total fuel consumption (B) (in Mega Joules)	1459921464	1408065227
Energy consumption through other sources (C) (in Mega Joules)	0	0
Total energy consumption (A+B+C) (in Mega Joules)	11863230264	10799338427
Energy intensity per ₹ of turnover (Mega Joules/₹)	0.1113	0.1204

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NLCIL intends to have an independent assessment carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   PAT Cycle II was earlier completed in FY 2018-19. Further Bureau of Energy Efficiency (BEE) has notified PAT cycle VII from April 2022 onwards for the period April 2022 to March 2025 and TPS-I Expansion and TPS-II of NLCIL are identified as Designated Consumers (DCs).

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	5,620,538	5,472,397
(ii) Groundwater	1,911,465	1,210,901
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	63,244,040	61,696,590
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	70,776,043	68,379,888
Total volume of water consumption (in kilolitres)	69,415,897	63,851,587
Water intensity per ₹ of turnover (Water consumed / turnover)	7,042.67	8,807.56

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   NLCIL intends to have an independent assessment carried out by an external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Not yet. However, various steps to re-use treated water for green belt development and reducing the water consumption are being undertaken.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
NOx	µg/m3	10-18	19-24
Sox	µg/m3	6 – 12	3-10
Particulate matter (PM)	µg/m3	60-75/ 16-40.3	40-60.1 / 21-29
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please Specify	NA	NA	NA

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   NLCIL intends to have an independent assessment carried out by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 22 (Current Financial Year)*	FY 21 (Previous Financial Year)*
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2.62 Million*	20.0 Million
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0.58 Million&	0.63 Million&
Total Scope 1 and Scope 2 emissions per ₹ of Turnover	Metric tonnes of CO2 equivalent	26.201 Million	19.801 Million
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 per crore ₹ of turnover	2,658.25	3,614.12

*Note: The increase in emission is due to capacity addition of TPPs in 2021-22 and reduction of capacity (TPS I) during 2020-21.
& Note: The major Scope 2 emission occurs due to mining activities.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NLCIL intends to have an independent assessment carried out by an external agency.

7. Does the entity have any projects related to reducing Green House Gas emission? If Yes, then provide details.

Yes.

- NLCIL follows mining activities as per guidelines and procedures stipulated by the Government and has taken number of Green/ Sustainability initiatives such as use of Clean Energy technologies for Mine production, large scale green belt development, bio-reclamation of derelict mined out land and farming, utilization of renewable energy such as Wind & Solar.
- The extensive green belt developed in NLCIL acts as a natural carbon sink and improves the Air quality of the surroundings. Every year nearly 100 Ha of land is being reclaimed and afforested by planting 2500 trees per Ha as per guidelines of the Ministry.
- The use of latest technologies in Thermal plants such as ESP, Super Critical Boilers, FGD (to be implemented), etc., are helping to reduce the emission levels within the prescribed norms.
- All the Units are adopting energy conservation measures to augment the reduction of GHG emissions.
- NLCIL's venture into renewable energy has proved to be a great stride forward to reduce the dependence on coal fuels in our country. NLCIL has implemented 1370.06 MW of Solar & 51 MW of Wind Power Plants at various places. The introduction of battery cars in NLCIL General Hospital was implemented to reduce the carbon footprint due to conventional vehicles.

  Future Endeavours:

- NLCIL has bagged 510 MW through Indian Renewable Energy Development Agency Limited (IREDA) under CPSU scheme and 150 MW through Solar Energy Corporation of India (SECI).
- Under Smart City Scheme, 10 MW Solar Project will be implemented at Neyveli.
- NLCIL has planned to establish 4250MW of renewable energy projects in Tamilnadu and various states.
- The shift towards adoption of renewable power generation will considerably reduce the dependence on coal fuel and most of all it will further reduce the Carbon footprint of the industry in the near future.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	11.12
Bio-medical waste (C)	27.30	21.18
Construction and demolition and waste (D)	-	-
Battery waste (E)	-	30.30
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	7,042.67	8,807.56
- Transformer Oil	70.86	8.60
- Used Oil	174.71	150.92
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G+ H)	272.87	222.11
For each category of waste generated, total waste disposed by way of nature of disposal method (in metric tonnes)		
Category of waste	Nil	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations		
- e-waste	-	11.12
- Bio-medical waste	27.30	21.18
- Battery	-	30.30
- Hazardous	245.57	159.52
Total	272.87	222.12

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NLCIL intends to have an independent assessment carried out by an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- The Company's mining operations are preserving valuable topsoil of the mined out land, which is re-used for the land reclamation works. NLCIL adopts contemporary slope stabilization and preservation of topsoil in Mines to create green cover
- Organic/Bio Farming being undertaken in mined out land to keep the soil alive for sustainable production in eco- friendly manner
- In the Township at Neyveli, NLCIL has constructed a modern sewage treatment plant of capacity 30 MLD. The treated effluent and manure from this plant is used for Green Zone Development and agricultural purposes. Treated water is used for agriculture and horticulture purpose
- An Integrated Solid Waste Management System (ISWMS) covering the entire area of Neyveli Township is proposed to be established based on the pilot study and past data on quantity of wastes. The ISWMS includes
  - A Bio – Gas plant under 'waste to energy' concept utilizing the domestic / municipal solid waste.
  - Waste to electricity conversion with a view to capture GHC gases and
  - Vermi-composting / micro-nutrient composting using biochest for developing Bio – manure.
- NLC India Limited is always in line with the National Mission of "Clean & Green India" and is implementing the latest technologies in the Environmental arena for the past 6 decades and is constant.
- NLCIL has executed an R&D project Utilizing Bottom ash of Thermal Power Plants for Construction Activities as substitute of Fine Aggregates (Sand) in collaboration with Vellore Institute of Technology (VIT). An experimental building of 920 SFT has been constructed by Utilizing Bottom ash as a substitute of Fine Aggregates (sand).
- NLCIL has been utilizing 100% of the fly ash generated from its TPPs by supplying to Brick industries, Cement industries, in-house uitlisation for manufacturing fly ash bricks, solid blocks, RCC door and window frames, lamp posts, slabs, etc.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Talabira OCP II & III	Mining	Yes. Obtained Environment Clearance & Forest Clearance and the conditions are being compiled by the unit.
2	TPS-II 2nd Expansion	Power Generation	Yes. Obtained Environment Clearance on 29.10.2018.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No EIA was conducted during the current financial year. However, it may be noted that all projects before obtaining ECs have conducted EIA study as per the EIA notification 2006					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:
Yes. NLCIL is in compliance with the Environmental laws & regulations applicable and reports to MoEF&CC, SPCB & various statutory authorities are also being filed as per the regulations stipulated.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Leadership indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (in mega joules)	49.93	56.80
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C) (in mega joules)	49.93	56.80
From non-renewable sources		
Total electricity consumption (D)	2,967.33	2,852.69
Total fuel consumption (E)	410.15	445.97
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	3,377.47	3,298.65

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of Treatment	13,537,880	12,787,930
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties		-
- No treatment	-	-
- With treatment – please specify level of Treatment	24,215,880	18,991,880
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	4,19,636	449,580
Total water discharged (in kilolitres)	**38,173,396**	**32,229,390**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NLCIL intends to have an independent assessment carried out by an external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
Currently, no plant is located in water stressed area.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:
NLCIL has started collecting the data for the Scope-3 parameters from 2022-23 onwards.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
No project of NLCIL is located in an eco-sensitive area.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	FY 21 (Previous Financial Year)
1	Green belt Development & Study on Carbon dioxide sequestration	At present about 2.5 Million trees have been planted in NLCIL covering all the mines and the township area.	Based on pilot study carried out the potential CO2 sequestration capacity of the greenbelt area is about 36 Ton/Ha/Year.
2	Pilot study of CO2 sequestration from flue gas of Thermal power plant by Biological process	Biological CO2 sequestration was carried out in one of the Thermal Power Plant as a pilot study. Micro-algae was used to sequest the CO2 in a closed reactor called photo-bio reactor (specially designed reactor for culturing Microalgae and sequestering CO2). The algal bio-mass obtained was converted into bio-diesel.	For 1000 Litre of Micro Algae photo-bio reactor 2 Kg of CO2 sequestration was achieved per day.
3	Renewable Energy	NLCIL has implemented 1370.06 MW of Solar & 51 MW of Wind Power Plants at various places.	For 1 Unit of power generation, the CO2 sequestration potential achieved by switching from lignite based TPP to Solar power plant, is around 959 g eCO2/KWH

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
Yes, NLCIL has a disaster management plan whose primary objective is to safeguard the life of the persons working on the plant. Other objectives include to attend the emergency with clear and focused action, to minimize damage to the environment, to minimize loss of assets of the plant as well as the neighbourhood, rescue operations and treatment of the injured.
The disaster management plan covers natural disasters like geological, hydrological and Climatic & atmospheric and man-made disasters like sociological and technological.
The purpose of a plan is to evolve a more proactive, holistic and integrated approach of strengthening disaster preparedness, mitigation and emergency response in the event of disaster taking place. The 'Crisis and disaster management Plan for power sector' provides a framework and direction to the utilities in the power sector for all phases of the disaster management cycle.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

- NLCIL identifies and assesses potential environmental risks arising from its operations in its Mines and Thermal Power Plants.

- In accordance, appropriate mitigation measures such as adoption of Cleaner Renewable energy, CFBC boiler, super critical boilers, Green mining practices, installation of pollution control measures such as Dust Suppression systems, Bag filters, water jets/sprinklers, etc., are being adopted & implemented to reduce the impact on the environment.
- The reduction of Environmental stress due to the implementation of above stated Enviro-friendly activities is being monitored periodically & is being reported to statutory authorities through various reports such as Environmental Statements, Environmental Compliance reports, Fly Ash Report, etc. Certain reports such as the Fly Ash reports are being hosted in NLCIL's website also.
- The company has undertaken several initiatives to address global environmental issues, for instance.
- Efforts are being taken to augment the capacity addition in the Renewable Energy segment. The Renewable projects are expected to reduce the greenhouse gas emissions to a large extent. NLCIL has made its presence in the Renewable Energy segment by installing 1370.06 MW of Solar & 51 MW of Wind Power Plants.
- Environmental protection measures carried out in NLCIL Thermal Power Projects by introducing tall stacks for the control of gaseous and particulate pollution for wider dispersal and reduction of ground Level concentration, providing electrostatic precipitators for dust control and initiation of FGD for controlling of SO2 emissions.
- Environmental protection measures carried out in NLCIL mines viz., the dust suppression using water sprinklers, planting of dense green belts along roadsides in and around the mines.
- NLCIL lays high emphasis on environmental awareness. NLCIL has conducted eight different programs on Environment and Pollution Control, Energy Conservation & Co-Generation Techniques, Environmental Friendly Mining Mitigation and Environmental Impacts, and Environmental Impact & Assessment. Considering the pandemic scenario, 352 employees have attended these programs in Webinar mode.
- NLCIL has been adjudged and conferred with "Platinum Award" in "10th Exceed Environment Award 2021" under "Environment Preservation" Category in Mining & Power sector.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
   Nil

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

The Company being one of the major utilities, actively participates and engages with various association and industry chambers in the formulation of sector defining standards and procedures. The Company also actively voices out its recommendations and suggestion in policy formulation relating to the sector, where in it engages with regulatory bodies such as CERC, SERCs, CEA etc.

Essential indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State / National)
1	The Employers Federation of Southern India (EFSI)	National
2	Quality Circle Forum of India (QCFI)	
3	All India Management Association (AIMA)	
4	Power Sector Skill Council (PSSC)	
5	Skill Council for Mining Sector (SCMS)	
6	National Institute of Personnel Management (NIPM)	
7	Standing Conference of Public Enterprises (SCOPE)	
8	Central Board of Irrigation and Power (CBIP)	
9	Project Management Associates (PMA)	
10	Public Relations Society of India (PRSI)	
11	National Safety Council (NSC)	
12	All India Organization of Employer's (AIOE)	

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

   Not applicable

Leadership indicators

1. Details of public policy positions advocated by the entity:
   The Company actively participates and provides inputs to any stakeholder consultation with industry players and government for the development of policy with respect to energy, economic reforms, water, mining, sustainable practices, electricity, non- conventional energy etc. The Company also engages actively with trade / industry associations in policy formulation in the space of regulations and policy concerning the power sector.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

The Company, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, right from its inception, focusing on the socio economic development of the operating regions for achieving inclusive growth. The Company had adopted a Corporate Social Responsibility Policy covering the various sectors for sustainable socio-economic development. The Company focuses on healthcare, education, sanitation, safe drinking water, hunger, poverty and malnutrition eradication, women empowerment, gender equality, environment sustainability, rural sports, protection of National Heritage, Arts and Culture, Rural Development, Water Resource Augmentation.

Essential indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
   Not applicable, as there were no projects that required SIA to be undertaken under law.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of project affected families	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	Mine-II & Expansion	Tamil Nadu	Cuddalore	360	100	As the recommendation of eligible R&R beneficiaries are yet to be received from the District Administration. The R&R expenditure made in the FY 2021-22 is NIL
2	Talabira-II& III OCP	Odisha	Sambalpur	20	100	₹ 1.29 Cr

*Note: The number of project affected families indicated above are only for FY22.

Apart from the above following expenditure is also incurred for R&R in Talabira Mines & Thermal:

S.No.	Particulars	Amount ₹ In Crore
1	Exp incurred on Construction of R&R colony for Talabira Mines	6.12
2	Amount spend on Purchase of R&R Colony Land for Talabira Thermal & II Phase of Talabira Mines (50% Booked in Mines & 50% Booked in Thermal)	34.90
3	Other Misc. Expenses on R&R in Talabira Mines	0.18

3. Describe the mechanisms to receive and redress grievances of the community.

   NLCIL engages with the communities through various CSR activities which is spearheaded by the CSR head who is the contract person for addressing any grievances from the community. The Community could reach out to NLCIL through the various programme officers either orally or in writing, who would coordinate with the CSR head to hear the complaints and redress the grievances. The community would reach out to the program officers as the first point of contact.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 22 Current Financial Year	FY 21 Previous Financial Year
Directly sourced from MSMEs/ small producers	23%	32%
Sourced directly from within the district and neighboring districts	2.26%	2.48%

Leadership indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
   Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

   For further reference please refer the CSR report.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
   No

   (b) From which marginalized /vulnerable groups do you procure?
   No

   (c) What percentage of total procurement (by value) does it constitute?
   Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Details of Intellectual Property based on traditional knowledge
4 nos. of patents were granted. Out of four patents, one patent (A process for the production of “Humi Gold” (A salt of Humic Acid) from lignite) was commercialised and a revenue of ₹45.11 lakhs was earned as revenue by means of License and royalty fee till date.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.
   Nil

6. Details of beneficiaries of CSR Projects
   Refer CSR report

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

The Company ensures that the highest standards pertaining to power generation and delivery are followed as per regulations and policies to ensure assured reliability and availability for the benefit of all its stakeholders. The Company has legacy in providing quality power, coal, lignite and other services to its customers for more than 6 decades since its inception.

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   CERC is the regulatory body that regulates the tariff of generating companies owned or controlled by the Central Government. Tariff determination applications are submitted by generating stations by way of generating Tariff application, Miscellaneous application or review application.
   APTEL a multi-disciplinary expert appellate body for electricity was constituted in the year 2005 to hear appeals against the orders of the Central and State Electricity Regulatory Commissions. The appeals are preferred either by Discoms or generating stations mostly on issues disallowed by CERC pertaining to the capacity and energy charges. After submission of pleadings and hearings the Appellate tribunal would remand the appeal back to CERC for consideration and compliance.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about environmental and social parameters relevant to the product, safe and responsible usage, Recycling and/or safe disposal:

   Not applicable as NLC India Limited is in the business of producing electricity and selling Coal and Lignite. There are no shelf goods or services that may carry information.

3. Number of consumer complaints in respect of the following:

	FY 22 (Current Financial Year)			FY 21 (Previous Financial Year)		
	Received during the year	**Pending resolution at end of year**	**Remarks**	**Received during the year**	**Pending resolution at end of year**	**Remarks**
Data privacy	There have been no consumer complaints received in respect of these practices.			There have been no consumer complaints received in respect of these practices.		
Advertising						
Cyber-security						
Delivery of essential Services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:
   Not Applicable due to the peculiar nature of product.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.
   NLCIL is in the process of establishing a Cyber Security & Data Privacy Policy and would host the same in the website.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
   Nil

Leadership indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
   All information regarding business of NLC India Limited can be accessed through the Company's website www.nlcindia.in and in its periodic disclosures such as the annual report and the integrated report.
   Link - https://www.nlcindia.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
   Not Applicable – NLC India Limited has 'Electricity' as its major product and it is not directly involved in the distribution services to the consumer.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
   Not Applicable – NLC India Limited has 'Electricity' as its major product and it is not directly involved in the distribution services to the consumer.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
   Not Applicable – NLC India Limited has 'Electricity' as its major product and it is not directly involved in the distribution services to the consumer.

5. Provide the following information relating to data breaches:
   a. Number of instances of data breaches along-with impact
      Nil

   b. Percentage of data breaches involving personally identifiable information of customers
      Not applicable

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

R Subramanian and Company LLP,
Chartered Accountants,
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Chennai – 600004

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

TO:
The Members of NLC India Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion:

We have audited the accompanying Standalone Financial Statements of **NLC India Limited** ("the Company") ("NLCIL"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended including a summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Talabira and Barsingsar (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit (including other comprehensive income), the changes in equity, and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in "other matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern:

We draw attention to Note 61(c) of the Standalone Financial Statements, which indicates the challenges faced by the Company with reference to acquisition of further lands due to legislative changes and the resistance of land owners for higher compensation / employment opportunities etc. In the eventuality of the Company unable to acquire requisite lands, there would be a material uncertainty on the operations of the Company, which may cast significant doubt on the Company's ability to continue as a going concern in future. However, in order to overcome the challenges, the Company has revised its compensation and Rehabilitation and Resettlement (R&R) policy and various other welfare measures, to continue on further land acquisitions, which would sustain mining operations and power generation, without any disruptions.

Our Opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

1. Note 2(j) with regards to capitalization of Talabira II & III Coal mines.
2. Note 10(A)(c) regarding the provision towards loss allowance on outstanding trade receivables for the year ended March 31, 2022, pending receipt of confirmation of balances and completion of exercise of the reconciliation of balances and resolving various issues, in respect of which actions have been initiated.

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3. Note 11 and 31(a) relating to recognition of income tax expense for the year ended March 31, 2022, which has been paid under the Direct Tax Vivad Se Vishwas Act, 2020 (VSVS) towards settlement of income tax disputes and consequent recovery action being initiated from the beneficiaries as per CERC tariff regulations.

4. Note 13(b)/ 22(c) where the Company had filed truing up petition for the Tariff period 2014- 19 for its Neyveli Mines. Central Electricity Regulatory Commission (CERC) has issued True up order during March 2022 and corrigendum for the same during April, 2022 for tariff period 2014-19. The Company is seeking clarification from Ministry of Coal and also filed a review petition before the commission. Pending disposal of the review petition, the impact of the order has been deferred.

5. Note 13(c)/ 22(d) where the Company has filed truing up petition for the tariff period 2014 - 19 for its Thermal stations in December, 2019. Any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

6. Note 13(e)/ 30(b) wherein an amount of ₹165.78 Crore being 50% of the mine closure deposit including interest for the five-year period from FY 2016-17 to FY 2020-21 was considered on a provisional basis under the head Regulatory income during the FY 2020-21 pending filing of claim with coal controller. Further, an amount of ₹22.22 Crore has been provisionally considered as regulatory income for the FY 2021-22.

7. Note 13(f) regarding the Deferred Tax Liability materialized from FY 2019-20 onwards is yet to be considered in the Financials, pending finalization of the claim amount from beneficiaries.

8. Note 23(d) with respect to determination of lignite transfer price wherein adjustments which may arise out of revision of lignite price, if any, will be recognized upon filing of petition with CERC and/or disposal of petition by CERC, as the case may be.

9. Note 62 regarding the management's assessment of impact on financial position of the Company due to COVID 19 pandemic.

Our Opinion on the Standalone Financial Statements is not modified in respect of the above matters.

As per branch auditor's report of Talabira branch submitted to us:

10. Note 30(d) with respect to income of ₹48.59 Crore, booked on account of "Regulatory Deferral Account Balance Income" on the basis of management approval, but the petition is yet to be filed with CERC for further orders. Opinion of the auditor of the branch with respect to the branch financial statements is not modified in respect of the above matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

STANDALONE FINANCIAL STATEMENTS

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The following have been considered as Key Audit Matters:

Sl no.	Key Audit Matter	Auditors' Response
1	Assessment of provisions and contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt. A high level of judgment is required in estimating the amount of provisioning. The Company's assessment is supported by the facts of matter, their own judgment, experience and independent legal advice wherever considered necessary. Accordingly, unexpected adverse outcomes which may significantly impact the reported profit and net assets are disclosed. A sum of ₹8,406.74 Crore have been considered by the Company towards contingent liability and commitments representing claims of third parties. Refer Note 53 of the Standalone Financial Statements. Included in the above, is a sum of ₹4,864.05 Crore that has been considered by the Company towards contingent liability which includes claims of third party's compensation for land acquisition. The Company has not accepted the said claims which are contested in legal proceedings and are pending for disposal by the appellate authorities. Further, there are several items of disputes pending in various appellate forums in respect of determination and quantification of liability towards direct and indirect taxes by the departments. Liabilities in respect of disputed demands are considered only as contingent liabilities pending the outcome of the decision of the appellate authorities. The total unpaid amount of disputed liabilities on account of Direct and Indirect taxes (including land tax) is ₹ 630.60 Crore.	**In view of the significance of the matter, we performed the following key audit procedures:** • Testing the design and operating effectiveness of controls relating to taxation and contingencies; • We evaluated management's judgements in respect of estimates of provisions, exposures and contingencies; • In understanding and evaluating management's judgements, we have utilized our internal tax experts. • We have also examined the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and developments in the tax environment; and • Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the Standalone Financial Statements in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.
2	**Project activities of Bithnok and BTPSE project:** Accuracy of impairment provisions in respect of exploration and evaluation assets and projects under "Capital work in progress" which involves critical judgment of the management in respect of feasibility of ongoing projects. The Standalone Financial Statements include relevant disclosures that identify and explain the amounts arising from such feasibility study. Refer Note 5 to the Standalone Financial Statements. Further, an aggregate amount of ₹388.98 Crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold, on account of cancellation of contract by the end customer and the eventual litigation with the EPC contractor appointed by the Company. The EPC contractor has made certain claim against for which the Company has made some counter claims. However, in the meantime the Company has admitted a sum of ₹29.98 Crore as payable and accordingly provided the same for the year ended March 31, 2022. During the year, the Company has made encashment of BG amounting to ₹36.99 Crore. The Company made further claim towards encashment of BG amounting to ₹126.27 crore for which the Company could not encash due to the direction of Hon'ble Supreme Court to extend the validity of BG. Pending disposal of the case, a provision of ₹ 114.79 Crore has been made against the said advance, for which the said BG issued has been provided, for the year ended March 31, 2022.	**Our audit procedures performed included the following:** • We obtained the details of project activities of Bithnok and BTPSE project from the management; • Reviewed the correspondence with EPC contractor and the details of claims made against the Company and counter claims made by the Company; • Took note of the counter points of the Company against claim made by EPC contractor; and • Reviewed the basis for provision of ₹29.98 Crore and ₹114.79 Crore made for the year ended March 31, 2022.

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Sl no.	Key Audit Matter	Auditors' Response
3	**Expected Credit Loss on Trade Receivables:** Ind AS 109 - Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the Standard. In the process of applying such principles and other requirements of the Standard, a significant degree of judgment has been applied by the management. The ECL in respect of trade receivables represents management's best estimate of the loss allowance. The ECL allowance is computed based on a simplified model considering ageing of trade receivables and also trend of collection of dues. The calculation of ECL allowance is a complex area considering the profile and background of customers and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the historical information and estimating the level and timing of expected future cash flows. The provision for ECL on trade receivables amounts to ₹501.51 Crore as at March 31, 2022.	**Our audit procedures performed included the following:** • We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation; • The computation is based on ageing reports derived from SAP; • We, having regard to profile and the background of the customers, collection of dues and the measures of the Govt(s) in regard to settlement of dues by such customers, understood the methodology used by the management to arrive at their ECL provision and examined certain assumptions used by the Company; • We also tested the arithmetical accuracy and assessed the judgments used in the management's model used to calculate provision for credit losses; and • We assessed the disclosures included in the Ind AS Financial Statements with respect to such allowance/ estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 - Financial Instruments: Disclosures.
4	**Direct Tax Vivad Se Vishwas Act, 2020 (VSVS)** **(A)** The Company has opted the VSVS for settlement of income tax disputes and has filed the relevant details before the income tax department. In consequence of the same, the Company has remitted a sum of ₹730.91 Crore during the years 2019-20 and 2021-22. Upon due scrutiny, the income tax department has accepted the application and issued Form-5 as per the provisions of VSVS, thereby concluding the disputes. **(B)** Exceptional item includes ₹389.97 Crore on account of income tax recoverable from the beneficiaries as per the CERC tariff Regulations, for different Tariff periods due to payments/adjustments relating to earlier periods pursuant to opting of VSVS. Pending billing to beneficiaries, the said amount has been considered as unbilled revenue as on March 31, 2022 and is grouped under other current assets.	**Our audit procedures performed included the following:** **(A) On VSVS** • Verified all the assessment orders passed, which are subject to VSVS; • Verified the appeals pending against various forums and the status of the same; • Analysed the various issues for which Company has opted for VSVS; • Verified the Forms (Form 1, 2, 3 and 4) filed by the Company under VSVS; • Verified the payments made under VSVS; • Verified Form-5 issued by the income tax department; and • Understood the reasons for pending tax litigations, which are not subjected to VSVS. **(B) On recovery of VSVS tax from beneficiaries** • We have obtained an understanding of the CERC tariff Regulations, orders, circulars, guidelines, procedures and power purchase agreements entered in respect of recoverability of income tax paid from beneficiaries; • Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue; • We involved our internal tax experts to understand and evaluate the recoverability of income tax paid from beneficiaries, review legal precedence in this regard; • We have gone through the expert opinion obtained by the management in this regard; and • Verified the accounting of revenue for amount recoverable from beneficiaries.

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INDEPENDENT AUDITORS' REPORT

Sl no.	Key Audit Matter	Auditors' Response
5	**Amortisation of Freehold Land** The accounting policy followed by the Company until FY 2020-21 provides that no depreciation to be charged on freehold land. With effect from April 01, 2021, the Company has changed its accounting policy to amortise freehold land on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by Technical experts. This change in the accounting policy has significant impact on the financial statements and considering this as material prior period item, the Company has restated previous year financials as well the opening reserves as on 01.04.2020.	**Our audit procedures performed included the following:** • Read the Company's accounting policy with respect to depreciation in accordance with Ind AS 16 - Property, Plant and Equipment; • Analysed the data from the certificates issued by technical experts including the total estimated lignite reserves vis-a-vis lignite actually extracted during each year; • Analysed the industry norms on similar matter and the appropriate treatment recognized; • Evaluated the key assumptions made including land available for mining and minable reserves available; • Review of the workings done in this regard including mathematical accuracy; and • Checked the compliance and disclosure requirements as per Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report and Responsibility Report, but does not include the Standalone Financial Statements and our Auditors' report thereon. The other information is expected to be made available to us after the date of this Auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express anyform of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

(a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or

(b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors' report is prepared.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

These Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the branches included in the standalone financial statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matter' in this audit report.

  Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of two (2) Branches included in the Standalone Financial Statements of the Company whose financial statements reflect total assets of ₹ 2,463.55 Crore as at March 31, 2022 and total revenues of ₹ 1,454.20 Crore for the year ended March 31, 2022, total net profit before tax of ₹ 545.58 Crore for the year ended March 31, 2022 and total comprehensive income of ₹ 561.61 Crore for the year ended March 31, 2022, and net cash out flows of ₹ 4.35 Crore for the year ended March 31, 2022. The financial statements of these Branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these Branches, is based solely on the report of such branch auditors and the procedures performed by us as stated under Auditors' Responsibilities for the audit of the Standalone Financial Statements section above.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The reports on the accounts of the Branch Offices of the Company audited under Sec 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;

    d. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

    e. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS;

    f. The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;

    g. The Company being a Government Company, the provisions of Sec, 164(2) of the Act relating to disqualification of directors is not applicable in view of the Notification No: G.S.R, 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs;

    h. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

    i. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our report in "Annexure-II";

    j. The Company being a Government Company, the provisions of Sec 197 of the Act relating to managerial remuneration is not applicable in view of the Notification No: G.S.R, 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable to the Company; and

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k. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer to Note 53 of Standalone Financial Statements;

ii. The Company has long term contracts for coal mining, power sale, project execution etc. However as at March 31, 2022, there were no material foreseeable losses on those contracts. The Company did not have any derivative contracts as at March 31, 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. **(a)** The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. **(a)** The final dividend paid by the Company during the year, which pertains to previous year 2020-21 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend;

(b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act; and

(c) As stated in Note 54 (c) to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year 2021-22 which is subject to the approval of the Members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

3. As required by Sec 143(5) of the Act, our comments in regard to the directions and sub- directions issued by the Comptroller and Auditor General of India is given in "Annexure – III".

4. During the year, the Company has not complied with the requirements relating to the composition of the Board, including failure to appoint woman director, as required under Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Company has complied with the requirement of Regulation 17(1)(a) with respect to appointment of independent woman director as at March 31, 2022.

For R Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AKBFDJ9190

Place: Chennai
Date: May 30, 2022

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 22221916AJXKXU9603

Annexure-I to the Independent Auditors' Report on the Standalone Financial Statements

With reference to Annexure-I referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022, we report that:

(i) **(a)** **(A)** The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has conducted physical verification of PPE in the previous year which is in accordance with their planned programme of verifying them once in two years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) As informed by the management, the Company is in possession of Title deeds/Assignment deeds/GOs in respect of immovable properties. However, in view of substantial volume of land documents held by the Company and reconciliation of the same with the PPE register which is in progress, verification of the title deeds was rendered difficult. It was also observed on test check of available documents that there were instances of title deeds still lying in the name of previous owner. We have been informed that the management is in process of identifying such title deeds which are still in the name of the previous owners and thereafter requisite steps will have to be initiated by the management, including approval of name changes by appropriate authority. In view of this, the title deeds of the lands cannot be directly linked with the PPE register maintained by the Company.

As per expert legal opinion furnished to us, the ownership of the land acquired between the incorporation of the Company until the year 1977 and between the years 1997 to 2001 is subject to conditions attached by Government of Tamil Nadu in the respective assignment deeds.

Immovable properties of land, whose title deeds have been deposited with banks as security for term loans have been verified by us based on the documents provided to us by the Company relating to registration of charges with Ministry of Corporate Affairs.

(d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2022 and accordingly, reporting on clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder and accordingly, reporting on clause 3(i)(e) of the Order is not applicable to the Company.

(ii) **(a)** According to the information and explanation provided to us, the physical verification of inventory have been conducted at reasonable intervals by the Stock verification team under Perpetual Inventory System on continuous basis. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from bank during the year on the basis of security of current assets of the Company. There are few instances noticed wherein the quarterly returns/statements filed with the bank are not in agreement with the books of account of the Company. However, considering the drawing power and the limits utilised by the Company during the year, the differences are not significant warranting detailed comments.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in and granted loans during the year to subsidiary companies and employees.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has provided loans to a subsidiary company and employees as follows:

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(₹ Crore)

Particulars	Loans
Aggregate amount granted/ provided during the year	
Subsidiaries	375
Others – Employees	28
Balance outstanding as at balance sheet date in respect of above cases	
Subsidiaries	-
Others – Employees	52

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the investments made and the terms of the loans provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan to subsidiary, the schedule of repayment of principal and payment of interest have been stipulated and the repayments have been regular. In the case of loans to employees, the terms of the loans are governed by the Company's policies. The principal and interest have been recovered at periodical intervals as laid down in such policies.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no material overdue amounts as at the Balance Sheet date. Accordingly, reporting under clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no cases where the loans have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties in respect of loans which had fallen due during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under the other requirements of clause 3(iii)(f) is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loans given, investments made and guarantee provided by the Company are in compliance with the provisions of Section 185 and 186 of the Act read with Ministry of Corporate Affairs notification number G.S.R. 463(E) dated June 5, 2015.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have reviewed the cost records maintained by the Company as specified by the Central Government under Section 148(1) of the Act and are of the opinion that the prescribed cost records have been maintained. We have also reviewed the most recent cost audit report made available to us for the PY 2020-21 and did not notice any adverse comments on the maintenance of cost records.

(vii) **(a)** Based on the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Cess and other material statutory dues applicable to it, have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Cess and other material statutory dues were in arrears as at 31 March 2022, for a period of more than six months from the date they became payable, except in the case of Royalty and Income Tax (TDS) dues as mentioned here below:

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Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the statute	Nature of the dues	Amount (₹ Crore)	Period to which the amount relates	Due date	Date of Payment	Remarks
Mines and Mineral (Development and Regulation) Act,1957	Royalty	8.86	FYs 2009-10 to 2013-14	-	-	This is on account of truing up order for the tariff period 2009-14
Income Tax Act	Income Tax (TDS)	0.40	FY 2007-08	-	-	These are dues as appearing in the TDS reconciliation analysis and correction enabling system (TRACES) portal and not accounted in books
Income Tax Act	Income Tax (TDS)	0.08	FY 2008-09	-	-	
Income Tax Act	Income Tax (TDS)	0.04	FY 2009-10	-	-	
Income Tax Act	Income Tax (TDS)	0.34	FY 2010-11	-	-	
Income Tax Act	Income Tax (TDS)	0.74	FY 2011-12	-	-	
Income Tax Act	Income Tax (TDS)	0.0007	FY 2013-14	-	-	
Income Tax Act	Income Tax (TDS)	0.0002	FY 2015-16	-	-	
Income Tax Act	Income Tax (TDS)	0.0001	FY 2019-20	-	-	

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Sales Tax, Service tax, Duty of Customs, Value Added Tax, Cess and other Statutory dues which have not been deposited as on March 31, 2022 on account of any dispute except as reported below:

Statement of Disputed Dues

Name of the Statute	Nature of Dues	Demand Amount* (₹ Crore)	Amount Deposited under Protest (₹ Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	0.09	0.09	FY 2003-04	High court
		0.93	-	FY 2006-07	CIT(A)
		1.80	-	FY 2009-10	CIT(A)
		1.88	-	FY 2011-12	CIT(A)
		0.01	0.003	FY 2011-12	CIT(A)
		1.86	1.86	FY 2012-13	Assessing Officer
		0.03	0.005	FY 2012-13	CIT(A)
		0.0002	-	FY 2012-13	Assessing Officer
		1.92	1.92	FY 2013-14	Assessing Officer
		0.03	0.005	FY 2013-14	CIT(A)
		0.02	0.004	FY 2014-15	CIT(A)

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Name of the Statute	Nature of Dues	Demand Amount* (₹ Crore)	Amount Deposited under Protest (₹ Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	0.01	0.003	FY 2015-16	CIT(A)
		23.14	23.14	FY 2016-17	CIT(A)
		0.02	0.003	FY 2016-17	CIT(A)
		29.99	22.01	FY 2017-18	CIT(A)
Finance Act, 1994	Service Tax	0.90	0.07	Apr 2009 to Jun 2012	CESTAT
		0.51	0.07	Jul 2012 to Mar 2014	CESTAT
		8.53	-	Jul 2012 to Mar 2015	Supreme Court
		3.67	-	Jul 2012 to Mar 2014	Supreme Court
		0.26	0.03	Apr 2014 to Mar 2015	CESTAT
		2.06	-	Jun 2008 to Mar 2012	CESTAT
		0.73	0.07	Apr 2015 to Jun 2017	CESTAT
		14.17	-	Apr 2015 to Jun 2017	Supreme Court
		0.08	0.01	Apr 2015 to Jun 2017	CESTAT
		38.55	-	Oct' 2014 to June 2017	Madras High Court
		4.49	-	FY 2015-16	Madras High Court
Central Excise Act 1944	Clean Environment Cess and Excise Duty	179.00	-	As on 30- 06-2017	Madras High Court
Tamilnadu VAT Act, 2006	Sales tax	468.38	112.43	FY 2011-12 to FY 2015-16	Madras High court
Rajasthan Finance Act, 2006	Land Tax	0.58	0.29	2008-09	Land Tax Assessing Officer
		1.74	0.63	2009-10	Land Tax Assessing Officer
		1.74	0.87	2010-11	Land Tax Assessing Officer
		2.00	1.00	2011-12	Land Tax Assessing Officer
		2.00	1.00	2012-13	Land Tax Assessing Officer
Customs Act,1969	Custom Duty	14.82	9.83	FY 2006-07	Supreme Court

*As appearing in the demand notice

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) **(a)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or other lendor.

(c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not availed any term loans during the year.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short- term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) **(a)** The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit. Hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) **(a)** According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under section 143(12) of the Act has been filed by the auditors in Form ADT– 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) As represented to us by the management and according to the information given to us, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable. The Company, being a government company, transactions with other government companies are exempt from compliance of Section 188 of the Act, in terms of Notification No: G.S.R. 463(E). dated 5th June 2015, issued by Ministry of Corporate Affairs, Government of India. Details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.

(xiv) **(a)** According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued for the period under audit have been considered by us.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate Company, as applicable, or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) **(a)** According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act 1934 (2 of 1934).

(b) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation provided to us and based on our examination of the records of the Company, the Group does not have any Core Investment Company. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

STANDALONE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

(xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans, though a material uncertainty related to Going Concern of the Company exists as at the Balance Sheet date, as far as it relates to availability of lands for mining, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. We also draw reference to the section "Material Uncertainty Related to Going Concern" in our main Audit Report.

(xx) **(a)** According to the information and explanations given to us and on the basis of the examination of the records of the Company, there are no amounts remaining unspent in respect of other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanation provided to us and based on our examination of the records of the Company, there are no amount remaining unspent under Section 135(5) of the Act, pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For R Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AKBFDJ9190

Place: Chennai
Date: May 30, 2022

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 22221916AJXKXU9603

INDEPENDENT AUDITORS' REPORT

Annexure-II to Independent Auditors' Report on the Standalone Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. NLC India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

We did not audit the Internal Financial Control over Financial Reporting of two (2) branches included in the Standalone Financial Statements of the Company. The adequacy of internal financial controls system over financial reporting and the operating effectiveness of such internal financial controls over financial reporting in so far as it relates to the above two branches is solely based on the corresponding auditors' reports of the respective branch auditors.

Our opinion is not modified in respect of this matter.

For R Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AKBFDJ9190

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 22221916AJXKXU9603

Place: Chennai
Date: May 30, 2022

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Annexure-III to Independent Auditors' Report on the Standalone Financial Statements

Comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
1. Whether the Company has a system in place to process all the accounting transactions through IT system? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any,may be stated	As per the information and explanations given to us, the Company has system in place to process all the accounting transactions through IT system. SAP ERP has been implemented for the processes like Financial Accounting (FI), Controlling (CO), Material Management (MM), Sales and Distribution (SD), Production Planning (PP), Project systems (PS) and Plant maintenance (PM). During the year the Company has continued to use Payroll Accounting software for employee salary (PIPAS). For integration of the entire system, the Company is in the process of implementing Human Capital Management (HCM) and Fund Management (FM) modules of SAP. Our examination of records on sample basis did not reveal any transactions not coming within the purview of various IT systems as stated above.	NA
2. Whether there is any restructuring of any existing loan or cases of waiver/ write off of debts/loans/interest etc., made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	During the year under Audit, there were no cases of waiver/write off/restructuring of any debt/loan/interest etc.	NA
3. Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its terms and conditions? List the cases of deviation.	During the year, the Company has recognized ₹ 10.88 crore as capital grant for Solar Projects at Andaman and the same have been properly accounted for and utilised as per the terms and conditions stipulated thereto. This does not include ₹ 5.23 crore towards teacher's salary grant received from Tamil Nadu State Government. As per practice in various states, salaries of the school teachers are being paid by the Govt. of Tamilnadu through its education department. Apart from Salary all retirement benefits of those school teachers as per applicable guidelines issued by Govt. of Tamilnadu and are being paid by Govt of Tamil Nadu. The salary of the teachers is paid by Govt. of Tamilnadu through NLCIL bank account as there are no separate bank accounts operated by those schools. Hence, the regular salary payment of school teachers is not considered as a grant.	NA
4. Whether the Company's financial statements had properly accounted for Mine Closure Liability as per Ministry of Coal guidelines dated 16 December 2019 ?	Based on the information and explanations provided to us by the Company, the 'Guidelines for preparation of Mining Plan for the coal and lignite blocks' dated Dec 16, 2019 read with 'Standard of Operating Procedure for Mine Closure reimbursement against Mine Closure Activities in line with the new guidelines for preparation of mining plan for Coal and Lignite blocks issued vide No. F.No. 34011/28/2019-CPAM dated Dec 16, 2019', the amount to be considered for Mine Closure amounting to ₹ 9 Lakhs per hectare shall arise in the case of New Coal & Lignite Mines/Blocks or for any existing Coal and Lignite Mine/Block which require modification of Mining Plan / Mine Closure Plan as per new modified guidelines dated Dec 16, 2019. As on balance sheet date, the Company has not received any approval from Ministry of Coal for its revised mine closure plan and accordingly the Company has not considered these new modified guidelines while creating the mine closure liability for the year ended Mar 31, 2022.	NA

For R Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AKBFDJ9190

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 22221916AJXKXU9603

Place: Chennai
Date: May 30, 2022

STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT MARCH 31, 2022

(₹ Crore)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021*	As at April 1, 2020*
ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	2	18,945.65	20,017.58	17,706.74
(b) Right-of-Use Asset	3	54.59	3.66	3.06
(c) Intangible Asset	4	184.71	140.75	6.36
(d) Capital Work-in Progress	5	1,012.41	1,019.71	4,083.58
(e) Asset Under Development	6	113.58	101.68	127.67
(f) Financial Assets	7			
(i) Investments	a	3,932.67	3,621.99	3,519.40
(ii) Loans	b	21.90	28.91	30.88
(g) Other Non-Current Assets	8	518.97	539.52	599.43
		24,784.48	**25,473.80**	**26,077.12**
2. Current Assets				
(a) Inventories	9	1,025.30	1,421.66	1,332.30
(b) Financial Assets	10			
i) Trade Receivables	a	3,128.65	5,611.18	6,691.83
ii) Cash and Cash Equivalents	b	123.52	152.36	12.97
iii) Bank Balances other than Cash and Cash Equivalents	c	538.48	465.04	360.30
iv) Loans	d	25.56	29.17	37.98
v) Other Financial Assets	e	36.02	59.33	65.13
(c) Income Tax Asset (Net)	11	468.56	786.83	832.28
(d) Other Current Assets	12	1,546.26	1,482.35	1,226.70
		6,892.35	**10,007.92**	**10,559.49**
3. Regulatory Deferral Account Debit Balances	13	1,964.35	1,599.80	1,237.18
Total Assets and Regulatory Deferral Account Debit Balances		**33,641.18**	**37,081.52**	**37,873.79**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	14	1,386.64	1,386.64	1,386.64
(b) Other Equity	15			
(i) Retained Earnings	a	10,069.74	9,238.60	8,358.64
(ii) Other Reserves	b	2,350.26	2,333.86	2,309.98
		13,806.64	**12,959.10**	**12,055.26**
LIABILITIES				
1. Non-Current Liabilities				
(a) Financial Liabilities	16			
(i) Borrowings	a	8,826.06	9,697.90	11,370.16
(ii) Lease liability	b	27.40	4.02	3.30
(b) Deferred Tax Liabilities (Net)	17	2,828.64	2,573.52	2,118.89
(c) Other Non-Current Liabilities	18	1,489.17	1,090.18	1,066.39
		13,171.27	**13,365.62**	**14,558.74**
2. Current Liabilities				
(a) Financial Liabilities	19			
(i) Borrowings	a	1,412.97	5,219.79	5,410.31
(ii) Trade Payables	b			
-Total outstanding dues of Micro and Small Enterprises		18.53	14.10	11.54
-Total outstanding dues of creditors other than Micro and Small Enterprises		1,057.98	1,498.08	1,819.35
(iii) Other Financial Liabilities	c	159.58	267.80	117.64
(b) Other Current Liabilities	20	723.58	670.30	587.64
(c) Provisions	21	572.68	465.11	748.26
		3,945.32	**8,135.18**	**8,694.74**
3. Regulatory Deferral Account Credit Balances	22	2,717.95	2,621.62	2,565.05
Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		**33,641.18**	**37,081.52**	**37,873.79**

* Restated - Refer Note No 34
Significant Accounting Policies 1
The accompanying Notes 1 to 62 forms an integral part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Balance Sheet referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ Crore)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021*
INCOME			
(i) Revenue from Operations	23	9,856.48	7,249.63
(ii) Other Income	24	805.89	1,716.88
(iii) **Total Income (i+ii)**		**10,662.37**	**8,966.51**
(iv) **EXPENSES**			
Changes in Inventories	25	476.49	(51.43)
Employee Benefit Expenses	26	2,624.48	2,689.44
Finance Costs	27	783.78	980.63
Depreciation and Amortization Expenses	28	1,528.13	1,231.62
Other Expenses	29	3,306.43	2,662.11
Total Expenses (iv)		**8,719.31**	**7,512.37**
(v) Profit / (Loss) before Exceptional, Tax & Rate Regulatory Activity (iii-iv)		1,943.06	1,454.14
(vi) Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	30	273.53	314.72
(vii) Profit / (Loss) before Exceptional Item and Tax (v+vi)		2,216.59	1,768.86
(viii) Exceptional Items-Expenses/(income)	31	(389.83)	46.79
(ix)Profit / (Loss) before Tax (vii-viii)		**2,606.42**	**1,722.07**
(x) Tax Expense:	54		
(1) Current Tax			
- Current Year Tax		462.94	202.03
- Previous Year Tax		603.67	(1.59)
- Tax Expenses / (Savings) on Rate Regulated Account		47.90	56.54
(2) Deferred Tax (after MAT adjustment)		255.13	454.63
Total tax expenses (x)		1,369.64	711.61
(xi) Profit / (Loss) for the Year (ix - x)		**1,236.78**	**1,010.46**
(xii) Other Comprehensive Income			
Items not to be reclassified to Profit or Loss:	32		
- Net Actuarial gains/(Losses) on defined benefit plans		32.44	39.06
- Income Tax expenses/(savings) on net actuarial gains/(losses) on defined benefit plans		5.68	7.02
Total other comprehensive income for the year-net of income tax (xii)		26.76	32.04
(xiii) Total Comprehensive Income for the year (xi+xii) (Comprising Profit or (Loss) and other Comprehensive Income)		**1,263.54**	**1,042.50**
(xiv) Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balance):			
(1) Basic (in ₹)	33	7.29	5.43
(2) Diluted (in ₹)		7.29	5.43
(xv) Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balance):			
(1) Basic (in ₹)	33	8.92	7.29
(2) Diluted (in ₹)		8.92	7.29

* Restated - Refer Note No 34
The accompanying Notes 1 to 62 forms an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Statement of Profit and Loss referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ Crore)

	No of Shares	Amount
Balance as at 1st April, 2021	1,38,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2022	**1,38,66,36,609**	**1,386.64**
Balance as at 1st April, 2020	1,38,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2021	**1,38,66,36,609**	**1,386.64**

B. Other Equity

(₹ Crore)

Particulars	Retained Earnings and Other Reserves						Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
Balance as at 01.04.2021	358.00	120.00	1,457.00	291.07	107.79	9,238.60	11,572.46
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,236.78	1,236.78
Other comprehensive income	-	-	-	-	-	26.76	26.76
Total Comprehensive Income	-	-	-	-	-	1,263.54	1,263.54
Dividend paid :							
- Interim dividend FY 2021-22						(208.00)	(208.00)
- Final Dividend FY 2020-21						(208.00)	(208.00)
Appropriations- Transfer from / (to) Retained Earnings	4.90	10.00	-	-	1.50	(16.40)	-
Other changes	-	-	-	-	-	-	-
Balance as at 31.03.2022	**362.90**	**130.00**	**1,457.00**	**291.07**	**109.29**	**10,069.74**	**12,420.00**

(₹ Crore)

Particulars	Retained Earnings and Other Reserves						Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning*	
Balance as at 01.04.2020*	351.30	110.00	1,457.00	291.07	100.61	8,358.64	10,668.62
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,010.46	1,010.46
Other comprehensive income	-	-	-	-	-	32.04	32.04
Total Comprehensive Income	-	-	-	-	-	1,042.50	1,042.50
Dividend paid :							
- Interim dividend						(138.66)	(138.66)
Appropriations- Transfer from / (to) Retained Earnings	6.70	10.00	-	-	7.18	(23.88)	-
Other changes	-	-	-	-	-	-	-
Balance as at 31.03.2021*	**358.00**	**120.00**	**1,457.00**	**291.07**	**107.79**	**9,238.60**	**11,572.46**

* Restated - Refer Note No 34

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Statement of Changes in Equity referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ Crore)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021*	
A. Cash flow from Operating Activities:				
Net Profit Before Tax		2,606.42		1,722.07
Adjustments for:				
Less:				
Profit on Disposal of Asset	2.29		3.60	
Dividend from NTPL	331.05		58.42	
Interest Income	44.24		110.28	
	377.58		172.30	
Add:				
Depreciation/Amortisation	1,528.13		1,231.62	
Other non cash charges	226.98		(6.38)	
Provision for loss on asset	44.51		7.85	
Loss on Disposal of assets	0.01		0.71	
Interest expense	783.78		980.63	
	2,583.41	2,205.83	2,214.43	2,042.13
Operating Profit before working capital changes		4,812.25		3,764.20
Adjustments for:				
Trade receivables		2,347.54		856.00
Loans & advances		158.17		(11.43)
Inventories & other current assets		(238.88)		(807.00)
Trade payables & other current liabilities		(195.93)		446.92
Cash Flow generated from Operations		6,883.15		4,248.69
Direct Taxes paid		(801.92)		(218.54)
Cash Flow Before Extraordinary Items		6,081.23		4,030.15
Grants received		4.51		21.42
Net Cash from /(used in) operating activities		**6,085.74**		**4,051.57**
B. Cash flow from investing activities:				
Purchase of property, plant and equipment / preliminary expenses		(216.08)		(880.59)
Sale of property, plant and equipment / Projects from continuing operations		5.38		(2.51)
Sale/Purchase of Investments		(310.68)		(102.59)
Dividend Received from Subsidiary		331.05		58.42
Interest Received		67.55		116.08
Net Cash from/(used in) investing activities		**(122.78)**		**(811.19)**
C. Cash flow from financing activities:				
Short Term Borrowings (Net)		(3,938.80)		58.58
Long Term Borrowings (Net)		(871.84)		(1,921.36)
Loans to subsidiary		-		-
Interest paid		(765.24)		(1,099.01)
Dividend		(415.92)		(139.20)
Net Cash from/(used in) financing activities		**(5,991.80)**		**(3,100.99)**
Net increase, decrease(-) Cash and Cash equivalents		**(28.84)**		**139.39**
Cash and cash equivalents as at the beginning of the year		**152.36**		**12.97**
Cash and cash equivalents as at the end of the year		**123.52**		**152.36**

NOTE : (-) INDICATES CASH OUTFLOW.

Details of Cash and Cash Equivalents	As at March 31, 2022	As at March 31, 2021
Cash in hand	0.01	0.07
Cash at bank in current accounts	73.51	61.88
Cash at bank in deposit accounts	50.00	90.41
Total	123.52	152.36

* Restated - Refer Note 34

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Statement of Cash Flows referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

NOTES TO STANDALONE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES
For the year ended March 31, 2022

(Expressed ₹ in crore, unless otherwise stated)
Reporting entity
NLC India Limited (“NLCIL” or “the Company”), is a Government Company registered under the erstwhile Companies Act, 1956 with its registered office located at No. 135, E.V.R. Periyar High Road, Kilpauk, Chennai - 600 010 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLCIL is engaged in the business of mining of Lignite, Coal and generation of power by using lignite as well as Renewable Energy Sources.

Basis of preparation

a. **Statement of compliance**
The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act,2013 and the Electricity Act,2003.

The financial statements have been prepared on a historical cost basis, except otherwise stated.

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All amounts are rounded to the nearest crore, except otherwise indicated.

b. **Use of Estimates and Judgements**
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognized in the financial year in which the results are known or materialized.

c. **Current and Non-Current classification**
The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.:

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
Deferred tax assets/liabilities are classified as non-current.

Significant Accounting Policies (Contd)

I. Property, Plant and Equipment

Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. Subsequently it is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation and allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalized as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS101, the Company has availed the exemption where in the carrying value of the PPE as per previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Cost of a self-constructed item of Property, Plant and Equipment includes the cost of materials, direct labor and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Other direct expenses relating to construction of Property, Plant and Equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Subsequent Cost of Capitalization

Subsequent expenditure incurred on the existing assets are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria as per Ind AS 16.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized as expenses in the statement of profit and loss as and when it is incurred.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Thermal Power Stations resulting in increased life and/or efficiency of an existing asset is added to the carrying cost of related asset and depreciated over the estimated extended life of the Unit from the completion of original life/from the date of synchronization of the Unit as the case may be.

Spares and Equipment

Initial spares: Purchased along with Property, Plant and Equipment are capitalized and depreciated along with the main asset.

Spares purchased subsequent to commissioning of the asset: Item of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment as per Ind AS16 are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit or Loss on consumption.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capitalization of Land

a. **Freehold Land:** Land acquired for mining, thermal plants, wind mills, solar plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894 / Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/changes made by respective State Govt. from period to period. The cost of the said land is capitalized on the date of taking over the possession/ transfer of title deed in favour of the Company.

b. **Lease hold Land:** Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act; 1957.The said leasehold land is capitalized when the entire land/substantial portion of land is ready for development and mining activity.

c. **Coal / Lignite Mines:** The date of commercial operation in case of integrated mines (commissioned after 31st March, 2019) shall mean the earliest of: -
   a. The first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or.
   b. The first date of the year succeeding the financial year in which the value of production estimated in accordance with CERC Regulation 2019-24, exceeds total expenditure in that financial year; or
   c. The date of two years (i.e., Financial Year) from the date of commencement of production.

Capitalization

a. **Specialized Mining Equipment**
Successful completion of eight effective working hours on load test excluding minor stoppage is the criteria followed in respect of the assets covering Specialized Mining Equipment System viz., Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalization and commencement of depreciation charge and revenue recognition. The entire test shall be completed within twelve hours from the time of starting of the test including minor stoppages.

b. **Thermal Power Generation Unit**
Test and trial production for Thermal Power Generation unit commences from the date of synchronization and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of Commercial Operation Date (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Direct expenses and interest charges incurred during the test and trial run are capitalized and the revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

c. **Wind Turbine Generators (WTG)**
Each WTG is capitalized on the date on which it is connected to grid based on the commissioning and acceptance certificate issued by DISCOM's.

d. **Solar Power Plant**
Solar Power Plants are capitalized on the date on which it is connected to Grid or the date of CoD if any specified in the agreement after complying necessary technical parameters. In case the date of CoD is later than the date of connection to Grid, revenue if any arises from sale of infirm Power off sets to the Capital Cost of the project.

e. **Other Assets**
Other assets are capitalized when they are available for the use as intended by the Management.

Depreciation / Amortization

Depreciation is provided on cost of the Property, Plant and Equipment net of estimated residual values over their estimated useful lives and is recognized in the Statement of Profit and Loss. Freehold land is not depreciated.

The cost of the land taken on lease is amortized from the date of commencement of commercial operation over the estimated useful life of the Mine or life of the linked Thermal Power Plant originally estimated whichever is less.

The cost of mining land capitalized in the Books of Accounts is amortized on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by Technical Experts.

Depreciation is provided for under straight line method as indicated below: -

Description of Assets covered	Basis
i. a. Assets of Thermal Power Stations excluding vehicles other than Ash Tippers	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
b. Wind Turbine Generator (WTG) and Solar Power Plants.	As per the estimated life of the plant in line with guidelines issued by Ministry of New and Renewable Energy ('MNRE')/CERC/SERC as applicable.
c. Life Extension Programme ('LEP') Assets.	Life assessed as per technical estimate / life approved by CERC/SERC.
ii. Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013.
iii. Buildings: Non-residential Buildings Plant & Machinery: CME other than dozers and pipe layers, Workshop machinery, pumps GWC &SWC pipes and Civil construction machinery.	At technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. Specialized Mining Equipment	At technically assessed life.
v. Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalized with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset.
vii. Spares treated as PPE	At technically assessed life.
viii. Asset costing less than ₹5,000	Fully depreciated in the year the asset is available for use.

In the case of Assets of Integrated Mines, declared Commercial Operation on or after 1st April 2019, depreciation is computed as per rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC).

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Company.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis recognized from the month of capitalization.

Depreciation on the following major assets is provided on the technically estimated useful life:

Asset	Useful Life of Asset in years
Specialized Mining Equipment	15
Furniture- Others	5 to 10
Fire Fighting Equipments	10
Photo copier	10
Air Conditioner and Refrigerator	10 to 14
Telecommunication Equipment	10

On transition to Schedule II of Companies Act'2013, assets partially depreciated has been migrated as per Companies Act 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of Companies Act'2013 which has been considered for computation of depreciation and the said derived rate / remaining useful life period is treated as "Technically Estimated" rate for the purpose of depreciation of those migrated Assets.

Amortization of Mine Development Cost

Overburden removal and related development costs are classified as Mine development cost under Capital Work-In-Progress till achievement of CoD of respective Mines. On achievement of CoD, the mine development cost are capitalized as a 'Mine Development Cost' and the same is amortized over a period of 20 years from the date of CoD of respective mines or life of the mines whichever is lower.

Derecognition

Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of Property, Plant and Equipment, and are recognized in the Statement of Profit and Loss.

II. Intangible Assets Recognition and measurement

The Company recognizes an intangible asset and measures that at cost if, and only if:

a. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
b. the cost of the asset can be measured reliably.

Research and development Cost - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognized as an intangible asset when the Company can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets – Other Intangible Assets including Computer software that are acquired by the Company for an amount more than ₹10 lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development Cost (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and subsequent expenditure	Over the residual life of the parent asset
Software costing more than ₹10 lakh	5 years
Mining Rights	20 Years

Gains or losses arising from de-recognition of an intangible asset are recognized in the Statement of Profit and Loss

III. Inventories

Inventories are valued at the lower of Cost or Net Realizable Value.

Stock Items	Basis
Lignite / Coal	At absorption cost excluding allocated administration charges and social overhead.
Stores and Spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	Nil
Goods in Transit including goods received but pending inspection/acceptance	Cost

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Non – Moving Stores and Spares.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of Stores and Spares (excluding insurance/Mandatory/Critical spares) are ascertained on review and provided for.

IV. Mine closure expenditure

Concurrent Mine closure expenses are accounted as and when incurred. The annual cost of Mine closure is calculated and accounted on the basis of guidelines for preparation of mine closure plan issued by Ministry of Coal.

V. Prepaid expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed ₹ 1 crore in each case.

VI. Financial Instruments

Non-derivative Financial Assets

Initial recognition and Measurement

Financial assets are recognized at its fair value plus or minus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortized cost:

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's financial assets consist of staff advances, trade receivables, etc.

Investment in Subsidiaries

A Subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost, if any.

Investment in Joint Ventures and Associates

A joint venture is a type of joint agreement whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint Ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are derecognized when and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognized in Statement of Profit or Loss Account when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognized in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial asset and financial liability are offset and the net amount is presented in the balance sheet when and only when the Company:

- currently has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

VII. Impairment

Financial Assets (including receivables)

Impairment of financial assets in accordance with Ind AS 109- 'Financial instruments', the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
b. Financial assets that are debt instruments and are measured as at Fair Value Through OCI.
c. Lease receivables under Ind AS 116.
d. Trade receivables, unbilled revenue and contract assets under Ind AS 115.
e. Loan commitments which are not measured as at Fair Value Through P&L.
f. Financial guarantee contracts which are not measured as at Fair Value Through P&L.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognized in the Statement of Profit & Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognized accordingly.

VIII. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Company opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz., in respect of financial assets and financial liabilities.

IX. Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility and other studies, development expenditure, expenditure on exploration works, technical know-how etc. The cost of the project is transferred to capital as and when implemented. In case such projects are identified for transfer of business by Govt. of India, the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

X. Government / Other Grants

Related to assets

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income when there is reasonable assurance that, it will be received and the Company will comply with the conditions associated with the grant. The deferred income is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate or when the conditions related to the grant is fulfilled.

XI. Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprise of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as and when the related services are provided.

The Company's liability towards Gratuity, Post-Retirement Medical Facilities, Transport Allowance for settlement at home town, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the Guidelines issued by Department of Public Enterprises.

Contribution towards Provident Fund and Gratuity is recognized as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

Contribution towards Post-Retirement Medical Benefit Scheme comprising of fixed amount of annual assistance (PRMA) in respect of employees retired prior to 1st January 2007 and premium towards Post-Retirement Medical Insurance (PRMI) are treated as Defined Contribution Plans.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method and accounted accordingly.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain/loss on curtailment is recognized immediately in the Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed when the Company can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Liability towards VRS is booked in the year of exercise of option by the employee upto the date of closure of each offer in accordance with terms and conditions of each offer.

XII. Allocation of common charges/social overhead expenses/interest on working capital

These are allocated to production units based on salaries and wages of the respective units.

XIII. Prior period items, accounting estimates and effect of change in Accounting Policy

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of change in accounting estimate is recognized prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognized by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the respective Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XIV. Events occurring after the reporting date

Events of material nature occurring after the reporting date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

XV. Revenue Recognition

Revenue from Operation includes (i) sale of Power generated by Thermal Power Stations (ii) sale of power generated from renewable energy sources such as wind and solar (iii) sale of lignite/coal (iv) sale of by products & joint products (v) consultancy & management services relating to mining and power generation and (vi) commission on trading of power.

Revenue is recognized as per Ind AS-115 when the following criteria are met:

a. the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
b. the entity can identify each party's rights regarding the goods or services to be transferred;
c. the entity can identify the payment terms for the goods or services to be transferred;
d. the contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
e. it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sale of power generated by Thermal Power Stations

Sale of power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC) / State Electricity Regulatory Commission (SERC).
The Company adopts the tariff rates as approved by CERC for the sale of power. Such Tariff rates include lignite transfer price which is subject to revision as calculated by the company from time to time in accordance with guidelines issued by Ministry of Coal (MoC) or as delegated by MoC.

In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of Ministry of Coal guidelines or as delegated by MoC on lignite transfer price for energy charges and other relevant CERC's guidelines, for capacity charges are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue/Expenditure, respectively.

Rebates/discounts allowed to beneficiaries/customers for early payment incentives are netted off with the amount of revenue from operations.

Sale of Un-Requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries is accounted net off sharing of any gain arising from such sale.

Sale of Power through Renewable Energy Sources

Revenue from sale of solar energy and wind energy are recognized in accordance with the price agreed under the Power Purchase Agreement (PPA) and in accordance with the orders passed by the respective State Electricity Regulatory Commission (SERC).

Sale of Lignite/Coal

Sale of Lignite/Coal, by e-auction sales has been reckoned to the extent of amount received. Sale of Lignite /Coal other than by e-auction is recognized in accordance with the agreement entered into with the respective parties.
Sale of Coal for end use power plant is accounted in accordance with the provisions of tariff regulations issued by Central Electricity Regulatory Commission (CERC) for integrated mines.

Unbilled Revenue

As at each reporting date, revenue from sale of energy includes an accrual for sales made to beneficiaries but not billed i.e. "Unbilled Revenue" and the same is categorized under Other Current Assets in the Balance Sheet.

Consultancy, Technical and Management Services

Revenue from consultancy, technical and management services is recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the agreement with service recipient.

Commission on trading of power

Commission on trading of power for third party recognized on receipt of payment.

Other Income

Other income includes interest income, insurance claims, surcharge, dividend income and income from sale of scrap.

Interest income

Interest income with respect to advances provided to employees is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognized in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognized in the period in which there is an acceptance of the claim.

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognized based on agreement with beneficiaries. On renewable power the same is recognized based on realization / certainty of realization.

Dividend Income

Dividend income is recognized when the shareholder's right to receive payment is established.

Scrap Sale

Scrap is accounted for as and when sold.

XVI. Foreign currency transactions Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognized in the Statement of Profit and Loss in the period in which they arise.

The Company has availed the exemption provided under Ind AS from recognizing in the Statement of Profit and Loss the exchange difference arising on translation of long term foreign currency monetary items recognized in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalize the same.

XVII. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria set out in Ind AS 12 are met.

XVIII. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long-term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

All other borrowing costs are expensed in the year in which they occur.

XIX. Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1st April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a Lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recorded in Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities as Financial Liabilities in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract. The Company recognizes lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

XX. Provisions and Contingent Liability

Recognition and measurement

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XXI. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XXII. Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXIII. Operating segments

Segment reports are prepared in accordance with Ind AS 108. The operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The operating segments have been identified on the basis of the nature of products/services.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and Overheads allocated on a reasonable basis are considered as segment expenses.

XXIV. Dividend

Dividends and interim dividends paid to Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders meeting and the Board of Directors respectively.

XXV. Cash Flow Statement

Cash Flow Statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

XXVI. Regulatory Deferral Accounts

Income/Expense recognized in the Statement of Profit or Loss to the extent recoverable from/payable to the beneficiaries in the subsequent periods as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances. Regulatory Deferral Account Balances are adjusted from the year in which the same become recoverable from/payable to the beneficiaries.

Pending the disposal of review/ appeal petitions filed by the Company against adverse orders before CERC/SERC/ Other Appellate Authorities, the impact of the said orders are considered under Regulatory Deferral Account in the Profit or Loss of the respective financial year. In case of appeal by the beneficiary against the CERC/SERC orders, the impact on the same is not considered as Regulatory Deferral Liability and disclosed under Contingent Liability.

Regulatory Deferral Account Balances are reviewed and evaluated at each balance sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criteria are not met this regulatory deferral account balances are derecognized.

Regulatory Deferral Account Balances are presented as separate line item in the Balance Sheet. The movement in the Regulatory Deferral Account Balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.

Notes to
STANDALONE FINANCIAL STATEMENTS

NON-CURRENT ASSETS

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

(₹ Crore)

Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
	As at 01.04.2021	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2022	As at 01.04.2021	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land										
Freehold Land	309.84	25.46	-	335.30	-	-	-	-	335.30	309.84
Lease hold Mining Land	229.69	30.82	-	260.51	6.76	-	4.36	11.12	249.39	222.93
Mining Land	682.07	38.42	-	720.49	619.21	-	39.32	658.53	61.96	62.86
Roads	116.46	8.45	-	124.91	76.88	-	7.35	84.23	40.68	39.58
Buildings	500.76	21.86	0.01	522.61	63.94	-	12.91	76.85	445.76	436.82
Electrical Installations	215.29	4.57	-	219.86	127.65	-	12.80	140.45	79.41	87.64
Water Supply & Drainage	117.49	2.55	0.57	119.47	69.10	0.51	8.76	77.35	42.12	48.39
Plant & Machinery	22,569.62	141.77	1.76	22,709.63	4,268.96	0.27	1,212.30	5,480.99	17,228.64	18,300.66
Furniture & Equipment	88.31	30.72	1.00	118.03	34.00	0.51	12.83	46.32	71.71	54.31
Vehicles	55.09	2.18	0.37	56.90	30.25	0.08	5.04	35.21	21.69	24.84
Assets Costing ₹ 5000 and below	1.83	0.22	-	2.05	1.83	-	0.22	2.05	-	-
Mine Development										
Mine-I	206.97	-		206.97	116.98	-	89.98	206.96	-	89.99
Mine-IA	91.74	-		91.74	40.04	-	51.68	91.72	-	51.70
Mine-II	348.51	-		348.51	140.58	-	25.99	166.57	181.97	207.93
Barsingsar Mine	110.85	-		110.85	30.76	-	10.01	40.77	70.08	80.09
Talabira Mines	-	123.10		123.10		-	6.16	6.16	116.94	-
Total	**25,644.52**	**430.12**	**3.71**	**26,070.93**	**5,626.94**	**1.37**	**1,499.71**	**7,125.28**	**18,945.65**	**20,017.58**
Previous Year (Restated)	**22,094.84**	**3,554.42**	**4.74**	**25,644.52**	**4,388.10**	**2.40**	**1,241.24**	**5,626.94**	**20,017.58**	
Opening Balance as on 01.04.2020 (Restated)	**14,517.99**	**7,583.56**	**6.71**	**22,094.84**	**2,839.81**	**3.27**	**1,551.56**	**4,388.10**	**17,706.74**	

a. In respect of land acquired by the company during the periods 1956 to 1977 and 1997 to 2001, ownership is subject to certain restrictions imposed through the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively.

b. Plant and Machinery includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects and Machinery spares. This also includes residual value of assets considered as addition to the assets under Life Extension programme.

c. Free hold Land includes acquisition of land relating to Barsingsar Extension and Bithnok Power and related Mining projects amounting to ₹ 194.75 crore.

d. All units of Thermal Power Station -I have been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2022 are included in the above Schedule. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

e. Spares meeting the criteria of PPE and having a value of more than ₹ 5 Lakh have been considered for capitalisation.

f. Depreciation on Specialised Mining Equipment(SME) has been considered based on technical estimate of specific assets.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 2: PROPERTY, PLANT AND EQUIPMENT (CONTD)

g. Depreciation on Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/SERC.

h. There is no impairment loss identified for the tangible fixed assets during the year.

i. The company has identified land with limited life and classified the same under the head mining land.

j. In terms of Notification issued by CERC on September 13, 2021 and as per the accounting policy of the Company, 01.04.2021 has been reckoned as date of commencement of commercial operation in respect of Talabira II & III Coal Mines. Accordingly, the capitalization of the amount carried under CWIP as on 31.03.2021 has been reckoned as 01.04.2021.

k. The financial impact due to change in accounting policy for amortisation of land amounts ₹ 592.00 crore till 01.04.2020 and ₹ 27.21 crore for FY 20-21. The above impact has been considered in Retained Earning up to 01.04.2020 and Statement of Profit and Loss for FY 2020-21 respectively. The impact on current financial year is ₹ 39.32 crore. The carrying Net Block of assets has been restated accordingly.

l. During the FY 2021-22 the company has changed the period of amortisation for Mine Development expenditure and the financial impact due to change in such accounting estimate in the current year is ₹ 131.90 crore.

m. The Licence fees for mining land capitalised under lease hold mining land in FY 2020-21 has been reclassified to intangible assets in line with CERC Regulation of Tariff Period 2019-24.

n. Based on physical verification of assets FY 2020-21 (including conveyor belts and pipes) the net block of ₹ 13.47 crore which are not available for use are included in the above schedule pending write off from Asset register.

NOTE 3: RIGHT-OF-USE ASSETS

(₹ Crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2021	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2022	As at 01.04.2021	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land	0.22	37.86	-	38.08	0.01	-	0.35	0.36	37.72	0.21
Building	1.95	0.55	0.80	1.70	1.05	0.71	0.46	0.80	0.90	0.90
Vehicle	3.26	-	-	3.26	0.71	-	0.61	1.32	1.94	2.55
Plant and Machinery	-	15.53	-	15.53	0	-	1.50	1.50	14.03	-
TOTAL	**5.43**	**53.94**	**0.80**	**58.57**	**1.77**	**0.71**	**2.92**	**3.98**	**54.59**	**3.66**
Previous Year	3.73	1.70	-	5.43	0.67	-	1.10	1.77	3.66	

NOTE 4: INTANGIBLE ASSETS

(₹ Crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2021	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2022	As at 01.04.2021	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Software	33.14	3.13	-	36.27	8.64	-	12.48	21.12	15.15	24.50
Mining Rights	119.77	75.98	-	195.75	3.52	-	22.67	26.19	169.56	116.25
Total	**152.91**	**79.11**	**-**	**232.02**	**12.16**	**-**	**35.15**	**47.31**	**184.71**	**140.75**
Previous Year (Restated)	12.16	140.75	-	152.91	5.80	-	6.36	12.16	140.75	

a. There is no impairment loss identified for the assets during the year.

b. Mining Rights represents license obtained to operate coal and lignite mines, which is capitalized in line with the CERC Regulations of tariff period 2019-24.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 5: CAPITAL WORK-IN-PROGRESS

(₹ Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
Plan Expenditure				
i) TPS II Expansion				
Supply and Erection			0.15	
Expenditure during Construction	-	-	-	0.15
ii) Neyveli New Thermal Plant				
Supply and Erection	35.43		61.05	
Expenditure during Construction	0.09	35.52	0.10	61.15
iii) Bithnok Project *				
Supply and Erection	11.85		29.29	
Expenditure during Construction	12.51	24.36	20.53	49.82
iv) Barsingsar Extension & Hadla Mines *				
Supply and Erection	9.11		9.11	
Expenditure during Construction	17.19	26.30	17.19	26.30
v) Mine-IA Expansion				
Supply and Erection	50.54		45.85	
Expenditure during Construction	394.40	444.94	361.52	407.37
vi)Talabira II & III Mine				
Expenditure on Land Acquisition	280.69		252.10	
Expenditure during Development	-	280.69	111.54	363.64
vii) Odisha Thermal Power Project				
Expenditure on Land Acquisition	48.43		30.99	
Expenditure during Development	6.71	55.14	3.14	34.13
Non- Plan Expenditure				
Supply and Erection	142.70		58.97	
Capital Goods in Stock & Transit	2.76	145.46	18.18	77.15
TOTAL		**1,012.41**		**1,019.71**

* Project on Hold. Discussions are underway with various stakeholders for revival of the project. Refer Note 21

CWIP AGEING SCHEDULE (FY 2021-22)

(₹ Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Year	
A) Plan Projects Expenditure					
1) Projects in Progress :	155.37	214.76	55.50	390.66	816.29
2) Projects that are temporarily suspended	-	-	-	50.66	50.66
B) Non Plan Expenditure	116.55	14.59	7.93	6.39	145.46
Total	**271.92**	**229.35**	**63.43**	**447.71**	**1,012.41**

NOTE 6: ASSETS UNDER DEVELOPMENT

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Preliminary Project Expenditure	135.40	135.35
Less: Provisions	21.82	33.67
TOTAL	**113.58**	**101.68**

Provision includes the expenditure incurred for various projects which has not been taken up for further development, pending formalities for write off.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 7: FINANCIAL ASSETS

A. Investments

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Equity Instruments		
Non-Trade Un Quoted Investments		
(i) Subsidiaries **- NLC Tamilnadu Power Limited (NTPL) - 89% stake** fully paid up 194,73,57,380 (31.03.2021- 194,73,57,380) no. of equity shares @ ₹10 per share	1,947.36	1,947.36
- Neyveli Uttar Pradesh Power Limited (NUPPL)- 51% stake fully paid up 1,98,00,26,856 (31.03.2021- 1,66,18,51,728) no. of equity shares @ ₹10 per share	1,980.03	1,661.85
(ii) Joint Venture **- Coal Lignite Urja Vikas Private Limited (CLUVPL) 50% Stake** fully paid up 10,000 (31.03.2021- 10,000)no. of equity shares @ ₹10 per share	0.01	0.01
(iii) Associates **- MNH Shakti Limited - 15% Stake** fully paid up 52,65,000 (31.03.2021 - 1,27,65,000) no. of equity shares @ ₹10 per share	5.27	12.77
TOTAL	**3,932.67**	**3,621.99**

a. In respect of investment in NLC Tamilnadu Power Limited (NTPL) the fully paid up share capital includes 400 shares @ ₹10 each held in the name of full time directors in their capacity as nominees of NLC India Limited.

b. During the FY 2021-22 NLCIL has subscribed to additional equity shares of 31,81,75,128 nos. @ ₹ 10/- each of NUPPL (PY 10,25,83,440 nos. @ ₹ 10/- each) through rights issue.

c. In respect of MNH Shakti Limited NCLT has approved for the reduction of equity capital of MNH Shakti Limited from ₹85.10 crore to ₹35.10 crore. Accordingly the effect of the same has been carried out in FY 2021-22 . The NLCIL's stake in the said associate is maintained at 15% after reduction of share capital.

B. Loans

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties		
Considered good -Secured	0.02	0.04
Considered good -Unsecured	0.01	-
Other Loans : loans to employees		
Considered good -Secured	17.34	24.08
Considered good -Unsecured	4.53	4.79
	21.90	**28.91**

a. The secured loans and unsecured loans to Employees include house building loan, Vehicle loan, multipurpose loan, etc. and are measured at amortised cost and the said deferred interest expenditure representing the benefits accruing to employees is amortised on straight line basis over the remaining period of the loan.

b. The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the company.

c. The details of transactions with Key Management Personnel's are mentioned in note 42.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 8: OTHER NON-CURRENT ASSETS

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured considered good		
i) Capital Advances	395.47	390.66
ii) Advances Other than Capital advances		
- Advances given to Contractors/Suppliers	123.50	148.86
	518.97	**539.52**

a. Capital Advances includes ₹ 135.43 crore paid against a bank guarantee to an EPC contractor with respect to Barsingsar extension & Bithnok Project. On invocation of Bank Guarantee by the company, the EPC contractor approached Judicial intervention. Pending final judicial order, the advance to an extent of ₹ 114.79 crore (for which BG is available) has been provided for. Also refer note 21

b. Advances other than capital advances include amount paid to vendors on receipt of LD Bank guarantee, which will be adjusted along with retention money upon finalisation of contract.

CURRENT ASSETS

NOTE 9: INVENTORIES

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials- Lignite	480.99	887.60
Raw Materials- Coal	19.24	20.60
Solid/Hollow/Fly Ash Bricks	1.54	2.07
Goods-in-transit (Stores and Spares)	17.62	14.55
Stores and Spares	537.99	517.77
Less: Provision for obsolete/unserviceable Stores and Spares	32.08	20.93
	1,025.30	**1,421.66**

a. Inventory valuation-Inventories are valued at the lower of cost or net realisable value. Cost for this purpose is as follows:
(i) Extracted Lignite & Coal - At absorption cost excluding allocated common charges and social overhead.
(ii) Stores & Spares - At weighted average acquisition cost.
(iii) Fly ash bricks - At absorption cost.
(iv) Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition
(v) Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.

b. Refer Note 19 (a)for information on inventory pledged as security by the Company.

NOTE 10: FINANCIAL ASSETS

A. Trade Receivables

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Secured	604.04	529.92
ii) Unsecured		
- considered good	2,524.61	5,081.26
- credit impaired	501.51	366.52
	3,630.16	5,977.70
Less: Loss allowances on debtors	501.51	366.52
	3,128.65	**5,611.18**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 10: FINANCIAL ASSETS (CONTD.)

a. Based on arrangements among NLCIL, Banks and DISCOMs' certain bills which are due from DISCOMs' have been discounted during FY 2021-22 . Accordingly, trade receivables as on 31st March have been disclosed net of outstanding bills discounted amounting to ₹ 4027.58 crore (31 March 2021 ₹ 1542.00 crore).

b. Trade receivables for FY 2021-22 includes ₹46.21 crore (previous year ₹30.33 crore) and ₹ 15.71 crore (previous year ₹ 1.76 crore) receivable from NTPL and NUPPL respectively.

c. The Company has reviewed its outstanding debtors balance in March'2022. Taking into account, period of outstanding, collections and the trend of realization subsequent to intervention of Ministry of Power and Ministry of Coal and pending completion of the reconciliation of balances and resolving various issues, in respect of which action have been initiated, on estimated basis, a cumulative provision of ₹ 501.51 crore (PY ₹366.52 crore) has been considered towards loss allowances on outstanding debtors balance as on March 31, 2022.

d. Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28/06/2019 w.e.f. 01/08/2019 as Payment Security Mechanism under Power Purchase Agreements.

e. A detailed ageing analysis of Trade Receivable has been provided in Note 50.

B. Cash and Cash Equivalents

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Bank Balance		
- Current Account	73.51	61.88
- Short Term Deposits	50.00	90.41
ii) Cash and Stamp on hand	0.01	0.07
	123.52	**152.36**

a. Stamps on hand as on 31.03.2022 - ₹ 50800 /- (31.03.2021 - ₹ 55,644/-)

b. Short term deposit includes an amount of ₹ 50 crore invested in bank term deposits @ 3% for the period of 7 days from 31.03.2022 to 07.04.2022.

C. Bank balances other than cash and cash equivalents

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividend Account Balance	2.54	2.46
Earmarked deposits with Banks :		
i. Staff Security Deposit	0.01	0.01
ii. Endowment fund in the name of NLC Schools	0.46	0.44
iii. Mine Closure Deposit	425.11	358.59
iv. PRMA Deposit	107.81	101.50
v. Security for Bank Guarantee	2.55	2.04
	538.48	**465.04**

a. As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of "Coal Controller Escrow Account NLC India Limited" for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'. Up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan as per the Guidelines. Interest earned on the escrow account is added to mine closure deposit account. All the deposits are renewed every year.

b. In order to meet the post retirement medical expenditure of employees retired on or before 01.01.2007, the Company deposits 1.5% of its Profit before tax after deducting actual expenditure towards PRMA in a separate deposit for this purpose termed as PRMA deposit. The above amount will be utilised in future years towards the purpose for which it has been created. The interest accrued in this fund is added to the fund. The deposit matured and renewed on 4th April, 2022.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 10: FINANCIAL ASSETS (CONTD.)

D. Loans

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Loans to Related Party		
Considered good -Secured	-	-
Considered good -Unsecured	-	-
b) Other Loans : Loans to employees		
Considered good -Secured	12.96	15.54
Considered good -Unsecured	12.60	13.63
	25.56	**29.17**

a. The secured loans and unsecured loans to Employees include house building loan, Vehicle loan, multipurpose loan, etc. and are measured at amortised cost and the said deferred interest expenditure representing the benefits accruing to employees is amortised on straight line basis over the remaining period of the loan.

b. The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Company.

c. The Company, in order to meet the certain emergency financial needs of its two subsidiaries, has entered in a interest bearing short term financial arrangements of Rs 1000 crore with each of its subsidiaries. Out of this arrangement one subsidiary namely Neyveli Uttar Pradesh Power Limited has availed Rs 375 crore at various dates during the financial year and the repayment of the same is also completed during the year. The movement of this has been provided in table below.

d. The Company has a policy of extending loans and advances to its employees including Directors, KMPs and the related parties. All these loans are paid in accordance with the Policy adopted by the company the repayments with principal and interests are charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without speifying the terms of repayment. Hence separate disclosure as mentioned in revised schedule -III of Companies Act, 2013 is not applicable.

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Due by Officers (including interest)	0.02	0.02
(ii) Maximum amount due at any time during the year (including interest)	0.02	0.02
(i) Due by Directors (including interest)	0.00	0.02
(ii) Maximum amount due at any time during the year (including interest)	0.02	0.03
(i) Due from Subsidiary Companies - (a) NTPL Loan ₹ Nil (previous year ₹ Nil crore) (b) NUPPL Loan ₹ Nil (previous year ₹ Nil)	-	-
(ii) Maximum amount due at any time during the year	375.00	1030.00

E. Other Financial Assets

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued	36.02	40.31
Discount on Commercial Paper	-	19.02
	36.02	**59.33**

a. Interest Accrued includes interest due on loans given to employees, interest on advances given to suppliers and interest on various deposits such as PRMA etc.

b. There is no Commercial Paper outstanding (PY ₹ 3550 crore) as on 31.03.2022. These are unsecured loans repayable on respective due dates. The Commercial Paper to tune of Rs 7000 crore has been issued at a coupon rate ranging from 3.33% to 3.50% p.a. during the FY 2021-22. All the Commercial Paper issued during the current Financial year and outstanding as on March 2021 has been repaid during the FY 2021-22.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 11: INCOME TAX ASSETS (NET)

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax	1,489.95	2,111.25
Less : Provision for Tax	1,021.39	1,324.42
	468.56	**786.83**

NLCIL has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and Form-5 has been issued by Income Tax department on acceptance of the forms filed by NLCIL. The tax liability on this account is ₹730.91 crore which has been considered as Tax expenses in the FY 2021-22. Further consequent to issuance of Form 3 by the department and filing of Form-4 by NLCIL for all years for which it has opted for VSVS, reduction in Tax expenses amounting to ₹129.80 crore arising out of orders of AY 2014-15 and AY 2015-16 have also been accounted in the FY 2021-22. Refer Note No. 31

NOTE 12: OTHER CURRENT ASSETS

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Disposable / Dismantled Assets & Spares	3.15	3.81
Prepaid Expenses	95.03	151.93
Advances other than capital advances (unsecured)		
i. Considered good		
- Related Party	10.48	72.57
- Staff Advances	50.90	202.24
- Others	108.80	42.92
ii. Considered doubtful	2.11	2.11
Less: Provision for doubtful advances	2.11	2.11
Deposits with Govt. Authorities		
- Towards Royalty	8.91	12.07
- Towards Advance TDS	0.61	0.28
- Port Trust and Customs authorities	10.72	12.09
- VAT Appeal	112.43	56.21
Unbilled Revenue	1,114.23	914.78
GST Receivable (Input Tax Credit)	29.90	12.77
TCS Receivable	0.31	0.22
Others	0.79	0.46
	1,546.26	**1,482.35**

a. Unbilled Revenue includes ₹ 704.13 crore (PY - ₹ 665.28 crore) of billing done after March 31, for Sale of Power related to March 2022.

b. Under advances other than capital advances-Staff advance includes advances paid towards Performance Related Pay (PRP & UIS) pending final performance ratings of the employees & the Company for FY 2021-22 & FY 2020-21.

c. Advances other than capital advances -Other represents advances given to contractors and suppliers in the ordinary course of supply of goods and services.

NOTE 13: REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Foreign Currency Fluctuation	117.85	132.17
Gratuity	170.98	170.98
Wage Revision	612.67	612.67
Other items recoverable as per CERC Order/Regulations	874.85	467.67
Others	188.00	216.31
	1964.35	**1,599.80**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 13: REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES (CONTD.)

a. The Regulatory Deferral accounts balances has been accounted in line with the Company's accounting policy. Refer note 48 for detailed disclosures.

b. The Company has Filed truing up petition for the tariff period 2014-19 for its Mines. CERC has issued true up order for determination of Lignite Transfer Price for neyveli mines the tariff period 2014-19 on 24th March' 2022 followed by corrigendum order dated 26th April' 2022. In the said order CERC has interpreted few aspects of Lignite Transfer Price Guidelines 2014-19 issued by Ministry of Coal (MoC) which are not in line with the intent and sprit of MoC guidelines. NLCIL is in the process of seeking necessary clarification from MoC and also filed review petition for the same before CERC. Pending disposal of CERC review petition, no impact has been considered in current financial year. All the regulatory deferral liability is being reviewed on periodic basis. Based on subsequent information/ details/orders the same shall be reviewed and considered accordingly.

c. The Company has filed truing up petition for the Tariff period 2014-19 for its Thermal Stations in December 2019. Adjustment arising out of price revisions, if any shall be considered in the books of accounts on receipt of order from CERC.

d. Based on petition filed with CERC for NNTPP (2 X 500 MW), the differential amount(as against provisional tariff order) of ₹ 166.47 crore considered under regulatory deferral account debit balance.

e. The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May'2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Accordingly, for the 5 year period from 2016-17 to 2020-21, an amount of ₹165.78 crore has been considered on provisional basis under regulatory income during FY 2020-21, pending filing of the claim with "Coal Controller". Pending submission of the claim and its approval the said amount is being carried forward. Further an amount of ₹ 22.22 crore has been considered as regulatory income for the Financial Year 2021-22 in line with mine closure guidelines.

f. CERC Tariff Regulations, 2019 provide for recovery of deferred tax liability (DTL) as at 31st March 2009 from the beneficiaries. Accordingly, DTL as at 31st March 2009 is recoverable on materialisation from the beneficiaries. The deferred tax materializing from FY 19-20 onwards has not been considered in the financials, pending finalisation of the claim amount.

NOTE 14: EQUITY SHARE CAPITAL

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised, Issued, Subscribed and Paid-Up Share Capital :		
Authorised		
2,00,00,00,000 Equity Shares of par value ₹10 each (2,00,00,00,000 Equity Shares of par value ₹10 each as at 31st March 2021)	2,000.00	2000.00
Issued, subscribed and fully paid-up :		
1,38,66,36,609 Equity Shares of par value ₹10 each fully paid (1,38,66,36,609 Equity Shares of par value ₹10 each as at 31st March 2021)	1,386.64	1,386.64
(1,09,82,21,224 Equity Shares being 79.20 % (previous year 1,09,82,21,224 shares being 79.20%) are held by the President of India.)		
	1,386.64	1,386.64
A. Movement in Share Capital during the year	**As at March 31, 2022**	**As at March 31, 2021**
No. of shares outstanding at 1st April	1,38,66,36,609	1,38,66,36,609
Shares issued during the year	-	-
Shares bought back during the year	-	-
No of Shares outstanding at 31st March	1,38,66,36,609	1,38,66,36,609
B. Rights attached to each class of Shares		
The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.		
C. Shareholders holding more than 5% of shares	**As at March 31, 2022**	
	No. of Shares (face value @ 10)	**% of holding**
President of India	1,09,82,21,224	79.20%

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 14: EQUITY SHARE CAPITAL (CONTD.)

D. Shares held by Promoters at the end of the year	No. of Shares	% of holding
President of India	1,09,82,21,224	79.20%
There were no change in number of shares and percentage of holding during the FY 2021-22.		
E. Dividends	**As at March 31, 2022**	**As at March 31, 2021**
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31st March 2021 of ₹ 1.5 (31st March 2020 ₹ Nil) per fully paid equity share	208.00	
- Interim dividend for the year ended 31st March 2022 of ₹ 1.5 (31st March 2021 ₹ 1.00) per fully paid equity share	208.00	138.66
ii) Dividends not recognised during the year In addition to above dividends, since year end the Board Of Directors of NLCIL have recommended the payment of final dividend @15% i.e. ₹1.5 per share for FY 2021-22 (31st March 2021: ₹ 1.5) per fully paid equity shares.	208.00	208.00
F. Movement in Equity Shares Last Five Years preceding 01.04.2021		**Equity Shares**
Number of Shares as on 01.04.2016		**1,67,77,09,600**
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21		-
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21.		-
Aggregate number and class of shares bought back FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21.		**29,10,72,991**
Number of Shares as on 31.03.2021		**1,38,66,36,609**
Shares bought back 14,91,41,173 nos. & 14,19,31,818 nos. during the FY 2016-17 & FY 2018-19 respectively.		

NOTE 15: OTHER EQUITY

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Retained Earnings	10,123.46	9,319.08
ii) Other Comprehensive Income		
Remeasurement of actuarial gains/ (losses) and interest cost	(53.72)	(80.48)
a) Total Retained Earnings (i + ii)	**10,069.74**	**9,238.60**
b) Other Reserves		
KfW Interest Differential Reserve	362.90	358.00
General Reserve	1,457.00	1,457.00
Contingency Reserve	130.00	120.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	109.29	107.79
Total other reserves (b)	**2,350.26**	**2,333.86**
Total Other Equity (a + b)	**12,420.00**	**11,572.46**
A. Retained Earnings	**As at March 31, 2022**	**As at March 31, 2021**
Opening Balance	**9,319.08**	**8,471.16**
Addition during the year	1,263.54	1,042.50
i) Retained Earning available for Appropriation	**10,582.62**	**9,513.66**
Less: Appropriations		
Transfer to / (from) Interest Differential Fund Reserve	4.90	6.70
Transfer to General Reserve	-	-
Transfer to Contingency Reserve	10.00	10.00
Transfer to PRMA Reserve Fund	1.50	7.18
Interim Dividend	208.00	138.66
Final Dividend FY 2020-21	208.00	-
ii) Other Comprehensive Income		
Remeasurement of Actuarial Gain/(loss)	26.76	32.04
Closing Balance	**10,123.46**	**9,319.08**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 15: OTHER EQUITY (CONTD.)

(₹ Crore)

B. Other Reserves		
KfW Interest Differential Reserve	**As at March 31, 2022**	**As at March 31, 2021**
Opening Balance	358.00	351.30
Transfer from Retained Earnings	26.66	28.98
Less : Withdrawal / Adjustment during the year	21.76	22.28
Closing Balance	**362.90**	**358.00**

The Company sets aside a reserve equivalent to the amount in rupees of 6% p.a. of the soft loan amount outstanding annually, to be utilised for covering the exchange rate risk under this loan and for any charges imposed by the guarantor in line with the agreement entered into with KfW, Germany.

General Reserve	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,457.00	1,457.00
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**1,457.00**	**1,457.00**

Contingency Reserve	As at March 31, 2022	As at March 31, 2021
Opening Balance	120.00	110.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**130.00**	**120.00**

₹ 10 crore is apportioned from profit every year to secure the contingency payments in the future periods.

Capital Redemption Reserve	As at March 31, 2022	As at March 31, 2021
Opening Balance	291.07	291.07
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**291.07**	**291.07**

In accordance with the applicable provisions of the Companies Act, 2013 read with Rules where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares bought back shall be transferred to the capital redemption reserve account.

During the previous financial years (i.e. FY 2016-17 & FY 2018-19) 29,10,72,991 number of shares have been bought back and the total amount in capital redemption reserve represents the nominal value of the shares bought back.

PRMA Reserve Fund	As at March 31, 2022	As at March 31, 2021
Opening Balance	107.79	100.61
Transfer from Retained Earnings	1.50	7.18
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**109.29**	**107.79**

Represents reserve towards Post Retirement Medical Assistance (PRMA) benefits provided to retired employees and their spouse.

NON CURRENT LIABILITIES
NOTE 16: FINANCIAL LIABILITIES

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Borrowings		
a) Secured Loans		
(i) NLCIL Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
(ii) Term Loans		
- From Banks	2,308.91	3,219.10
- Power Finance Corporation Ltd	1,950.00	2,250.00
b) Unsecured Loans		
(i) NLCIL Bonds		
- Series-II-2020	500.00	500.00
- Series-I-2021	1,175.00	1,175.00
- Series-II-2021	500.00	-
(ii) Inter Corporate Loan :		
- Loan from Mahanadi Coal Fields Limited (MCL)	-	125.00
(iii) Foreign Currency loan from KfW-Germany #		
- 6.36 Million Euro (6.80 Million Euro) - I	49.91	54.80
- 43.44 Million Euro (46.24 Million Euro) - II	342.24	374.00
# Guaranteed by the Government of India.		
	8,826.06	**9,697.90**

Notes to

STANDALONE FINANCIAL STATEMENTS

NOTE 16: FINANCIAL LIABILITIES (CONTD.)

Details of Terms of Repayment, Rate of Interest and Security :

a. To meet the fund requirement of Neyveli New Thermal Power Project (NNTPP 1000 MW) borrowing arrangement has been done with:

  i. Loan of ₹ 3000 crore was availed from M/s. Power Finance Corporation Ltd., and outstanding amount as on 31.03.2022 is ₹ 2250 Crore. The Loan is secured by pari passu charge on project lands & fixed assets of NNTPP, repayable in 20 equal bi-annual instalments commencing from 31.03.2020. The interest rate as on 31.03.2022 is @ 6.26% p.a. (on the basis of 3 year AAA Reuter rate i.e. 5.41% p.a plus fixed spread 0.85%)

  ii. NLCIL Bonds 2021 Series-I was issued on 12.02.2021 for an amount of ₹ 1175 Crore @ 6.05% p.a. The Bond is unsecured and will be repayable by bullet payment on 12.02.2026.

  iii. NLCIL Bonds 2021 Series-II was issued on 20.12.2021 for an amount of ₹ 500 Crore @ 6.85% p.a., Out of which ₹ 295.60 crore was utilised towards NNTPS project and balance ₹ 204.40 crore was utilised towards working capital requirements. This Bond is unsecured and will be repayable by bullet payment on 13.04.2032.

b. To meet the fund requirement of Neyveli Solar Power Project (130 MW), borrowing arrangement has been done with HDFC Bank for an amount of ₹481 Crore. The interest rate as on 31.03.2022 is 6.94% p.a (on the basis of 5 year G-Sec Rate i.e. 6.31% plus 0.63% fixed spread). Repayment for the same started from October 2018, amount drawn is ₹ 481 Crore and outstanding amount as on 31.03.2022 is ₹ 96.20 Crore. The Loan is secured by charge on project lands & fixed asset to the extent of the loan amount, repayable in 10 equal bi-annual instalments.

c. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with the following banks:

  i. Axis Bank sanctioned a loan of ₹500 Crore and drawn ₹ 500 crore. The outstanding amount as on 31.03.2022 is ₹ 199.97 Crore. The interest rate as on 31.03.2022 is 7.66% p.a (on the basis of 5 Year G-Sec rate i.e. 6.44% plus 1.22% fixed spread). Repayment for the loan started from September'2019 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the Project Assets to the extent of facility.

  ii. Axis Bank sanctioned a loan of ₹ 450 Crore and drawn ₹ 450 crore. The outstanding balance as on 31.03.2022 is ₹ 224.98 Crore. The interest rate as on 31.03.2022 is 7.64% p.a (On the basis of 5 Year G-Sec Rate i.e. 6.44% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the project assets to the extent of the Loan facility.

  iii. Federal bank sanctioned a loan of ₹ 456 Crore and drawn ₹ 456 Crore. The outstanding as on 31.03.2022 is ₹ 227.97 Crore. The interest rate as on 31.03.2022 is 7.56% p.a. (on the basis of 5 Year G-Sec rate i.e. 6.36% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

d. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with SBI for an amount of ₹ 2552 crore. This loan is repayable in 20 equal half- yearly instalments of ₹ 127.60 Crore each, first repayment started on 31.12.2020. Out of the facility, ₹ 2319 Crore was drawn & outstanding amount as on 31.03.2022 is ₹ 1935.67 Crore. The Interest rate as on 31.03.2022 is 6.95% p.a (on the basis of 6 Month MCLR rate @ 6.95%). This loan is secured by pari-passu charge on the project assets to the extent of the facility.

e. To meet the fund requirement of Talabira Coal Mine II & III, borrowing arrangement has been done with SBI for an amount of ₹ 1680.75 crore. Out of the facility, ₹ 593 Crore was drawn & outstanding as on 31.03.2022 is ₹ 424.80 crore. The interest rate as on 31.03.2022 is 6.95% p.a (on the basis of 6 Months SBI MCLR rate) repayable in 20 equal half- yearly instalments of ₹ 84.04 crore starting from 30.09.2021. The loan is secured by pari-passu charge on the project assets to the extent of the facility.

f. To meet the general funding arrangement, NLCIL BONDS 2019 SERIES I was Issued on 29.05.2019 for ₹ 1475 Crore and NLCIL BONDS 2020 SERIES I was issued on 27.01.2020 for an amount of ₹ 525 Crore. and which carries interest rate @ 8.09% p.a & 7.36% p.a respectively. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) Thermal power station (including Land) to the extent of the facility and subsequently to have sufficient asset cover another security has been created by pari-passu 1st charge on the project assets of 1000 MW (2 X 500 MW) NNTPP, Neyveli project to the extent of ₹ 450 Crore with the consent of lender of NNTPP i.e. PFC. These Bonds are repayable on 29-05-2029 & 25-01-2030 respectively. Out of ₹ 1475 Crore, ₹ 749.22 Crore and ₹ 234.98 Crore has been used towards unlocking of Equity of TPS II Expansion Project (2*250 MW) & Wind 51 MW respectively and balance were used for operational requirement.

g. To meet the general funding arrangement, an unsecured Bonds i.e. NLCIL Bond 2020 Series-II and was issued on 31.07.2020

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 16: FINANCIAL LIABILITIES (CONTD.)

for ₹ 500 Crore carrying an interest rate of 5.34% p.a. which is repayable through bullet payment on 11.04.2025.

h. To meet the general funding arrangement, an unsecured inter corporate borrowing agreement was tied up with Mahanadi Coalfields Limited for ₹ 2000 Crore carrying an interest rate of 7%. This is unsecured loan repayable in 48 equal monthly instalments commencing from July 2018. Total drawl was ₹ 2000 Crore. The entire outstanding loan of ₹ 458.33 Crore was pre-closed on 19.08.2021.

i. Bi- annual equal repayment (€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany, commenced from 30-12-2001, ending on 30-06-2036. This loan is unsecured but guaranteed by GoI @ guarantee fee of 1.20%. The outstanding loan, Euro 6.36 million carries interest rate @ 0.75% p.a.

j. Bi-annual equal repayment (€ 1.401 Million each) of Foreign Currency loan -II from KfW Germany, commenced from 30-06-2002, ending on 30-06-2037. This loan is unsecured but guaranteed by GoI @ guarantee fee of 1.20%. The outstanding soft loan, Euro 43.44 million carries interest rate @ 0.75% p.a.

k. The company has maintained required asset cover as per the terms of offer document/information memorandum and/or Debenture Trust Deed, including compliance with all the covenants, in respect of the listed non-convertible debt securities.

(₹ Crore)

B. Lease Liability	As at March 31, 2022	As at March 31, 2021
Lease Liability on		
- Land	6.96	0.36
- Building	0.98	0.97
- Vehicle	2.18	2.69
- P&M	17.28	-
	27.40	**4.02**

Due to variable nature of payment for overburden removal, the right to use asset and lease liability under Ind AS 116 is not ascertainable. The detailed disclosure has been provided in Note 46.

NOTE 17: DEFERRED TAX LIABILITIES (NET)

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities		
on Depreciation	4,227.66	3,962.95
Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	310.34	431.52
MAT Credit entitlement	1,088.68	957.91
Deferred Tax Liabilities (Net)	**2,828.64**	**2,573.52**

NOTE 18: OTHER NON-CURRENT LIABILITIES

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital purchase, Capital works-in-progress and other liabilities	937.27	609.58
Mine Closure Liability	428.17	361.57
Deferred Income	123.73	119.03
	1,489.17	**1,090.18**

a. Deferred income includes capital grant of ₹ 79.87 crore and ₹ 41.17 crore (gross value of Grant) received from Ministry of New and Renewable Energy (MNRE) in respect of installation of 130 MW solar at various locations in Neyveli and 20 MW of Solar Plant at various locations of Andaman and Nicobar in their respective year of commissioning. The portion of the grant matching with depreciation of the respective solar asset is charged to Statement of Profit and Loss each year.

b. In respect of Mine Closure pursuant to GoI guidelines on Mine closure, total Mine closure cost was approved by Ministry of Coal at a rate of ₹ 6 lakh per hectare for all the open cast Mines. The annual contribution, compounded @ 5% p.a. is deposited in an Escrow account in the name of Coal Controller Escrow account NLC Ltd. Mine., as stipulated by the Coal Controller.

Notes to
STANDALONE FINANCIAL STATEMENTS

CURRENT LIABILITIES

NOTE 19: FINANCIAL LIABILITIES

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Borrowings		
Loans Repayable on Demand		
a) Secured:		
- Treasury Bill linked WCL	285.00	150.00
b) Unsecured:		
- Commercial Paper	-	3,550.00
c) Current Maturities of long term borrowings		
Secured		
i. Term Loans - Banks	800.68	691.90
ii. Term Loans -Power Finance Corporation Ltd.	300.00	300.00
Unsecured		
i. Foreign Currency loans from KfW Germany	27.29	27.89
ii. Inter Corporate Loan-MCL Ltd.		500.00
	1,412.97	**5,219.79**

a. The working capital facility of ₹ 5000 crore (₹ 4000 crore Fund based and ₹ 1000 crore non fund based) agreed with SBI and is secured by hypothecation of entire current assets of the Company i.e. Raw Materials, Consumable stores, Spares and charge on receivables. The outstanding Working Capital loan as on 31.03.2022 is Rs 285 Crore in the form of T-bill linked WCL. This outstanding loan carries interest rate of 4% p.a.

b. There is no commercial paper outstanding (PY ₹ 3550 crore) as on 31.03.2022. All the commercial paper issued during the FY 2021-22 and outstanding as on 31st march 2021 have been repaid during the FY 2021-22.

(₹ Crore)

B. Trade Payables	As at March 31, 2022	As at March 31, 2021
Trade Payables :		
- Towards Micro and Small Enterprises	18.53	14.10
- Other than Micro and Small Enterprises	1,057.98	1,498.08
	1,076.51	**1,512.18**

Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as on 31st March, 2022 ₹23.76 Crore (previous year ₹28.31 Crore).Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note 55.

(₹ Crore)

C. Other Financial Liabilities	As at March 31, 2022	As at March 31, 2021
a) Dues to related party (unsecured)	-	131.98
b) Interest Accrued:		
i. NLCIL Bonds	143.91	134.34
ii. KfW-Germany	0.79	0.86
iii. Term Loans from Banks	14.80	0.46
iv. Working Capital Demand Loan	-	-
v. Commercial Paper	-	-
vi. Treasury Bill linked WCL	0.08	0.11
vii. Dues to related party		0.05
	159.58	**267.80**

NOTE 20: OTHER CURRENT LIABILITIES

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividend	2.52	2.46
Unutilised Revenue Grant	4.62	4.81
Staff Security Deposit	0.01	0.01
Other liabilities		
- Employees	340.90	389.96
- Statutory	192.86	104.22
- Others	182.67	168.84
	723.58	**670.30**

a. Employee liabilities includes liability towards PF, PRP & UIS liabilities which will be settled in future periods.

b. Other liabilities include Liquidated Damages, credit balance from vendors, EMD for lignite supply, caution deposits etc. which are to be settled / adjustment against services / goods received from/to the vendors/customers

Notes to

STANDALONE FINANCIAL STATEMENTS

NOTE 21: PROVISIONS

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term Benefit of Leave Salary	81.09	114.55
Post Retirement Medical Benefit	15.26	15.76
Provision for Gratuity & Others	275.21	276.41
Provision for Loss on Assets	61.61	17.11
Provision for Contingencies	139.51	41.28
	572.68	**465.11**

a. On invocation of Bank Guarantee, the EPC contractor has sought Judicial intervention. Pending final Judicial order, a provision for the advance amount of ₹ 114.79 crore for which BG is available has been provided for. Refer Note 8

b. Provision for gratuity and others includes provisions for EPC contractors of Bithnok and BTPS Expansion Projects amounting to ₹29.98 crore.

c. Provision for loss on assets includes Bithnok and BTPS project provision amounting to ₹ 22.78 crore.

NOTE 22: REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Foreign Currency Fluctuation	26.26	30.57
CERC Order/Petition filed with APTEL/Others	2,691.69	2,591.05
	2,717.95	**2,621.62**

a. Amounts under Regulatory Deferral Liabilities as on 31.03.2022 relates to the impact arises out of various regulatory orders for the previous tariff periods.

b. The company has filed appeals before the Appellate Authority of Electricity (APTEL) against the following CERC orders / filed review petition before CERC which are pending for disposal:

1. Thermal Power Station II (Neyveli) – Disallowance of de-capitalization of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14.
2. Lignite Truing up – Disallowance of O &M escalation at 11.50% p.a as per MOC Guidelines considering FY 2008-09 as the base year.
3. Sharing of profits on adoption of pooled lignite price considering the cost of Mine – II Expansion. The impact on the above mentioned orders have been considered appropriately under Regulatory Deferral Account Balances / Net Movement in Regulatory Deferral Balances in accordance with Ind AS 114, in the respective previous financial period's.
4. The Company has filed review petition before CERC on the true up order for determination of Lignite Transfer Price for the Tariff Period 2014-19.

c. The company has filed truing up petition for the Tariff period 2014-19 for its Mines. CERC has issued true up order for determination of Lignite Transfer Price for Neyveli Mines for the Tariff period 2014-19 on 24th March'2022 followed by corrigendum order dated 26th April'2022. In the said order CERC has interpreted few aspects of Lignite Transfer Price Guidelines 2014-19 issued by Ministry of Coal (MoC) which are not in line with the intent and sprit of MoC guidelines. NLCIL is in the process of seeking necessary clarification from MoC and also filed review petition for the same before CERC. Pending disposal of CERC review petition, no impact have been considered in current financial year. All the regulatory deferral liability is being reviewed on periodic basis. Based on subsequent information/ details/orders the same shall be reviewed and considered accordingly.

d. The company has filed truing up petition for the Tariff period 2014-19 for its Thermal Stations in December 2019. Adjustment arising out of price revisions, if any shall be considered in the books of accounts on receipt of order from CERC.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 23: REVENUE FROM OPERATIONS

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of :		
- Power	8,147.44	6,837.46
- Lignite	829.91	351.38
- Coal	919.97	78.87
- Fly Ash & Other By-products	59.08	38.83
Other Operating Revenue :		
- Consultancy and Technical Fees	37.43	33.36
	9,993.83	**7,339.90**
Less: Transfer to Capital Work in Progress	122.43	90.09
Less: Rebate on sale of Power	14.92	0.18
	9,856.48	**7,249.63**

a. Sale includes Sale of Power through Trading of ₹ 340.45 crore (31st March 2021: ₹408.41 crore).

b. Sale of Lignite includes sale to related party amounting to ₹ 5.70 crore (PY ₹ Nil).

c. Pending disposal of petition and approval of CERC tariff for thermal power plants for the tariff period 2019-24 , beneficiaries are being billed in accordance with the tariff order for the tariff period 2014-19. However, recovery on account of O&M component for tariff period 2019-24 has been recognized based on CERC tariff regulations and differential revenue between tariff periods 2019-24 and 2014-19 is recognized under Regulatory Deferral Account. The accrual for the remaining 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the final order.

d. Central Electricity Regulatory Commission has notified (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2021 on 13th September 2021, which is effective from 1st April 2019 which is related to determination of transfer price of coal and lignite of integrated mines.

As per the tariff regulation tariff petition in respect of integrated mines for the tariff period 2019-24 shall be filed by the company as per new regulation notified by CERC. The company is in the process of filling the said petition.

Pending filing of the petition for tariff period 2019-24 before CERC, NLCIL has billed @ ₹1950/Ton to its DISCOMs which was approved by the Commission earlier and adjustments if any arising out of revision of lignite price by CERC, will be accounted in the books on filing / disposal of petition by CERC.

As per the regulation "the generating company shall, after the date of commercial operation of the integrated coal mine(s), till the input price of coal is determined by the Commission under these regulations, fix the input price of coal for the generating station at notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine(s) or the estimated price available in the investment approval, whichever is lower, as the input price of coal."

e. Coal sales includes sales to related party (i.e. subsidiaries of NLCIL) amounting to ₹ 101.74 crore (PY ₹ Nil).

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 24: OTHER INCOME

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Interest on		
i) Bank Deposits	10.77	5.07
ii) Employees Loans	3.81	4.62
iii) Mine Closure Deposits	18.25	15.20
iv) Loans to Subsidiary companies	7.08	35.53
v) Others	4.33	49.86
b) Recoveries Towards Rent and Others	23.25	22.11
c) Profit on Sale of Assets	2.29	3.60
d) Provision Written Back	24.51	112.34
e) Surcharge on sale of Power	344.80	1,236.53
f) Dividend from Subsidiary Company		
- NTPL	331.05	58.42
g) Exchange Fluctuation	0.97	11.95
h) Deferred Income on Govt. Grant	11.53	10.48
i) Miscellaneous	40.00	167.43
	822.64	**1733.14**
(Add) / Less: Transfer to Capital Work in Progress	0.24	1.31
Less: Transfer to Mine Closure Liability	16.51	14.95
	805.89	**1716.88**

a. Interest others includes ₹ Nil (PY ₹41.98 crore) towards interest on income tax refunds and ₹ 3.12 crore (PY ₹7.69 crore) towards interest from customer.

b. Miscellaneous income includes ₹ 44.66 crore (PY ₹ 32.80 crore) towards sale of scrap and ₹ 5.09 crore (PY ₹44.04 crore) towards liquidated damage recovered other than project contracts.

c. The other income include ₹ 3.33 crore (PY ₹17.49 crore) of TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020. A Note containing details has been provided in Note 57.

d. Provision written back includes ₹ 16.56 crore towards reversal of provision created on TDS deduction, which now forms part of VSVS scheme and ₹ 7.94 crore from Gujarat Mineral Development Corporation towards initial development cost incurred by NLCIL for various projects in Gujarat for which necessary provision was created in previous years.

e. Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Company.

f. Insurance claim of ₹253.31 crore in respect of TPS-II fire incident has been lodged with the Insurance Company for recovery of damage including loss of profit. Based on confirmation from insurance Company ₹50 Crore was recognized in 2020-21 and ₹9.50 Crore was received in 2021-22. Pending receipt of the balance claim amount, the same has been de-recognized in the current year.

NOTE 25: CHANGES IN INVENTORIES OF RAW MATERIAL

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock		
Raw Material		
Lignite	887.60	836.17
Coal	20.60	-
Closing Stock		
Raw Material		
Lignite	480.99	887.60
Coal	19.24	20.60
Less : Transfer to Capital Work in Progress	68.52	20.60
Increase (-) / Decrease in Stock	**476.49**	**(51.43)**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 26: EMPLOYEE BENEFIT EXPENSES

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Incentives	2161.24	2214.68
Contribution to Provident and other funds	358.84	366.59
Gratuity	27.45	33.07
Welfare Expenses	131.20	119.92
	2678.73	**2734.26**
Less: Transfer to Capital Work in Progress	54.25	44.82
	2624.48	**2689.44**

a. Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 43.

b. Employee benefit expenses includes ₹ 13.96 crore(PY ₹ 121.46 crore) for TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020. Refer Note 57.

NOTE 27: FINANCE COSTS

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on :		
i) KfW - Foreign Currency Loan	3.33	3.86
ii) NLCIL Bonds	265.33	184.73
iii) Loan from Banks	253.08	400.62
iv) Loan from Power Finance Corporation	158.89	205.21
v) Treasury Bill Linked WCL	8.42	66.04
vi) Others (interest on Cash Credit & WCDL)	0.75	53.44
vii) Interest on ROU Liability	3.18	0.32
viii) Inter Corporate Loan		
- Mahanadi Coal Fields Ltd. (MCL)	14.70	62.62
- NLC Tamilnadu Power Limited	1.85	0.05
Others :		
i) Discount on Commercial Paper	73.99	134.64
ii) Guarantee Fees on KfW loan	5.48	5.61
	789.00	**1,117.14**
Less: Transfer to Capital Work in Progress	5.22	136.51
	783.78	**980.63**

Finance cost includes ₹ 0.40 crore(PY ₹ 18.46 crore) for TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020. Refer Note No. 57.

NOTE 28: DEPRECIATION AND AMORTIZATION EXPENSES

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Property, Plant and Equipment	1351.03	1201.82
Mine Development and other Amortisations	183.83	45.77
Depreciation on ROU Assets	2.92	1.09
	1,537.78	**1,248.68**
Less: Transfer to Capital Work in Progress	9.65	17.06
	1,528.13	**1,231.62**

a. Spares meeting the criteria of PPE and having value more than ₹ 5 lakh has been considered for capitalisation.

b. Depreciation includes ₹ 0.51 crore(PY ₹ 1.54 crore) of TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020.Refer Note 57.

c. Mine Development and other amortisation includes ₹ 131.90 crore due to change in accounting estimates in line with CERC regulation 2019-24.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 29: OTHER EXPENSES

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of Stores and Spares	504.97	496.21
Fuel	112.89	93.57
Mine Closure	44.43	63.73
Rent	1.39	1.36
Rates and Taxes		
- Electricity Tax	1.12	0.76
- Others	108.30	29.39
Repairs and Maintenance		
- Plant and Machinery	408.32	307.95
- Buildings	28.09	28.18
- Others	360.97	365.13
Overburden Removal Expenditure	374.23	262.41
Insurance	101.45	64.32
Payments to Auditors		
- Audit fees	0.70	0.59
- Tax Audit fees	0.05	0.05
- Other Certification Fees	0.05	0.20
- Reimbursement of expenses	0.10	0.02
Other professional fees	0.84	0.77
Travelling Expenses	24.83	19.75
Training Expenses	21.25	16.75
Family Welfare Expenses	24.05	18.02
Selling Expenses - Commissions	51.99	23.91
Afforestation Expenses	26.13	23.25
Royalty	706.72	386.94
Security Expenses (CISF)	170.22	155.90
Corporate Social Responsibility *	41.03	46.74
Miscellaneous Expenses	60.21	76.75
Loss on assets disposed/written off/discarded	0.01	0.71
Provision for Stores & Materials	10.98	13.95
Provision for Fixed Assets/CWIP	44.50	7.85
Provision for Preliminary Expenses	-	0.03
Loss allowances for debtors	134.99	336.08
Provision for contingency	114.79	-
	3,479.60	**2,841.27**
Less: Transfer to Capital Work in Progress (CWIP)	173.17	179.16
	3,306.43	**2,662.11**

a. Other Expenses includes ₹ 22.42 crore(PY ₹ 186.14 crore) of TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020. Refer Note No. 57.

b. Miscellaneous expenses include following provisions for EPC contractors of Bithnok and BTPS Expansion Projects amounting to ₹29.98 crore.

c. Provision for fixed asset/CWIP includes Bithnok and BTPS Project provision amounting to ₹ 22.78 crore.

d. Corporate Social Responsibility for FY 2021-22 includes ₹ 0.23 crore towards CER expenses of Talabira project.

NOTE 30: NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES INCOME/ (EXPENSES) - NET

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income		
a) CERC Regulations	242.29	137.11
b) Deferred Foreign Currency	13.34	19.98
c) Mine Closure	22.22	165.78
d) CERC Orders	114.36	52.11
Expenses		
a) Deferred Foreign Currency	18.04	-
b) CERC/SERC Orders	100.64	60.26
Net Movement	**273.53**	**314.72**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 30: NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES INCOME/ (EXPENSES) - NET (CONTD.)

a. Pending disposal of petition and approval of CERC tariff for the tariff period 2019-24, beneficiaries are being billed in accordance with the tariff order for the tariff period 2014-19. However, Income/Expenses to the extent of O&M parameters have been recognized based on the applicable operating norms for the tariff period 2019-24 and recognized under Regulatory Deferral Account. The accrual for the other 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the final order.

b. The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May’2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Accordingly, for the 5 year period from 2016-17 to 2020-21, an amount of ₹165.78 crore has been considered on provisional basis during FY 2020-21 under regulatory income pending filing of the claim with Coal Controller.

Further an amount of ₹ 22.22 crore has been considered as regulatory income for the Financial Year 2021-22 in line with mine closure guidelines.

c. The Company undertakes review of regulatory assets and liabilities at the end each year and based on reassessment of recoverability/refund of such assets/liabilities necessary accounting adjustments are carried out and based on expert opinion wherever required period cost on regulatory liability has also been considered subject to approval of Regulatory Authority.

d. Pending filing of petition for sale of coal to end use plants under the said regulations, the Company adopted investment approval price for billing and estimated transfer price as per CERC Regulation for accounting purpose amounting to ₹48.59 crore considered under regulatory income in the current year.

NOTE 31: EXCEPTIONAL ITEMS

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
VRS Compensation	0.14	0.14
Power Sales - Rebate	-	46.65
Power Sales- VSVS	(389.97)	-
	(389.83)	**46.79**

a. The Company in pursuant to ‘Vivad Se Vishwas Scheme’ (VSVS) has accounted ₹ 389.97 crore on account of income tax recoverable from the beneficiaries as per the CERC tariff Regulations, for different Tariff periods due to payments/ adjustments relating to earlier periods pursuant to ‘Vivad Se Vishwas Scheme’ (VSVS). Pending billing to beneficiaries, the said amount has been considered under Power Sales as unbilled revenue in FY 2021-22. Any adjustments arising out of the subsequent resolutions with the beneficiaries in this regard shall be accounted for in the subsequent periods. Refer Note 11.

b. Power sales (VSVS) includes ₹ 94.87 crore (PY ₹ NIL) for TPS-I which is retired from operation. Refer Note 57.

NOTE 32: OTHER COMPREHENSIVE INCOME

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Remeasurement of Actuarial (Losses)/Gains	32.44	39.06
b) Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains	5.68	7.02
Total (a-b)	**26.76**	**32.04**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 33: EARNING PER SHARE FROM CONTINUING OPERATIONS

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021*
Basic and Diluted (Before Net Regulatory Deferral Adjustments)		
Profit after Tax (₹ Crore)	1,011.15	752.28
Weighted Avg. Number of Shares	1,38,66,36,609	1,38,66,36,609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	7.29	5.43
Basic and Diluted (After Net Regulatory Deferral Adjustments)		
Profit after Tax (₹ Crore)	1,236.78	1,010.46
Weighted Avg. Number of Shares	1,38,66,36,609	1,38,66,36,609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	8.92	7.29

Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share are same.

* Restated

NOTE 34: DISCLOSURE AS PER IND AS - 8 - ACCOUNTING POLICIES, CHANGE IN ACCOUNTING ESTIMATE AND ERRORS

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31st March 2021 and 1st April 2020 (beginning of the preceding period) and Statement of Profit and Loss and Statement of Cash Flows for the year ended 31st March 2021. Impact on other items are not material and hence not disclosed. Reconciliation of financial statement line items which are retrospectively restated are as under:

A. Restatement of Prior Period

i) Reconciliation of Restated Items of Balance Sheets as at 31st March, 2021 and 1st April, 2020

(₹ Crore)

Particulars	As at 31st March 2021			As at 1st April, 2020		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
a) Noncurrent Asset :						
Property Plant and Equipment	20,753.04	(735.46)	20,017.58	18,298.74	(592.00)	17,706.74
Intangible Assets	24.50	116.25	140.75	-	-	-
b) Current Asset :						
Inventories	1,416.95	4.71	1,421.66	1,324.55	7.75	1,332.30
Total	**22,194.49**	**(614.50)**	**21,579.99**	**19,623.29**	**(584.25)**	**19,039.04**
c) Equity and Liabilities						
Other Equity (Retained earnings)	9,854.18	(615.58)	9,238.60	8,942.89	(584.25)	8,358.64
Total Equity	13,574.68	(615.58)	12,959.10	12,639.51	(584.25)	12,055.26
Provisions	464.03	1.08	465.11	748.26	-	748.26
Total	**23,892.89**	**(614.50)**	**22,662.81**	**22,330.66**	**(584.25)**	**21,162.16**
Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balance):						
- Basic/Diluted	5.65	(0.22)	5.43	10.22	(4.22)	6.00
Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balance):						
- Basic/Diluted	7.51	(0.22)	7.29	10.20	(4.22)	5.98

Notes to

STANDALONE FINANCIAL STATEMENTS

NOTE 34: DISCLOSURE AS PER IND AS - 8 - ACCOUNTING POLICIES, CHANGE IN ACCOUNTING ESTIMATE AND ERRORS (CONTD.)

ii) Reconciliation of Restated items of Statement of Profit and Loss for the Year Ended 31st March, 2021

(₹ Crore)

Particulars	As at 31st March 2021		
	As Previously Reported	Adjustments	As Restated
a) Changes in Inventories	(54.47)	3.04	(51.43)
b) Employee Benefit Expenses	2,688.36	1.08	2,689.44
c) Depreciation	1,204.41	27.21	1,231.62
d) Total Expenses	7,481.04	31.33	7,512.37
e) Profit before Tax	1,753.40	(31.33)	1,722.07
f) Current Year Tax	711.61		711.61
g) Profit for the Period	1,041.79	(31.33)	1,010.46
h) Total Comprehensive Income	1,073.83	(31.33)	1,042.50

iii) Reconciliation of Restated items of Statement of Cash Flows for the year ended 31st March, 2021

(₹ Crore)

Particulars	As at 31st March 2021		
	As Previously Reported	Adjustments	As Restated
Under Cash flows from Operating activity :			
- Profit for the Period	1753.40	(31.33)	1,722.07
- Depreciation	1204.41	27.21	1,231.62
- Inventories and Other Current Assets	(810.04)	3.04	(807.00)
- Others (including provision and non cash items)	0.39	1.08	1.47
Net Cash from operating activities	4,051.57	-	4051.57
Net Cash used in investing activities	(811.19)	-	(811.19)
Net Cash (used)/received in financing activities	(3,100.99)	-	(3,100.99)
Net increase, decrease(-) Cash and Cash equivalents	**139.39**	**-**	**139.39**

No Change in cash flows as all the restatements belongs to operating activity and Non Cash items like depreciation and provisions.

iv) Change in Other Equity - Retained Earnings

(₹ Crore)

Particulars	As at 31st March 2021	As at 1st April 2020
a) Retained Earnings Prior to change	9854.18	8942.89
b) Changes due to Restatement :		
- Depreciation	619.21	592.00
- Change in Inventories	(4.71)	(7.75)
- Provisions for employment benefits	1.08	-
c) Retained Earnings after Restatement	9,238.60	8,358.64

NOTE 35: EFFECT OF FOREIGN EXCHANGE FLUCTUATION

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) The amount of exchange rate difference debited/(credited) to the Statement of Profit & Loss	(1.45)	(7.80)
b) The amount of exchange rate difference Adjustment and debited / (credited) to the carrying amount of fixed assets & WIP	(8.35)	16.06
	(9.80)	**8.26**

As per the Guidance Note on Rate Regulated Activity issued by ICAI , exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations and MoC guidelines on Lignite Transfer price are accounted as Deferred foreign currency fluctuation asset / liability. Accordingly necessary adjustment is made in depreciation and interest expenditure of the current year.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 36: EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Capital Expenditure	7.59	6.58
Revenue Expenditure	15.67	15.12
	23.26	**21.70**

NOTE 37: DISCLOSURE AS PER IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(₹ Crore)

Particulars	As at 01.04.2021	Additions	Withdrawals	As at 31.03.2022
Movement in Provisions				
(i) Provision for loss on Assets	17.11	44.50	-	61.61
(ii) Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	16.56	0.04
Power Tariff adjustment - Deemed export benefit	(1.91)	-	-	(1.91)
Miscellaneous provision	26.59	114.79	-	141.38
	58.39	**159.29**	**16.56**	**201.12**

a) In all these cases, outflow of economic benefits is expected within next one year

b) The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

NOTE 38: CONSUMPTION OF RAW MATERIAL AND SPARE PARTS

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Value of Indigenous and Imported Spares consumed		
a) INDIGENOUS		
Spare parts	194.95	371.97
Percentage	99.74%	99.61%
b) IMPORTED		
Spare parts	0.50	1.47
Percentage	0.26%	0.39%

NOTE 39: C.I.F. VALUE OF IMPORTS

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Capital Goods	10.47	-
Components and Spares	1.72	3.61
	12.19	**3.61**

NOTE 40: EXPENDITURE IN FOREIGN CURRENCY

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Travelling Expenses	-	-
Professional and Consultancy	0.28	0.03
Subscriptions/ Periodicals	0.00	0.13
Interest Charges	4.23	3.86
	4.51	**4.02**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 41: CORPORATE SOCIAL RESPONSIBILITIES

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, and Ministry of corporate Affairs of Govt of India from time to time, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Amount Required to be spent during the year :		
i) Gross Amount (2% of average net profit of immediately three preceding financial years as per the Companies Act 2013 and amendments thereto)	40.80	46.74
ii) Surplus arising out of CSR Projects		
iii) Set off available from previous years		
iv) Total CSR Obligation for year (i+ii-iii)	40.80	46.74
b) Gross amount approved by the Board of Directors for the year	64.29	46.74
c) Amount spent during the year on		
i) construction and acquisition of any asset	-	-
ii) on purposes other than (i) above*	41.03	46.74
d) Set off available for succeeding year	-	-
e) Amount unspent during the year	-	-

* Corporate Social Responsibility for FY 2021-22 includes ₹ 0.23 crore towards CER expenses of Talabira project.

i) Amount spent during the year ended 31st March 2022

(₹ Crore)

Particulars	In cash	Yet to be paid in Cash	Total
a) For construction or acquisition of any asset	-	-	-
b) On purposes other than (a) above	39.62	1.41	41.03

Amount spent during the year ended 31st March 2021

(₹ Crore)

Particulars	In cash	Yet to be paid in Cash	Total
a) For construction or acquisition of any asset	-	-	-
b) On purposes other than (a) above	46.74	-	46.74

ii) Details of Short fall

(₹ Crore)

Particulars	As on March 31, 2022	As on March 31, 2021
a) Out of amounts required to be spent during the year	-	-
b) Previous years Shortfall	-	-

iii) Details of unspent amount

(₹ Crore)

Particulars	As on March 31, 2022	As on March 31, 2021
Opening balance	-	-
Amount deposited in funds specified in Sch-VII within 6 months	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-

iv) Details of excess amount spent

(₹ Crore)

Particulars	As on March 31, 2022	As on March 31, 2021
Opening balance	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 41: CORPORATE SOCIAL RESPONSIBILITIES (CONTD.)

v) Details of ongoing project (to be given year wise)

(₹ Crore)

Particulars	As on March 31, 2022	As on March 31, 2021
Opening balance	-	-
- with company	-	-
- in separate unspent account	-	-
Amount required to be spent	-	-
Amount spent during the year	-	-
- from company	-	-
- from separate unspent account	-	-
Closing balance	-	-
- with company	-	-
- in separate unspent account	-	-

vi) Nature wise expenses on CSR activities

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Medical-health & family welfare	6.95	5.48
Education & scholarship	14.68	14.23
Construction of link road	-	0.72
Promotion of sports	0.26	0.05
Community development centre	0.69	0.45
Afforestation & environment sustainability	-	(0.00)
Sanitation & other Basic Amenities	17.24	0.06
Construction of school ,library & hostel	-	0.06
Vocational Skill Development Centre	0.01	0.82
Irrigation facilities	-	5.15
Electricity including solar & non conventional energy	-	0.44
Others	1.20	19.28
	41.03	**46.74**

* Corporate Social Responsibility for FY 2021-22 includes ₹ 0.23 crore towards CER expenses of Talabira project.

NOTE 42: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24

Particulars		
A. List of Related Parties		
i) Key Managerial Personnel (KMP):		
Whole Time Directors		
Shri. Rakesh Kumar	Chairman cum Managing Director	
Shri. R. Vikraman	Director (Human Resources)	Relinquished w.e.f 01.03.2022
Shri. Nadella Naga Maheswar Rao	Director (Planning and Projects)	Relinquished w.e.f 01.06.2021
Shri. Prabhakar Chowki	Director (Mines)	Relinquished w.e.f 01.09.2021
Shri. Shaji John	Director (Power)	
Shri. Jaikumar Srinivasan	Director (Finance)	
Shri. K Mohan Reddy	Director (Planning and Projects)	Appointed w.e.f 21.02.2022
Independent Directors		
Shri. Dr. P Vishnu Dev	Non Executive Director	Relinquished w.e.f 13.12.2021
Shri. Dr. V Muralidhar Goud	Non Executive Director	
Shri. N K Narayanan Namboothiri	Non Executive Director	
Shri. Subrata Chaudhury	Non Executive Director	Appointed w.e.f 05.11.2021
Shri. Prakash Mishra	Non Executive Director	Appointed w.e.f 08.11.2021
Smt. Nivedita Srivastava	Non Executive Director	Appointed w.e.f 10.11.2021
Nominee Directors		
Shri. Vinod Kumar Tiwari	Non Executive Director	Relinquished w.e.f 03.01.2022
Shri. S.K. Prabakar	Non Executive Director	Relinquished w.e.f 04.06.2021
Shri. Nagaraju Maddirala	Non Executive Director	Appointed w.e.f 03.01.2022
Shri. Dharmendra Pratap Yadav	Non Executive Director	"Appointed w.e.f 15.06.2021 Relinquished w.e.f 09.12.2021"
Shri. Ramesh Chand Meena	Non Executive Director	Appointed w.e.f 23.12.2021
Chief Financial Officer and Company Secretary		
Shri. Jaikumar Srinivasan	Chief Financial Officer	
Shri. K. Viswanath	Company Secretary	

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 42: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24 (CONTD.)

Particulars	
ii) Subsidiaries, Joint Ventures and Associates :	
- NLC Tamilnadu Power Limited (NTPL)	Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary
- MNH Shakti Limited (MNH)	Associate
- Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint Venture
iii) Post Employment Benefit Plans:	
- NLC Employees PF Trust	
- NLC Employees Pension Fund	
- NLC Post Retirement Medical Assistance Fund	
- NLC Group Gratuity Fund	
iv) Entities under the control of the same government:	

The Company is a Public Sector Undertaking (PSU) wherein majority of shares are held by the President of India. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available under Paragraph 25 & 26 of Ind AS 24 for Government Related entities and have made disclosures accordingly in the financial statements.

B. Transactions with the related parties:

The aggregate value of transactions and outstanding balances related to Key Managerial Personnel and entities over which they have control or significant influence were as follows:

(₹ Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) Key Management Personnel compensation		
Short Term Employee Benefit	3.19	3.35
Post-employment benefits	0.25	0.28
Other long-term benefits	0.57	0.47
Sitting fees	0.27	0.23
	4.27	**4.33**

Particulars	Neyveli Tamilnadu Power Limited (NTPL)		Neyveli Uttar Pradesh Power Limited (NUPPL)	
	2021-22	2020-21	2021-22	2020-21
ii) Transactions with Subsidiaries				
i) Sales/purchase of goods and services				
- Goods (excluding GST)/advance	156.04	2.20	-	-
- Services (excluding GST)	19.65	19.19	15.12	13.81
ii) Sales/purchase of Assets	0.02	0.02	0.15	-
iii) Loans issued	-	1,205.00	375.00	75.00
iv) Loans repaid	-	1,205.00	375.00	75.00
v) Equity contributions	-	-	318.18	102.58
vi) Other dues	0.57	131.98	-	-
vii) Dividend Received	331.05	58.42	-	-
viii) Interest Payable	1.85	0.05	-	-
ix) Interest receivable	-	35.29	7.08	0.24

Particulars	Coal Lignite Urja Vikas Private Limited (CLUVPL)		MNH Shakti Limited	
	2021-22	2020-21	2021-22	2020-21
iii) Transactions with Joint Venture & Associate				
i) Reimbursement of employee cost	-	-	-	-
ii) Loans issued	-	-	-	-
iii) Loans repaid	-	-	-	-
iv) Consultancy Service	0.02	-	-	-
v) Equity contributions	-	0.01		-
vi) Equity Reduction (receipts)	-	-	7.50	-

Particulars	2021-22	2020-21
iv) Transactions with Post employment benefit plans		
Contributions made during the year	304.37	339.38

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 42: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24 (CONTD.)

(₹ Crore)

Name of the Company	Nature of transaction	2021-22	2020-21
v) Transactions with the related parties under the control of the same government			
Bharat Heavy Electricals Limited	Purchase of Stores and spares	10.65	17.42
Bharat Heavy Electricals Limited	Package contracts	54.15	54.91
BEML Limited	Payment for FMC contract	13.87	26.23
BEML Limited	Purchase of Stores and spares	47.65	0.09
BEML Limited	Payment for procuring CMEs	6.65	5.78
Hindustan Petroleum Corporation Limited	Purchase of Fuel and Stores	71.88	76.45
Bharat Petroleum Corporation Ltd	Purchase of Fuel and Stores	120.67	130.31
Indian Oil Corporation Limited	Purchase of Fuel and Stores	126.66	152.41
Steel Authority Of India Limited	Purchase of Steel	20.81	43.67
Rashtriya Ispat Nigam Ltd	Purchase of Steel	-	4.49
Balmer Lawrie & Co Ltd	Purchase of Lubricants	10.53	4.24
Balmer Lawrie & Co Ltd	Purchase of Air Ticket	0.81	0.39
MSTC Ltd	Purchase of gold coins & Commission on e-auction	1.48	1.30
Mecon Ltd	Consultancy Services-MOEF norms	0.30	0.44
Instrumentation Ltd	Supply of spares	0.47	0.88
Mahanadi Coal Fields Limited	Loan repayment	625.00	500.00
Power Grid Corporation Of India Limited	Maintenance Contract	1.68	0.03
Central Mine Planning & Design Institute	Testing/consultancy	0.09	0.13
Power Grid Corporation Of India Limited	Transmission Charges	1.68	4.02
Central Power Research Institute	Consultancy and Testing Fee	0.54	0.00
Projects Development India Limited	Consultancy Services-Methanol Project	0.38	0.24
EDCIL India Limited	Recruitment Process	-	9.16
LIC India Limited	Risk Insurance Policy Premium	-	1.80
National Insurance Company Ltd	PRMI Insurance/Mega Insurance	97.26	15.32
New India Assurance Company Limited	Insurance Premium (group insurance)	2.77	1.28
United India Insurance Company Limited	Insurance Premium	0.06	96.79
Railtel Corporation of India Limited	Internet Services	0.13	0.03
Electronics Corporation of India Limited	Secret Ballot election voting machine	-	0.04
Rites Limited	Consultancy for Railway siding	0.15	1.37
Stock Holding Corporation of India Limited	Payment of Stamp Duty	-	1.66
Mahanadi Coal Fields Limited	Sale of Coal	3.07	91.03
NTPC Limited	Sale of Coal	360.01	-
Bharat Sanchar Nigam Limited (BSNL)	Land Line and Internet Services	0.16	0.20
Power System Operation Corpn Ltd	Transmission Charges	27.95	-
National Informatics Centre Services	E mail Service	0.13	-
MMTC Limited	Purchase of gold coins & Commission on e-auction	0.60	-

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 42: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24 (CONTD.)

(₹ Crore)

C. Outstanding balances with related parties are as follows:

Particulars	Transactions value for the year ended March 31		Balance outstanding as at March 31	
	2022	2021	2022	2021
i) Key Managerial Personnel				
Shri. Shaji John/Director(Power) - towards CAR Loan	0.02	0.00	0.00	0.02
Shri. K Mohan Reddy/ Director (P & P) - towards Multi purpose loan	0.01	-	0.01	-
Shri. Viswanath K/Company Secretary				
- CAR Loan	0.01	0.01	0.01	0.02
- Festival Advance	0.00	0.00	-	-
Particulars			**As at March 31, 2022**	**As at March 31, 2021**
ii) Subsidiaries , Joint Ventures & Associates				
1) Neyveli Tamilnadu Power Limited (NTPL)				
- Receivable				
- Towards Loan & Advances			-	-
- Others			53.36	92.56
- Payable			-	131.98
2) Neyveli Uttar Pradesh Power Limited (NUPPL)				
- Receivable				
- Towards Loan & Advances			-	-
- Others			19.04	12.10
- Payable				-
3) MNH Shakti Limited				
There were no receivables/payables as at the end of Financial Year with MNH Shakti Limited			-	-
4) Coal Lignite Urja Vikas Pvt Ltd (CLUVPL)				
There were no receivables/payables as at the end of Financial Year with CLUVPL.			-	-
Particulars			**As at March 31, 2022**	**As at March 31, 2021**
iii) Post Employment Benefit Plan:				
- Receivable			-	-
- Payable			28.04	27.95

D. Terms and conditions of transactions with the related parties

1. Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

2. The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the companies. The cost incurred by the company towards superannuation and employee benefits are recovered from the subsidiary companies.

3. Outstanding balances of subsidiary and joint venture companies at the year-end are unsecured and settlement occurs through banking transaction. These balances other than loans are interest free.

4. For the year ended March 31, 2022 and March 31, 2021 the Company has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

5. Consultancy/Management services provided by the Company to Subsidiaries and Associates are generally on nomination basis at the terms, conditions and principles applicable for consultancy/management services provided to other parties.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 43: EMPLOYEE BENEFITS

i) Defined benefit plans:

The defined benefit plan is administered by the LIC which is named as LIC Group Gratuity Fund ('Fund') that is legally separated from the Group. The board of the fund is required by law to act in the best interest of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund. Their defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

a) Funding
Defined benefit plan is fully funded by the Company. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Company has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

b) Movement in net defined benefit (Asset) Liabilities
Gratuity & Leave Benefit
The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 * last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death considering the provisions of the Payment of Gratuity Act, 1972, as amended. The gratuity scheme is funded by the Company and is managed by separate trust. The liability for gratuity scheme is recognised on the basis of actuarial valuation.

The Company provide for earned leave benefit and half pay leave to the employees of the Company, which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation. However total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for the same is recognized on the basis of actuarial valuation.

(₹ Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability
Balance as at April 1, 2021	1,237.32	1,240.53	(3.21)	618.57	576.54	42.03
Included in profit and loss						
Current Service Cost	20.22	-	20.22	27.99	-	27.99
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost/(income)	74.04	74.25	(0.21)	38.10	36.74	1.36
Included in OCI						
Remeasurement of loss (gain) :						
Actuarial loss (gain) arising from						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(19.58)	-	(19.58)	(11.84)	4.70	(16.54)
Experience adjustment	(1.40)	12.94	(14.34)	(4.24)	-	(4.24)
Return on plan asset excluding interest income	-	-	-	-	-	-
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/ transfer	0.13	0.13	-	0.03	0.03	-
Other						
Contributions Paid by the employer	-	-	-	-	42.03	(42.03)
Benefits paid	(179.02)	(179.02)	-	(64.56)	(64.56)	-
Balance as at March 31, 2022	**1,131.71**	**1,148.83**	**(17.12)**	**604.05**	**595.48**	**8.57**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

(₹ Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability
Balance as at April 1, 2020	1,350.36	1,130.21	220.15	600.70	494.03	106.67
Included in profit and loss						
Current Service Cost	23.11	-	23.11	28.04	-	28.04
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost/(income)	81.19	73.90	7.29	37.16	33.68	3.48
Included in OCI						
Remeasurement of loss (gain) :						
Actuarial loss (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	-	-	-	-	-	-
Experience adjustment	(27.59)		(27.59)	13.94		13.94
Return on plan asset excluding interest income	-	6.03	(6.03)	-	3.43	(3.43)
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/ transfer	0.03	0.03	-	0.18	0.18	-
Other						
Contributions Paid by the employer	-	220.14	(220.14)	-	106.67	(106.67)
Benefits paid	(189.78)	(189.78)	-	(61.45)	(61.45)	-
Balance as at March 31, 2021	**1,237.32**	**1,240.53**	**(3.21)**	**618.57**	**576.54**	**42.03**

Particulars	Gratuity		Leave Benefit	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Represented by :				
Net defined benefit asset	1,148.83	1,240.53	595.48	576.54
Net defined benefit liability	1,131.71	1,237.32	604.05	618.57

Particulars	Gratuity		Leave Benefit	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
i) Plan Asset				
Plan assets comprises the followings:				
Equity Securities	5.85%	5.85%	5.71%	5.71%
Govt Bonds	94.15%	94.15%	94.29%	94.29%
Details of the employee benefits and plan assets are provided below :				
Present value of funded obligation	1,131.71	1,237.32	604.05	618.57
Fair value of plan assets	1,148.83	1,240.53	595.48	576.54
Present value of net obligations	(17.12)	(3.21)	8.57	42.03
Unrecognised past service cost	-	-	-	-

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

Particulars	Gratuity		Leave Benefit	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
ii) Actuarial Assumptions				
The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)				
Discount rate per annum	6.90%	6.50%	6.90%	6.50%
Expected return per annum on plan asset	6.90%	6.50%	6.90%	6.50%
Salary escalation per annum	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT
Attrition rate	1%	1%	1%	1%
iii) Sensitivity Analysis				
Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligation by the amounts shown below.				

Particulars	Gratuity				Leave Benefit			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	1,108.13	1,156.29	1,210.36	1,265.44	589.92	618.93	603.47	634.48
Salary escalation per annum (+/- 50 BP)	1,136.97	1,125.53	1,243.47	1,229.93	619.13	589.60	634.63	603.19

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

31st March, 2022

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Expected maturity analysis of the defined benefit plans in future years					
Gratuity	174.65	159.00	508.26	543.64	1,385.55
Leave Benefit	86.20	83.34	269.69	273.18	712.41
Total	**260.85**	**242.34**	**777.95**	**816.82**	**2,097.96**

31st March, 2021

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Expected maturity analysis of the defined benefit plans in future years					
Gratuity	196.40	173.46	494.01	615.64	1,479.51
Leave Benefit	84.51	83.78	251.43	298.60	718.32
Total	**280.91**	**257.24**	**745.44**	**914.24**	**2,197.83**

Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employee pension scheme is paid to the appropriate authorities.

Notes to

STANDALONE FINANCIAL STATEMENTS

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the provident fund plan as at balance sheet date:

(₹ Crore)

Particulars	Defined benefit Obligation		Fair value of plan asset		Net defined benefit (asset) liability	
	2022	2021	2022	2021	2022	2021
Balance as at April 1	3,206.91	3,082.17	3,217.46	3,111.07	(10.55)	(28.90)
Current Service Cost	162.48	163.39	162.47	163.39	0.01	-
Interest cost (income)	221.33	216.54		263.29	221.33	(46.75)
Actuarial loss (gain)	(22.96)	110.25	(47.01)	-	24.05	110.25
Expected return on plan assets	(10.04)	-	234.83	45.16	(244.87)	(45.16)
Contributions Paid by the employer	371.17	426.12	371.17	426.12	-	-
Benefits paid	(818.24)	(791.57)	(818.24)	(791.57)	-	0.00
Balance as at March 31	**3,110.65**	**3,206.91**	**3,120.68**	**3,217.46**	**(10.03)**	**(10.56)**

Pursuant to Para 57 of Ind AS 19, accounting by an entity for defined benefit plans, inter-alia, involves determining the amount of the net defined benefit liability (asset) which shall be Adjustment for any effect of limiting a net defined benefit asset to the asset ceiling prescribed in Para 64. As per Para 64 of Ind AS 19, in case of surplus in a defined benefit plan, an entity shall measure the net defined benefit asset at the lower of actual surplus or the value of the assets ceiling determined using the discount rate. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Further, Para 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act,1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of Rs 10.03 Crore (Previous year Rs 10.55 Crore) determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company.

Particulars	March 31, 2022		March 31, 2021	
	(₹ Crore)	% of total assets	(₹ Crore)	% of total assets
i) Plan Asset				
Plan assets comprises the followings:				
Equity Securities	34.97	1.12%	49.21	1.53%
Fixed Income/Debt Securities	3,085.71	98.88%	3,168.25	98.47%
	3,120.68	**100.00%**	**3,217.46**	**100.00%**
ii) Actuarial Assumptions	**March 31, 2022**		**March 31, 2021**	
The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)				
Discount rate per annum	6.94%		6.54%	
Expected return per annum on plan asset	8.10%		8.50%	
Superannuation age	60 Years		60 Years	
Remaining work life	Average of 8.52 years		Average of 8.53 years	
Mortality	IALM 2012-14 ULT		IALM 2012-14 ULT	

Pending notification from EPFO , interest on Provident fund has been considered on a provisional basis based on recommendation of Central Board of Provident Fund.

c) Defined Contribution Plan

Post Retirement Medical Assistance (PRMA)

The Company has a Post Retirement Medical Assistance scheme, under which annual cash assistance is provided to retired employees and their spouse for both inpatient and outpatient medical treatment availed in subject to Company's grade wise policy applicable for employees.

A trust has been constituted and is managed by the Company for its employees, for the sole purpose of providing post retirement medical assistance facility to them. For the employees retired on or before 31.12.2006 , the company has extended the post retirement medical assistance in form of cash reimbursements and mediclaim insurance. A separate fund is maintained by the company and necessary contributions are made every year for this purpose.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 43: EMPLOYEE BENEFITS (CONTD.)

(₹ Crore)

Particulars	March 31, 2022	March 31, 2021
Disclosure in respect of Defined contribution plan in respect of PRMA :		
i) Amount recognised in the profit and loss account as premium paid to the Insurance Company	15.49	14.84
ii) Liability provided for the fixed Medical Assistance	15.26	15.76

NOTE 44: FINANCIAL INSTRUMENTS - FAIR VALUE DISCLOSURES

31st March, 2022

(₹ Crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
a) Financial Assets				
Investments	3,932.67	-	-	3,932.67
Loans	47.46	-	-	47.46
Trade Receivables	3,128.65	-	-	3,128.65
Cash and Cash equivalents	123.52	-	-	123.52
Other Bank balances	538.48	-	-	538.48
Other financial assets	36.02	-	-	36.02
b) Financial Liabilities				
Borrowings	10,239.03	-	-	10,239.03
Trade Payable	1,076.51	-	-	1,076.51
Lease Liability	27.40	-	-	27.40
Other financial liabilities	159.58	-	-	159.58

31st March, 2021

(₹ Crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
a) Financial Assets				
Investments	3,621.99	-	-	3,621.99
Loans	58.08	-	-	58.08
Trade Receivables	5,611.18	-	-	5,611.18
Cash and Cash equivalents	152.36	-	-	152.36
Other Bank balances	465.04	-	-	465.04
Other financial assets	59.33	-	-	59.33
b) Financial Liabilities				
Borrowings	14,917.69	-	-	14,917.69
Trade Payable	1,512.18	-	-	1,512.18
Lease Liability	4.02	-	-	4.02
Other financial liabilities	267.80	-	-	267.80

The fair valuation of employees loans have been carried out and accounted appropriately through profit and loss account, however the amount is immaterial. Hence the same has not been disclosed separately.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 45: DISCLOSURE AS PER IND AS 23 ON 'BORROWING COSTS'

Borrowing costs capitalised during the year is ₹ 5.22 Crore (previous year ₹136.51 Crore).

NOTE 46: DISCLOSURE AS PER IND AS 116 'LEASES'

The Company has adopted Ind AS 116 "Leases" with effect from 1st April 2019 and has applied the standard to all lease contracts that are existing as at 1st April 2019. The Company has chosen the modified retrospective approach for valuation of its right of use assets and lease liability.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability Adjustment for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and Adjustment for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees, and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period, and penalties for early termination of a lease. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities as Financial Liabilities in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets, when it is new. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

The companies significant leasing arrangements are in respect of various assets are as follows :

a. **Land :** The company has lease arrangement with respect to its office and township requirements at various locations (i.e. HUDCO land at Delhi and office & township land in Talabira project, Odisha) for 99 years. The lease rental are fixed for entire lease term, which has been arrived based on lease agreement. The lease can be extended for similar periods on mutually agreed terms after the completion of the current lease period. The company do not have option to buy.
b. **Vehicles :** The Company has taken certain vehicles (including e-vehicles) on lease for a period extending up to 5 years, which can be further extended at mutually agreed terms. All the lease rental of vehicles are fixed in nature except for e-vehicles Lease rental for which are escalated @10% each year.
c. **Plant and Machinery :** An agreement has been arrived between NLCIL (the company) and Solar Development Operator (SDO) to use power evacuation facility for a period of 25 years. The lease rentals are fixed in nature.
d. **Buildings :** Premises for use of offices and guest houses on lease are usually renewable on mutually agreeable terms. The lease rental are fixed in nature for 2 properties and escalated by 10% each year for other properties.

When measuring lease liabilities, the Company discounted lease payments using its weighted average borrowing rate of long term loans.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 46: DISCLOSURE AS PER IND AS 116 'LEASES' (CONTD.)

i. As a lessee

Following are the changes in the carrying value of right of use assets and Lease liability for the year ended 31st March 2022:

(₹ Crore)

Particulars	Plant & Machinery	Property	Vehicles	Land	Total
a) Right-of-use assets					
Balance at 1st April 2021	-	0.90	2.55	0.21	**3.66**
Additions	15.53	0.55	-	37.86	**53.94**
Deductions :					
Depreciation charge	1.50	0.46	0.61	0.35	**2.92**
Short closure	-	0.09	-	-	**0.09**
Balance as at 31st March 2022	**14.03**	**0.90**	**1.94**	**37.72**	**54.59**

b) Lease Liability	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	4.02	3.31
Additions :		
- Addition to lease liability	22.75	1.69
- Interest towards lease liability	3.20	0.32
Deductions :		
- Payment of lease liability	2.47	1.30
- Short closure	0.10	-
Closing Balance	27.40	4.02

c) Maturity analysis – contractual undiscounted cash flows	2021- 2022	2020-2021
Less than one year	3.52	1.22
One to five years	12.03	3.23
More than five years	62.46	1.83
Total Undiscounted lease liabilities as at 31st March 2022	78.01	6.28
Lease liabilities included in the balance sheet as at 31st March	27.40	4.02
Current	1.64	0.94
Non-current	25.76	3.08

d) Amounts recognised in profit or loss	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	3.18	0.32
Expenses relating to leases of low-value assets	-	-
Total	**3.18**	**0.32**

e) Amounts recognised in the statement of cash flows	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	2.47	1.27

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. As a lessor

The company has not entered any agreement as on date of this financial year as a lessor. Thus the disclosure requirements of Ind AS 116 as lessor does not arise for the company.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 47: DISCLOSURE AS PER IND AS 112 'DISCLOSURE OF INTEREST IN OTHER ENTITIES'

a) Subsidiaries
The Company's subsidiaries as at 31st March 2022 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
NLC Tamilnadu Power Limited (NTPL)	India	89%	89%	11%	11%	Generation of Energy
Neyveli Uttar Pradesh Power Limited (NUPPL)	India	51%	51%	49%	49%	Generation of Energy

b) Joint Venture
The Company's Joint Venture as at 31st March 2022 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2022	March 31, 2021	
Coal Lignite Urja Vikas Private Limited (CLUVPL)	India	50%	50%	Renewable Energy

c) Associate
The Company's associate as at 31st March 2022 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2022	March 31, 2021	
MNH Shakti Limited	India	15%	15%	Coal Mining

The Company's investments do not contain any restrictions on disposal within a stipulated period of time. The associate had filed the application with NCLT for reduction of share capital. During the FY 21-22 , NCLT has approved reduction of share capital. An amount of ₹ 7.50 crore has been received on account of such reduction of share capital .

NOTE 48: DISCLOSURE ON IND AS 114, 'REGULATORY DEFERRAL ACCOUNTS'

(i) Nature of rate regulated activities
The Company is engaged in the business of mining of lignite/coal and generation of power by using lignite as well as renewable energy sources. The price to be charged by the Company for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC)/State Electricity Regulatory Commission (SERC)/bidding process and the lignite transfer price is determined by the Ministry of Coal (MoC) guidelines. The CERC and MoC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of power and transfer of lignite. The CERC has notified its second amendment to its tariff regulation 2019-24, where in transfer price of Coal/Lignite will be determined by CERC effective from 01.04.2019. The company is in the process of filing petition before CERC for the tariff period 2019-24.

The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

(ii) Recognition and measurement
As per the CERC/SERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past periods in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114. When the Company prefers appeal in APTEL/Other authorities the impact of the same along with period cost if any required is considered under the Regulatory Deferral Account. The Lignite price difference between CERC approved rate, other recoverable/ payable in future through Tariff are also considered under Regulatory Deferral Account Balances. On filing review petition for various regulatory orders the impact of the same is carried forward.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and

Notes to

STANDALONE FINANCIAL STATEMENTS

NOTE 48: DISCLOSURE ON IND AS 114, 'REGULATORY DEFERRAL ACCOUNTS' (CONTD.)

Adjustment from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ 117.85 crore for the year ended 31 March 2022 has been accounted for as 'Regulatory deferral account debit balance' (31 March 2021: ₹ 132.17 crore accounted as 'Regulatory deferral account debit balance'.)

Revision of pay scales of employees of PSEs w.e.f. 1st January 2017 has been implemented based on the guidelines issued by Department of Public Enterprises (DPE). The guidelines provide payment of superannuation benefits @ 30% of basic + DA to be provided to the employees of CPSEs which includes gratuity at the enhanced ceiling of ₹ 0.20 crore from the existing ceiling of ₹ 0.10 crore. As per Proviso 8(3) of Terms and Conditions of Tariff Regulations 2014 applicable for the period 2014-19, truing up exercise in respect of Change in Law or compliance of existing law has been taken up with CERC. The increase in gratuity limit from ₹ 0.10 crore to ₹ 0.20 crore falls under the category of 'Change in law' and a regulatory asset has been created. The Payment of Gratuity Act, 1972 has since been amended and the ceiling has been increased to ₹ 0.20 crore. Based on petition filed with CERC the company has recognised both amounts recoverable for Wage revision and gratuity amounting ₹ 783.65 crore under regulatory deferral account debit balance as recoverable from the beneficiaries.

As per the CERC tariff regulation the expenses towards water charges , security expense and capital spares shall be allowed to be claimed from the beneficiaries bases on prudence check at the time of truing up. The company has recognised ₹ 484.04 crore as on 31.03.2022 (₹ 376.99 as on 31.03.2021) under its regulatory assets subject to petition for truing up for tariff period 19-24.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

a. **Demand risk -** Availability of alternative and cheaper sources of power may result in reduced demand.
b. **Regulatory risk -** the regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in derecognition of regulatory deferral asset/liability.
c. **Other risks -** The Foreign Exchange Variation on actual repayment of loans are eligible for recovery from the customers and hence the risk is mitigated. In respect of disputed orders, the company has recognised Regulatory Deferral Liability which may require economic outflow of resources upon passing of orders by the appellate authorities.

(iv) Reconciliation of the carrying amounts:

The regulated assets/liabilities recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
a) Regulatory deferral account debit balance		
i) Opening balance	1,599.80	1,237.18
ii) Addition during the current year	364.55	371.66
iii) Amount Adjustment/collected/refunded during the year	-	9.04
iv) Regulatory deferral account balances recognized in the Statement of Profit & Loss	374.17	374.98
v) Closing balance	**1,964.35**	**1,599.80**
b) Regulatory deferral account credit balance		
i) Opening balance	2,621.62	2,565.05
ii) Addition during the current year	91.93	76.92
iii) Amount Adjustment/collected/refunded during the year	(4.40)	20.35
iv) Regulatory deferral account balances recognized in the Statement of Profit & Loss	100.64	60.26
v) Closing balance	**2,717.95**	**2,621.62**
c) Total amount recognized in the Statement of Profit & Loss during the year		
Total amount recognized in the Statement of Profit & Loss during the year	**273.53**	**314.72**

The Company expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and/or upon passing of orders by Appellate/Other Authorities.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 49: FINANCIAL INSTRUMENTS

Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

Loan from PFC - Debt service coverage ratio not less than 1.50

Neyveli Bond - Minimum asset coverage ratio of 1.25

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of noncurrent borrowings (including current maturities) and current borrowings as specified in Note 19 (a), 16(a) less cash and cash equivalents (excluding earmarked deposits). Equity includes equity share capital and reserves (excluding earmarked Reserves) that are managed as capital. The gearing ratio at the end of the reporting period was as follows:

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
Gearing Ratio:		
Debt #	10,239.03	14,917.69
Less: Cash and bank balances*	123.52	152.36
Net debt	10,115.51	14,765.33
Total equity*	13,162.70	12,338.56
Net debt to total equity ratio	0.77	1.20

* excludes earmarked deposits/reserves
# debt does not include amount payable to subsidiaries.

NOTE 50: FINANCIAL RISK MANAGEMENT

The treasury function of the company provides services to the business, co-ordinates access to domestic and international financial markets monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk) credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic and foreign currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, short term deposits etc.

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables
The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit defaults and the Company's historical experience for customers.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2022, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 2009.58 crore of the trade receivables carrying amount (Rs 3913.01 crore of the trade receivables as at March 31, 2021).

Loans and advances
The Company has given loans & advances to its employees. The Company manages its credit risk in respect of Loan and advances to employees through settlement of dues against full & final payment to employees.

Cash and cash equivalents and deposits with banks
The Company has banking operations with highly rated banks including scheduled banks which are owned by Government of India and Private Sector Banks. The risk of default with government controlled entities is considered to be insignificant.

i. Provision for expected credit losses

a. Financial assets for which loss allowance is measured using 12 month expected credit losses
The Company has assets where the counter-parties/customers have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets.

b. Financial assets for which loss allowance is measured using life time expected credit losses
The company has customers (State government utilities) with strong capacity to meet the obligations . Further, management believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full. However considering various regulatory and other disputes including historical payment behaviour and analysis of customer credit risk impairment loss has been considered for the reporting period in respect of trade receivables.

ii. Ageing analysis of trade receivables
The Company's debtors include debtors in respect of TPS, Mines, renewables and also other debtors. As a policy, the Company does an ageing analysis of thermal debtors, the details of which is stated below. The Company does not carry out an ageing analysis of debtors pertaining to Mines and other debtors since the transactions are generally carried out against advances received from the customers.

The ageing analysis of the trade receivables is as below:

FY 2021-22

(₹ Crore)

Particulars	Outstanding from the due date of Payment					
	Less than 6 months	6months-1 years	1-2 years	2-3years	More than 3 years	Total
A) Undisputed						
i) Trade receivables – considered good	921.71	632.56	306.30	189.60	0	2,050.17
ii) Trade Receivables – which have significant increase in credit risk						
iii) Undisputed Trade Receivables – credit impaired						
B) Disputed						
iv) Disputed Trade Receivables–considered good	1.50	43.02	677.22	432.99	286.60	1,441.33
v) Disputed Trade Receivables – which have significant increase in credit risk						
vi) Disputed Trade Receivables – credit impaired						
Particulars	**Outstanding from the due date of invoice**					
	Less than 6 months	**6months-1 years**	**1-2 years**	**2-3years**	**More than 3 years**	**Total**
C) Undisputed						
vii) Trade receivables – considered good	64.14	15.44	30.74	21.81	6.53	138.66
Total (A+B+C)	**987.35**	**691.02**	**1,014.26**	**644.40**	**293.13**	**3,630.16**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

FY 2020-21

(₹ Crore)

Particulars	Outstanding from the due date of Payment					
	Less than 6 months	6months-1 years	1-2 years	2-3years	More than 3 years	Total
A) Undisputed						
i) Trade receivables – considered good	2,883.34	1,522.96	389.42	-	-	4,795.72
ii) Trade Receivables – which have significant increase in credit risk						
iii) Undisputed Trade Receivables – credit impaired						
B) Disputed						
iv) Disputed Trade Receivables– considered good	-	-	9.36	59.77	928.30	997.43
v) Disputed Trade Receivables – which have significant increase in credit risk						
vi) Disputed Trade Receivables – credit impaired						
Particulars	**Outstanding from the due date of invoice**					
	Less than 6 months	6months-1 years	1-2 years	2-3years	More than 3 years	Total
C) Undisputed						
vii) Trade receivables – considered good	109.84	12.91	26.95	-	34.85	184.55
Total (A+B+C)	**2,993.18**	**1,535.87**	**425.73**	**59.77**	**963.15**	**5,977.70**

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
Floating-rate borrowings		
Working capital Loan (SBI)	3,715.00	3,850.00
Term Loan - Solar 709MW (SBI)	233.00	233.00
Term Loan - Talabira Project (SBI)	1,087.75	1,087.75
Total	**5,035.75**	**5,170.75**

a. SBI ₹ 1,680.75 crore facility has been taken for Talabira project. Out of the entire facility as on 31.03.2022 the undrawn amount is ₹ 1,087.75 crore. Ref note 16(a).

b. SBI term loan of ₹ 2,552.00 crore has been taken for solar 709 MW , out of which ₹ 2,319.00 crore has been utilised till date and the undrawn amount is ₹ 233.00 crore as on 31.03.2022. ref note 16 (a).

c. A working capital cash credit facility of ₹ 4,000.00 crore availed from SBI, out of which ₹ 285.00 crore (PY 150 crore) has been utilised and the undrawn amount of ₹ 3,715.00 crore (PY ₹ 3,850 crore) is available as on 31.03.2022. Ref Note no. 19 (a).

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:

(₹ Crore)

March 31, 2022	Contractual cash flows					
Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KfW Loan (Foreign Currency Loan)	13.64	13.64	27.29	81.86	283.01	**419.44**
PFC_NNTPS Rs 3000 Cr	-	300.00	300.00	900.00	750.00	**2,250.00**
RTL_HDFC Solar 130 MW	-	96.20	-	-	-	**96.20**
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	100.00	99.97	-	-	**199.97**
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	90.00	44.97	-	**224.97**
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	91.20	45.57	-	**227.97**
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	707.60	717.68	**1,935.68**
RTL 1680.75Cr_Talabira Mine	-	168.08	168.08	88.64	-	**424.80**
NLCIL Bonds 2019- Series I	-	-	-	-	1,475.00	**1,475.00**
NLCIL Bonds 2020- Series I	-	-	-	-	525.00	**525.00**
NLCIL Bonds 2020- Series II	-	-	-	500.00	-	**500.00**
NLCIL Bonds 2021- Series I	-	-	-	1,175.00	-	**1,175.00**
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	**500.00**
WCL (linked to Treasury bill)	285.00	-	-	-	-	**285.00**
TOTAL	**426.24**	**986.72**	**1,031.74**	**3,543.64**	**4,250.69**	**10,239.03**

(₹ Crore)

March 31, 2021	Contractual cash flows					
Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KfW Loan (Foreign Currency Loan)	13.95	13.95	27.90	83.69	317.20	**456.69**
PFC_NNTPS Rs 3000 Cr	-	300.00	300.00	900.00	1,050.00	**2,550.00**
RTL_HDFC Solar 130 MW	-	96.20	96.20	-	-	**192.40**
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	100.00	100.00	100.00	-	**300.00**
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	90.00	135.00	-	**315.00**
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	91.20	136.80	-	**319.20**
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	757.60	923.40	**2,191.40**
RTL 1680.75Cr_Talabira Mine	-	59.30	59.30	177.90	296.50	**593.00**
Rupee Loan _ Mahanadi Coal Fields	125.00	375.00	125.00	-	-	**625.00**
NLCIL Bonds 2019- Series I	-	-	-	-	1,475.00	**1,475.00**
NLCIL Bonds 2020- Series I	-	-	-	-	525.00	**525.00**
NLCIL Bonds 2020- Series II	-	-	-	500.00	-	**500.00**
NLCIL Bonds 202I- Series I	-	-	-	1,175.00	-	**1,175.00**
Commercial Paper	3,550.00	-	-	-	-	**3,550.00**
WCL (linked to Treasury bill)	150.00	-	-	-	-	**150.00**
TOTAL	**3,966.55**	**1,253.25**	**1,144.80**	**3,965.99**	**4,587.10**	**14,917.69**

Notes to

STANDALONE FINANCIAL STATEMENTS

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

(₹ Crore)

March 31, 2022	Contractual cash flows					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	1.57	1.52	2.89	7.44	11.55	24.97
KfW Guarantee Fees	5.03	-	4.71	12.15	19.36	41.25
PFC_NNTPS Rs 3000 Cr	35.12	101.00	117.65	239.33	70.44	563.54
RTL_HDFC Solar 130 MW	1.66	3.34	-	-	-	5.00
RTL 500 Cr_ Axis Bank - Solar 500 MW	3.82	9.12	5.29	-	-	18.23
RTL 450 Cr_ Axis Bank - Solar 500 MW	4.29	11.17	8.60	1.71	-	25.77
RTL 456 Cr_ Federal Bank - Solar 500 MW	4.23	11.04	8.50	1.69	-	25.46
RTL 2552Cr_Solar 709 MW	33.52	92.12	108.17	219.72	87.25	540.78
RTL 1680.75Cr_Talabira Mine	7.36	19.22	14.93	3.23	-	44.74
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	357.98	954.62
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	115.92	309.12
NLCIL Bonds 2020- Series II	-	26.70	26.70	45.28	-	98.68
NLCIL Bonds 2021- Series I	-	71.09	71.09	142.18	-	284.36
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	182.01	353.26
Treasury bill linked WCL	0.24	-	-	-	-	0.24
TOTAL	**216.17**	**419.21**	**560.75**	**1,249.38**	**844.51**	**3,290.02**

(₹ Crore)

March 31, 2021	Contractual cash flows					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	1.71	1.66	3.16	8.24	14.13	28.90
KfW Guarantee Fees	5.48	-	5.15	13.43	23.60	47.66
PFC_NNTPS Rs 3000 Cr	41.71	120.61	142.64	310.16	137.73	752.85
RTL_HDFC Solar 130 MW	3.18	7.70	4.51	-	-	15.39
RTL 500 Cr_ Axis Bank - Solar 500 MW	5.54	14.38	12.52	5.12	-	37.56
RTL 450 Cr_ Axis Bank - Solar 500 MW	5.80	15.80	14.95	9.98	-	46.53
RTL 456 Cr_ Federal Bank - Solar 500 MW	5.79	15.75	14.90	9.95	-	46.39
RTL 2552Cr_Solar 709 MW	37.95	105.46	125.67	271.01	144.39	684.48
RTL 1680.75Cr_Talabira Mine	10.28	29.90	36.05	83.52	56.67	216.42
Rupee Loan _ Mahanadi Coal Fields	10.16	17.50	1.43	-	-	29.09
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	477.31	1,073.95
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	154.56	347.76
NLCIL Bonds 2020- Series II	-	26.70	26.70	71.98	-	125.38
NLCIL Bonds 202I- Series I	-	71.09	71.09	213.26	-	355.44
Treasury bill linked WCL	0.12	-	-	-	-	0.12
TOTAL	**247.05**	**465.19**	**616.74**	**1,470.55**	**1,008.39**	**3,807.92**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

C) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

D) Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. Up to March 31, 2016 the Company till the date of commercial operation capitalize the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by CERC as recovery from beneficiaries. If any exchange gain/loss arise after the date of commercial operation the same will also be recovered from beneficiaries as part of rate regulated asset. From April 01, 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from beneficiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities as at March 31, 2022 and as at March 31, 2021.

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
Financial liabilities		
Borrowings - KfW*	419.44	456.69

* KfW Germany loan is taken in Euro and converted into reporting currency.

Sensitivity analysis
A strengthening/weakening of the Indian Rupee, as indicated below, against the Euro as at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ Crore)

Particulars	Profit and loss	
March 31, 2022	Strengthening	Weakening
10% movement		
Borrowings - KfW	41.94	(41.94)
March 31, 2021		
10% movement		
Borrowings - KfW	45.67	(45.67)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

E) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 50: FINANCIAL RISK MANAGEMENT (CONTD.)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
Financial assets		
Fixed-rate instruments		
Employee Loans	47.46	58.08
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	3,109.59	3,911.00
- Power Finance Corporation (PFC)	2,250.00	2,550.00
Fixed-rate instruments		
Rupee term loans		
- Inter Corporate Loan (MCL)	-	625.00
- Commercial Paper	-	3,550.00
Bonds		
NLCIL Bonds 2019 Series I	1,475.00	1,475.00
NLCIL Bonds 2020 Series I	525.00	525.00
NLCIL Bonds 2020 Series II	500.00	500.00
NLCIL Bonds 2021 Series I	1,175.00	1,175.00
NLCIL Bonds 2021 Series II	500.00	-
Rupee term loans		
- Working Capital Loan-T Bill link	285.00	150.00
Foreign Currency Loan		
- KfW	419.44	456.69

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹ Crore)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31 March 2022		
Rupee term loans		
- From Banks	(15.55)	15.55
- Power Finance Corporation (PFC)	(11.25)	11.25
	(26.80)	**26.80**
31 March 2021		
- From Banks	(19.56)	19.56
- Power Finance Corporation (PFC)	(12.75)	12.75
	(32.31)	**32.31**

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Company, none of the investments in equity shares are quoted in the market and does not expose the Company to equity price risks.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 51: DISCLOSURE AS PER IND AS 108 'OPERATING SEGMENTS'

A. Basis for segmentation

The Company has the following two strategic divisions, which are its reportable segments. These divisions are managed separately because they require different technology and operational methodologies. The following summary describes the operations of each reportable segment.

Reportable segments	Product / Service from which reportable segment derives
Mining	Mining of Lignite and Coal
Power generation	Generation of power and sale to power utilities across the country

The Chairman-cum-Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the standalone financial statements.

B. Information about reportable segments:

(₹ Crore)

Particulars	Mining		Power Generation		Inter-segment Adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
REVENUE								
External Sales	1,749.89	351.37	8,106.59	6,898.26	-	-	9,856.48	7,249.63
Inter-segment sales	4,866.96	4,191.01	436.66	428.02	5,303.62	4,619.03	-	-
Total Revenue	6,616.85	4,542.38	8,543.25	7,326.28	5,303.62	4,619.03	9,856.48	7,249.63
RESULT								
Segment Result	1,298.35	599.96	1,308.71	911.12	-	-	2,607.06	1,511.08
Other Income							737.14	1,494.26
Unallocated Corporate expenses.							(118.06)	774.43
Operating Profit							3,462.26	2262.24
Interest Expense							783.78	980.63
Interest Income							44.24	110.28
Exceptional Items							(389.83)	46.79
Income taxes							1,369.64	711.61
Profit from Ordinary activities							963.25	727.07
Net Movement in regulatory account balance income/ (expenses)							273.53	314.72
Other Comprehensive Income							26.76	32.04
Net Profit							1,263.54	1,042.50
OTHER INFORMATION	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Segment Assets	4,660.02	4,790.76	22,023.57	24,461.58	-	-	26,683.59	29,252.34
Unallocated Corporate assets(Including Capital Work-in Progress)							6,957.59	7,829.18
Total Assets							**33,641.18**	**37,081.52**
Segment liabilities	3,052.37	3,225.65	10,497.68	9,404.05	-	-	13,550.05	12,629.70
Unallocated Corporate liabilities							6,284.49	11,492.72
Total liabilities							**19,834.54**	**24,122.42**
Capital Expenditure	358.09	25.86	94.72	2,433.00	-	-	452.81	2,458.86
Depreciation	506.24	351.40	926.36	828.25	-	-	1,432.60	1,152.44
Non-cash expenses other than depreciation	50.00	31.00	11.00	8.00	-	-	61.00	39.00

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 51: DISCLOSURE AS PER IND AS 108 'OPERATING SEGMENTS' (CONTD.)

Note:

1. Since the business operation is within India the secondary disclosure does not arise
2. The inter-segment transfers are priced on cost plus profit basis.
3. Allocation of
   i. Storage charges on the basis of material consumption ,
   ii. Common charges and social overhead on the basis of salaries and wages
   iii. Service Centres Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.
4. Previous year 2020-21 figures have been restated.

C. Information about major customers

Revenue from one major customer under "generation of energy segment" is ₹ 4,208.87crore (March 31, 2021: ₹ 3,379.70 crore) which is more than 10% of Company's total revenues.

NOTE 52

Advances, Sundry Debtors and Sundry Creditors have been linked with corresponding credits/debits to the extent practicable. Balances due in respect of advances and amount due to creditors are subject to confirmation and reconciliation. However, power and lignite sale dues are reconciled periodically with debtors.

NOTE 53: CONTINGENCIES AND COMMITMENTS

(₹ Crore)

Particulars	As at March 31, 2021	Additions	Deletions/Settlement	As at March 31, 2022
A. Contingencies				
1. Claims against the Corporation not acknowledged as debts:				
(i) From Employees /Others	NQ	-	-	NQ
(ii) Additional amount payable for the land acquired after 01-01-2014 towards compensation payable under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement of Act 2013	NQ	-	-	NQ
(iii) From Statutory Authorities/Central Govt/ Govt Departments	2,160.52	128.01	1,556.98	731.55
(iv) From Statutory Authorities/State Govt/ Govt Departments	2,230.46	358.04	484.72	2,103.78
(v) From CPSEs	-	-	-	-
(vi) From Others	2,420.95	4,726.90	2,283.80	4,864.05
Sub-Total of Claims not acknowledged as debts	6,811.93	5,212.95	4,325.50	7,699.38
2. Guarantees issued by company	429.61	0.55	6.70	423.46
Sub-Total Contingencies (A)	**7,241.54**	**5,213.50**	**4,332.20**	**8,122.84**
B. Commitment				
Estimated value of contracts remaining to be executed on capital accounts not provided for	4,290.39	176.92	4,183.41	283.90
Sub-Total Commitments (B)	**4,290.39**	**176.92**	**4,183.41**	**283.90**
Total Contingencies and Commitments (A+B)	**11,531.93**	**5,390.42**	**8,515.61**	**8,406.74**

The above Contingent liabilities do not include the guarantees / letter of comfort/credit given by NLCIL to its subsidiaries and letter issued to various authorities against tax / other demand which has been challenged by the Company. The company is in the process of evaluating value of contingent assets. Based on preliminary estimate the same was not found material for separate disclosure.

NQ : Not Quantifiable

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 54: DISCLOSURE AS PER IND AS 12 'INCOME TAXES'

A. Income tax expense

i) Income tax recognised in Statement of Profit and Loss

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
Current tax expense		
Current year	462.94	202.03
Adjustment for earlier years	603.67	(1.59)
Pertaining to regulatory deferral account balances	47.90	56.54
Total current tax expenses (A)	1,114.51	256.98
Deferred tax expense		
Origination and reversal of temporary differences	385.90	751.50
Less: MAT credit entitlement	130.77	296.87
Total deferred tax expense (B)	255.13	454.63
Total income tax expense (A + B)	**1,369.64**	**711.61**

ii) Income tax recognised in other comprehensive income

(₹ Crore)

Particulars	March 31, 2022			March 31, 2021		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	32.44	5.68	26.76	39.06	7.02	32.04

iii) Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
Profit before tax (including OCI)	2,638.86	1,761.13
Tax using the Company tax @ 34.944% (PY 34.944%)	922.12	615.41
Tax effect of:		
Non-deductible tax expenses	674.07	543.47
Foreign exchange differences		-
Tax deductions/allowances	(1,211.60)	(1,295.21)
Tax on business loss	-	97.77
Previous year tax liability	603.67	(1.59)
Interest	1.16	7.28
Deferred Tax expenses/(income)	255.14	454.63
MAT credit entitlement	130.76	296.87
Total tax expense in the Statement of Profit and Loss	**1,375.32**	**718.63**

B. Tax losses carried forward

(₹ Crore)

Particulars	March 31, 2022	Expiry date	March 31, 2021	Expiry date
Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-

C. Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since year end, the directors have recommended the payment of final dividend @ 15% amounting to ₹1.5 per share for FY 2021-22 (31st March 2021:₹ 1.5 per share). As per IT act 1961 as amended by Finance Act 2020 dividend declared/distributed/ paid by a company on or after 01.04.2020 shall be taxable in the hand of the shareholder and the company shall be required to deduct tax at source (TDS) at the rate prescribed under Income Tax Act from the dividend amount to be paid to the share holders at the time of distribution/payment of dividend .

D. In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through taxation laws(amendment) Act 2019, the Company has an irrevocable option of shifting to a lower tax rate alone with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company has not opted for this option after evaluating the same and continues to recognize the taxed on income as per the earlier provisions.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 55: INFORMATION IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES AS AT 31 MARCH 2022 AS REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
a) Amount remaining unpaid to any supplier:		
Principal amount	23.76	28.31
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

NOTE 56: DISCLOSURE AS PER IND AS 33 'EARNINGS PER SHARE'

(₹ Crore)

Particulars	March 31, 2022	March 31,2021
(i) Basic and diluted Earnings Per Share for the year ended		
From operations including regulatory deferral account balances (a)	8.92	7.29
From regulatory deferral account balances (b)	1.63	1.86
From operations excluding regulatory deferral account balances (a)-(b)	7.29	5.43
Nominal value per share (in ₹)	10.00	10.00
(ii) Profit attributable to equity shareholders (used as numerator)		
From operations including regulatory deferral account balances (a)	1,236.78	1,010.46
From regulatory deferral account balances-net of tax (b) (₹ Crore)	225.63	258.18
From operations excluding regulatory deferral account balances (a)-(b) (₹ Crore)	1,011.15	752.28
(iii) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares (Nos.)	1,38,66,36,609	1,38,66,36,609
Effect of shares issued during the year, if any (Nos.)		
Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	**1,38,66,36,609**	**1,38,66,36,609**

NOTE 57: THERMAL POWER STATION -I (RETIRED FROM OPERATION)

(₹ Crore)

Particulars	For the Period ended	
	March 31, 2022	March 31,2021
INCOME		
Revenue from Operations	-	171.10
Other Income	3.33	17.49
Total Income	**3.33**	**188.59**
EXPENSES		
Employee Benefit Expenses	13.96	121.46
Finance Costs	0.40	18.46
Depreciation and Amortization Expenses	0.51	1.54
Other Expenses	22.42	186.14
Total Expenses	**37.29**	**327.60**
Profit / (Loss) before Exceptional & Rate Regulatory Activity	(33.96)	(139.01)
Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	1.14	-
Exceptional Items	94.87	-
Profit / (Loss) before Tax	**62.05**	**(139.01)**

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 58: CAPITAL EMPLOYED

(₹ Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Employed	**26,576.02**	**30,207.88**
Capital employed formula changed based on guidance note issued by ICAI.		

NOTE 59: ADDITIONAL DISCLOSURES : TO THE NOTIFICATION DATED 24TH MARCH 2021, BY MINISTRY OF CORPORATE AFFAIRS

a. **Title deeds/Assignment Deeds/Govt.Orders of Immovable Property not held in name of the Company :** As on the date of financials all the immovable properties are held in the name of the company by way of Title deed /Assignment deed/Government Order. In certain cases the company is in the process of updation of name in the revenue records.

b. **Loans and Advances to Directors, KMPs, & Related Parties:** The company has a policy of extending loans and advances given to its employees including loans and advances given to Directors, KMPs and the related parties. All these loans are paid as in accordance with the Policy adopted by the company and repayments and interests to be charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the company.

c. **Details of benami Properties:** There are no benami properties held by the company as on date of financials . Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the company.

d. **Wilful Defaulter:** As on date of financials or any of the previous years , the company has not defaulted in any of its repayment to any Banks or Financial Institutions.

e. **Relationship with Struck off Companies:**

Name of the Struck off Company	Nature of Transactions with struck off company	Balance Outstanding (₹ Crore)	Relationship with the struck off company, if any
a) Scanstar Inspection Technology Private Limited	Payables towards Goods and Services	0.04	Vendor for supply of Goods and Service
b) Geo Mineral Water Private Limited	Payables towards Goods and Services	0.01	
c) Gemini Communications Limited	Payables towards Goods and Services	0.01	
d) Bern Engineering Private Limited	Payables towards Goods and Services	0.03	
e) Ready Engineering Private Limited	Payables towards Goods and Services	0.00	
f) Nicco Power Projects Private Limited	Payables towards Goods and Services	0.09	

f. **Compliance with number of layers of companies:** Clause (87) of section 2, section 450 read with sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 and section 2 Companies (Restriction on number of layers) Rules, 2017, government companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the company.

g. **Utilisation of Borrowed funds and share premium:**

1) The company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall. (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

2) The company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall **(i)** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or **(ii)** provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Hence both the above additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021to companies Act 2013 is not applicable to the company.

h. **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year or any of the previous financial years.

Notes to
STANDALONE FINANCIAL STATEMENTS

NOTE 59: ADDITIONAL DISCLOSURES : TO THE NOTIFICATION DATED 24TH MARCH 2021, BY MINISTRY OF CORPORATE AFFAIRS (CONTD.)

i. **Borrowings secured against current assets:** The company has availed working capital facility of ₹ 5000 crore (₹ 4000 crore Fund based and ₹ 1000 crore non fund based) agreed with SBI and is secured by Hypothecation of entire current assets of the company i.e. Raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. The outstanding Working Capital loan as on 31.03.2022 is Rs 285 Crore in the form of T-bill linked WCL. This outstanding loan carries interest rate of 4% p.a.

The company has filed quarterly/monthly returns with the banks and financial institutions as per the terms of loans. These returns are in agreement with books of accounts of the company. There are no material discrepancies in the returns filed by the company during the FY 21-22 or any of previous financial years. "

j. **Registration of charges or satisfaction with Registrar of Companies (ROC) :** Not Applicable

k) Trade Payable Ageing Schedule: FY 2021-22

(₹ Crore)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
a) MSME	20.49	3.08	0.14	0.05	23.76
b) Other	524.23	46.21	60.64	421.68	1,052.75
c) Disputed Dues- MSME	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-

l) Analytical Ratios :

Name of Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	Variation(%)	Reason for Variation
1) Current Ratio	Current Assets	Current Liabilities	1.75	1.23	42.01	Repayment of Commercial Paper has reduced the current liability thus increasing the Current ratio.
2) Debt - equity ratio	Total debt (current + non-current)	Shareholders Equity (Equity + retained earnings - Preliminary project expenditure)	0.75	1.16	(35.55)	Current and long term debt has been reduced due to excellent management by the company there by increasing availability of more retained earnings for the equity share holders
3) Debt Service Coverage Ratio	Earnings Available for debt Service (EBDIT)	Interest + Principal Repayments	1.47	1.26	15.92	NA
4) Return on Equity	Profit for the period	Average Shareholders equity	9.24	8.08	1.16	NA
5) Inventory Turnover Ratio	COGS or Sales (revenue from operation)	Average Inventory	8.06	5.26	53.02	Increase in Revenue
6) Trade Receivable Turnover Ratio	Net credit Sales (Revenue from operation)	Average Trade Receivables	2.26	1.18	91.39	Robust debtor collections through Bills discounting and Letter of Credit system resulted in reduction of average trade receivable which in turn increased the trade receivable turnover ratio
7) Trade Payable Turnover Ratio	Total Other Expenses excluding provisions	Average Trade Payables	2.32	1.38	68.26	
8) Net Capital Turnover ratio	Net Sales (Revenue from operation)	Working Capital (Current Asset - current Liability)	2.42	2.14	13.19	NA
9) Net Profit Ratio	Profit for the period	Net Sales (revenue from operation)	12.47	13.78	(1.31)	NA
10) Return on Capital Employed	Earnings before Interest and Taxes (EBIT)	Capital Employed (tangible net worth+ total debt+ deferred tax liability)	11.29	9.10	2.19	NA
11) Return on Investments	Market Value at the end of the period - Market value at the beginning of the period - sum of Net Cash inflow/outflow	Market value at the end + sum of weighted cash flow during the period	17.85	12.53	5.32	Increase in Market Value of shares from last year resulted increase in return on investments

Notes to

STANDALONE FINANCIAL STATEMENTS

NOTE 60

a. Recent Pronouncement:

Vide notification dated March 24, 2021 , the Ministry of Corporate Affairs has amended the disclosure requirements of Schedule-III to the Companies Act 2013, which has been complied in the financial statements given for FY 21-22.

The Code on Social Security, 2020 ('the Code') has been enacted, which would impact contribution by the Company towards employee benefits. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced.

The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

b. Rounding off & Regrouping in Financials:

Amount in the financial statements are presented in ₹ Crore (up to two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately. Figures of previous year has been regrouped/reclassified wherever necessary.

c. Other regulatory matters:

CERC has issued its second amendment to tariff regulation 2019-24 on 13th September 2021 effective from 1st April 2019 applicable to all integrated coal/lignite mines.

NOTE 61

a. The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries for sale of power and lignite is generally done on periodical basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact. Loan outstanding balances of employees are also reconciled periodically.

b. In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

c. In line with Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, Govt. of Tamilnadu has revised its Land Acquisition Act vide Tamilnadu Land Acquisition laws (Revival of Operation, Amendment and Validation) Act, 2019 (Tamilnadu Act 38 of 2019 and Rules in 2019). Considering resistance of landowners for higher compensation/employment etc. the pace of land acquisition was slow since last few years. Keeping in view the requirements under new Land Acquisition Act , its rules and to meet various expectations of land owners, NLCIL has revised its compensation and R&R policy in January, 2021. With the said revised policy and various other welfare measures, NLCIL is pursuing to acquire Land for its sustained mining operation and believes no disruptions of its mining operations due to non availability of land.

NOTE 62

COVID-19 Disclosures:

Significant disruptions have taken place in India due to 2nd wave of COVID 19. The company has ensured the uninterrupted operations of its power plants to generate power and has continued to supply power during the period of lockdown. The Company is assessing the impact of COVID 19 on its Operations and Projects.

Initial Disclosure as a Large Corporate in accordance with SEBI Circular vide SEBI/HO/DDHS/CIR/2018/144 dated 26.11.2018

Sl no.	Particulars	Details	
1.	Name of the Company	NLC India Limited	
2.	CIN	L93090TN1956GOI003507	
3.	Outstanding borrowing of Company as on 31st March, 2022 (₹ Crore)	₹ 9534.59 Crore	
4.	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	Credit Rating Agency	Highest Rating
		ICRA	AAA
		CRSISL	AAA
		BRICKWORK	AAA
		CARE	AAA
		INDIA RATINGS	AAA
5.	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE	

We confirm that we are a Large Corporate as per the applicability criteria given under the Chapter XII of SEBI Operational Circular dated 10” August 2021.

Sd/-

Company Secretary

Date: Apr 20, 2022

Sd/-

Director (Finance)

Date: Apr 26, 2022

Annual Disclosure as a Large Corporate in accordance with SEBI Circular vide SEBI/HO/DDHS/CIR/2018/144 dated 26.11.2018

1. Name of the Company : NLC India Limited
2. CIN : L93090TN1956GOI003507
3. Report filed for FY : FY 2021-22 (01.04.21 to 31.03.22)
4. Details of the borrowings (figures in ₹ crore)

Sl no.	Particulars	Details
1.	2-year block period (specify financial years)	(T) FY 2021-22 and (T+1) FY 2022-23
2.	Incremental borrowing done in FY (T) (a)	₹ 500 Cr
3.	Mandatory borrowing to be done through debt securities in FY (T) = (b) = (25% of a)	₹ 125 Cr
4.	Actual borrowing done through debt securities in FY (T) = (c)	₹ 500 Cr
5.	Shortfall in the borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T) = (d)	Nil
6.	Quantum of (d), which has been met from (c) = (e)	Nil
7.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	Nil

Sd/-

Company Secretary

Date: Apr 20, 2022

Sd/-

Director (Finance)

Date: Apr 26, 2022

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

R Subramanian and Company LLP,
Chartered Accountants,
New No.6, Old No. 36,
Krishna Swamy Avenue, Luz
Mylapore,
Chennai – 600004

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

TO
The Members of NLC India Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements of **NLC India Limited** (hereinafter referred to as the "Holding Company") ("NLCIL") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2022, of Consolidated Profit (Including Other Comprehensive Income), Consolidated changes in Equity, and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in "Other Matters" section below, is sufficient and appropriate to provide a basis for our audit opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 63(c) of the Consolidated Financial Statements, which indicates the challenges faced by NLCIL with reference to acquisition of further lands due to legislative changes and the resistance of land owners for higher compensation / employment opportunities etc. In the eventuality of NLCIL unable to acquire requisite lands, there would be a material uncertainty on the operations of NLCIL, which may cast significant doubt on NLCIL's ability to continue as a going concern in future. However, in order to overcome the challenges, NLCIL has revised its compensation and Rehabilitation and Resettlement (R&R) policy and various other welfare measures, to continue on further land acquisitions, which would sustain mining operations and power generation, without any disruptions.

Our Opinion is not modified in respect of this matter.

CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

1. Note 2(i) with regards to capitalization of Talabira II & III Coal mines.

2. Note 10(a)(b) regarding the provision towards loss allowance on outstanding trade receivables for the year ended March 31, 2022, pending receipt of confirmation of balances and completion of exercise of the reconciliation of balances and resolving various issues, in respect of which actions have been initiated.

3. Note 11 and 33(a) relating to recognition of income tax expense for the year ended March 31, 2022, which has been paid under the Direct Tax Vivad Se Vishwas Act, 2020 (VSVS) towards settlement of income tax disputes and consequent recovery action being initiated from the beneficiaries as per CERC tariff regulations.

4. Note 13(b)/ 23(c) where NLCIL had filed truing up petition for the Tariff period 2014-19 for its Neyveli Mines. Central Electricity Regulatory Commission (CERC) has issued True up order during March 2022 and corrigendum for the same during April 2022 for tariff period 2014-19. NLCIL is seeking clarification from Ministry of Coal and also filed a review petition before the commission. Pending disposal of the review petition, the impact of the order has been deferred.

5. Note 13(c)/ 23(d) where NLCIL has filed truing up petition for the tariff period 2014-19 for its Thermal stations in December 2019. Any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

6. Note 13(e)/ 32(b) wherein an amount of ₹165.78 crore being 50% of the mine closure deposit including interest for the five-year period from FY 2016-17 to FY 2020-21 was considered on a provisional basis under the head Regulatory income during the FY 2020-21 pending filing of claim with coal controller. Further, an amount of ₹22.22 crore has been provisionally considered as regulatory income for the FY 2021-22.

7. Note 13(f) regarding the Deferred Tax Liability materialized from FY 2019-20 onwards is yet to be considered in the Financials, pending finalization of the claim amount from beneficiaries.

8. Note 24(c) with respect to determination of lignite transfer price wherein adjustments which may arise out of revision of lignite price, if any, will be recognized upon filing of petition with CERC and/or disposal of petition by CERC, as the case may be.

9. Note 64 regarding the management's assessment of impact on financial position of the company due to COVID 19 pandemic.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

As per branch auditor's report of Talabira Branch submitted to us:

10. Note 32(e) with respect to income of ₹48.59 crore booked on account of "Regulatory Deferral Account Balance Income" on the basis of management approval, but the petition is yet to be filed with CERC for further orders.

Opinion of the auditor of the branch with respect to the branch financial statements is not modified in respect of the above matter.

As reported by the auditor of one of the Subsidiary Company, NLC TAMIL NADU POWER LIMITED in their Independent Auditors' Report dated May 24, 2022 is reproduced below:

We draw your attention to the following matters:

1. Without modifying our opinion, we draw attention to Note 63(a) of Consolidated Financial Statements - "Regarding External confirmation of balances from parties which are subject to confirmation and reconciliation."

2. Without modifying our opinion, we draw attention to Note 64 of Consolidated Financial Statements - "Regarding material impact on the business of the company due to COVID-19 pandemic".

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Opinion of the auditor of the subsidiary company with respect to subsidiary's Standalone Financial statements is not modified in respect of the above matters.

As reported by the auditor of another Subsidiary Company, Neyveli Uttar Pradesh Power Limited in their Independent Auditors' Report dated May 24, 2022 is below:

We draw your attention to Note 63d to the Consolidated Financial Statements regarding the delay in the commissioning of Ghatampur Thermal Power Project.

Opinion of the auditor of the Subsidiary Company with respect to Subsidiary's Standalone Financial statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The following have been considered as Key Audit Matters of Holding Company – NLC India Limited:

Sl no.	Key Audit Matter	Auditors' Response
1	Assessment of provisions and contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt. A high level of judgment is required in estimating the amount of provisioning. NLCIL's assessment is supported by the facts of matter, their own judgment, experience and independent legal advice wherever considered necessary. Accordingly, unexpected adverse outcomes which may significantly impact the reported profit and net assets are disclosed. A sum of ₹11,459.26 crore have been considered by NLCIL towards contingent liability and commitments representing claims of third parties. Refer Note no 56 of the Consolidated Financial Statements. Included in the above, is a sum of ₹5,244.82 crore that has been considered by NLCIL towards contingent liability which includes claims of third party's compensation for land acquisition. NLCIL has not accepted the said claims which are contested in legal proceedings and are pending for disposal by the appellate authorities. Further, there are several items of disputes pending in various appellate forums in respect of determination and quantification of liability towards direct and indirect taxes by the departments. Liabilities in respect of disputed demands are considered only as contingent liabilities pending the outcome of the decision of the appellate authorities. The total unpaid amount of disputed liabilities on account of Direct and Indirect taxes (including land tax) is ₹630.60 crore vide clause (vii)(b) of the Companies (Auditor's Report) Order, 2020 of NLCIL.	In view of the significance of the matter, we performed the following key audit procedures: • Testing the design and operating effectiveness of controls relating to taxation and contingencies; • We evaluated management's judgments in respect of estimates of provisions, exposures and contingencies; • In understanding and evaluating management's judgments, we have utilized our internal tax experts. • We have also examined the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and developments in the tax environment; and • Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the Consolidated Financial Statements in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The following have been considered as Key Audit Matters of Holding Company – NLC India Limited:

Sl no.	Key Audit Matter	Auditors' Response
2	**Project activities of Bithnok and BTPSE project:** Accuracy of impairment provisions in respect of exploration and evaluation assets and projects under "Capital work in progress" which involves critical judgment of the management in respect of feasibility of ongoing projects. The Consolidated Financial Statements include relevant disclosures that identify and explain the amounts arising from such feasibility study. Refer Note 5 to the Consolidated Financial Statements. Further, an aggregate amount of ₹388.98 crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold, on account of cancellation of contract by the end customer and the eventual litigation with the EPC contractor appointed by NLCIL. The EPC contractor has made certain claim against for which NLCIL has made some counter claims. However, in the meantime NLCIL has admitted a sum of ₹29.98 crore as payable and accordingly provided the same for the year ended March 31, 2022. During the year NLCIL has made encashment of BG amounting to ₹36.99 crore. NLCIL made further claim towards encashment of BG amounting to ₹126.27 crore for which NLCIL could not encash due to the direction of Hon'ble Supreme Court to extend the validity of BG. Pending disposal of the case, a provision of ₹ 114.79 crore has been made against the said advance, for which the said BG issued has been provided, for the year ended March 31, 2022.	Our audit procedures performed included the following: • We obtained the details of project activities of Bithnok and BTPSE project from the management; • Reviewed the correspondence with EPC contractor and the details of claims made against NLCIL and counter claims made by NLCIL; • Took note of the counter points of NLCIL against claim made by EPC contractor; and • Reviewed the basis for provision of ₹ 29.98 crore and ₹ 114.79 crore made for the year ended March 31, 2022.
3	**Expected Credit Loss on Trade Receivables** Ind AS 109 - Financial instruments (Ind AS 109) requires NLCIL to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the Standard. In the process of applying such principles and other requirements of the Standard, a significant degree of judgment has been applied by the management. The ECL in respect of trade receivables represents management's best estimate of the loss allowance. The ECL allowance is computed based on a simplified model considering ageing of trade receivables and also trend of collection of dues. The calculation of ECL allowance is a complex area considering the profile and background of customers and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the historical information and estimating the level and timing of expected future cash flows. The provision for ECL on trade receivables amounts to ₹ 501.51 crore as at March 31, 2022.	Our audit procedures performed included the following: • We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation; • The computation is based on ageing reports derived from SAP; • We, having regard to profile and the background of the customers, collection of dues and the measures of the Govt(s) in regard to settlement of dues by such customers, understood the methodology used by the management to arrive at their ECL provision and examined certain assumptions used by NLCIL; • We also tested the arithmetical accuracy and assessed the judgments used in the management's model used to calculate provision for credit losses; and • We assessed the disclosures included in the Ind AS Financial Statements with respect to such allowance/ estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 - Financial Instruments: Disclosures.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The following have been considered as Key Audit Matters of Holding Company – NLC India Limited:

Sl no.	Key Audit Matter	Auditors' Response
4	**Direct Tax Vivad Se Vishwas Act, 2020 (VSVS)** **(A)** NLCIL has opted the VSVS for settlement of income tax disputes and has filed the relevant details before the income tax department. In consequence of the same, NLCIL has remitted a sum of ₹730.91 crore during the years 2019-20 and 2021-22. Upon due scrutiny, the income tax department has accepted the application and issued Form-5 as per the provisions of VSVS, thereby concluding the disputes. **(B)** Exceptional item includes ₹389.97 crore on account of income tax recoverable from the beneficiaries as per the CERC tariff Regulations, for different Tariff periods due to payments / adjustments relating to earlier periods pursuant to opting of VSVS. Pending billing to beneficiaries, the said amount has been considered as unbilled revenue as on March 31, 2022 and is grouped under other current assets.	Our audit procedures performed included the following: (A) On VSVS • Verified all the assessment orders passed, which are subject to VSVS; • Verified the appeals pending against various forums and the status of the same; • Analysed the various issues for which NLCIL has opted for VSVS; • Verified the Forms (Form 1, 2, 3 and 4) filed by NLCIL under VSVS; • Verified the payments made under VSVS; • Verified Form-5 issued by the income tax department; and • Understood the reasons for pending tax litigations, which are not subjected to VSVS. (B) On recovery of VSVS tax from beneficiaries • We have obtained an understanding of the CERC tariff Regulations, orders, circulars, guidelines, procedures and power purchase agreements entered in respect of recoverability of income tax paid from beneficiaries; • Evaluated and tested the effectiveness of NLCIL's design of internal controls relating to recognition and measurement of revenue; • We involved our internal tax experts to understand and evaluate the recoverability of income tax paid from beneficiaries, review legal precedence in this regard; • We have gone through the expert opinion obtained by the management in this regard; and • Verified the accounting of revenue for amount recoverable from beneficiaries.
5	**Amortisation of Freehold Land** The accounting policy followed by NLCIL until FY 2020-21 provides that no depreciation to be charged on freehold land. With effect from April 01, 2021, NLCIL has changed its accounting policy to amortise freehold land on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by Technical experts. This change in the accounting policy has significant impact on the financial statements and considering this as material prior period item, NLCIL has restated previous year financials as well the opening reserves as on 01.04.2020.	Our audit procedures performed included the following: • Read NLCIL's accounting policy with respect to depreciation in accordance with Ind AS 16 - Property, Plant and Equipment; • Analysed the data from the certificates issued by technical experts including the total estimated lignite reserves vis-a-vis lignite actually extracted during each year; • Analysed the industry norms on similar matter and the appropriate treatment recognized; • Evaluated the key assumptions made including land available for mining and minable reserves available; • Review of the workings done in this regard including mathematical accuracy; and • Checked the compliance and disclosure requirements as per Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

INDEPENDENT AUDITORS' REPORT

Key audit matters reported by the statutory auditor of the Subsidiary Company – NLC TAMIL NADU POWER LIMITED dated May 24, 2022 is reproduced below:

Sl no.	Key Audit Matter	Auditors' Response
1	The Company has filed interim truing up petition with CERC claiming an amount of ₹774.38 crore towards discharged liabilities for capital expenditure from the date of commissioning up to 31.03.2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of ₹103.39 crore has been recognized under capacity charges during the year per regulation. The same is explained in detail in Note 32d and Note 51 to Consolidated Financial Statements	Interim tariff order dated 11.07.2017 granted by the CERC had set 31.03.2018 as cut-off for claiming the balance un-discharged liabilities in respect of the capital expenditure covered under the original scope of the work as approved in the project cost. The Company has reviewed (assessed) the regulatory deferral balances in respect of income and expenditure with reference to the underlying activities that meet the recognition criteria as per CERC Regulations. We verified this with reference to CERC Tariff Advisory Order 2014-19, interim order dated 11.07.2017 and final petition filed based on audited financials upto 31.03.2018.
2	The Company had Fuel Supply Agreements (FSA) with Mahanadi Coal Fields Ltd (MCL) and Eastern Coal Fields Limited (ECL) for 2.56 Million Tons and 0.44 Million Tons, respectively, of coal supply per annum. Consequent to the Coal India Limited (CIL) allocating two coal blocks at Talabira Mines to NLC India Limited with the Company as the End User Plant (EUP), MCL terminated its FSA with effect from 26.08.2021, the last supply having been made on 25.08.2021. From September 2021, the plant is supplied with coal from Talabira Mines.	We verified this termination with orders of CIL, MCL and discussions in the Board and its sub-committees. We verified the arrangement with NLCIL for supply from Talabira Mines, with order of CIL, CERC Regulations, internal approval by the competent authority and discussions in the Board and its committees.
3	During the second half of Financial Year 2021-22, the Company suffered from Coal outages which impacted the revenue and resulted in under recovery of capacity charges to the extent of ₹248.46 crore.	We verified this position with reference to discussions in the meetings of the Board and its sub-committees, quantity statements and power billing.
4	In the Board Meeting held on 07.02.2022, after approving the financial statements for the QE and period ended 31.12.2021, the Board has declared an interim dividend at 7% for the year absorbing ₹153.16 crore with due compliance with DIPAM Directives (Department of Investment and Public Asset Management)	We verified this appropriation out of profit and due compliance with reference to the DIPAM directions, provisions of Companies Act 2013 and the Income Tax Act, 1961.

Information Other Than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report and Business Responsibility Report, but does not include the Consolidated Financial Statements and our Auditors' report thereon. The other information is expected to be made available to us after the date of this Auditors' report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

(a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or

(b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors' report is prepared.

CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Comprehensive Income), Consolidated changes in equity and Consolidated cash flows of the Group including its associate and Joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group, its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Companies included in the Group, its associate and joint venture are responsible for assessing the ability of Group, its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group, its associate and joint venture are responsible for overseeing the financial reporting process of each Company.

Auditors' Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group, its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT

- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities within the Group, its associate and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the branches or other entities included in the Consolidated Financial Statements, which have been audited by the branch auditors or other auditors, such branch auditors or other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of 2 Branches included in the Consolidated Financial Statements , whose financial statements reflect total assets of ₹ 2,463.55 crore as at March 31, 2022 and total revenues of ₹ 1,454.20 crore for the year ended March 31, 2022, total net profit before tax of ₹ 545.58 crore for the year ended March 31, 2022 and total comprehensive income of ₹ 561.61 crore for the year ended March 31, 2022, and net cash out flows of ₹ 4.35 crore for the year ended March 31, 2022. The financial statements of these Branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these Branches, is based solely on the reports of such branch auditors and the procedures performed by us as stated under Auditors' Responsibilities for the audit of the Consolidated Financial Statements section above.

2. We did not audit the financial statements of 2 Subsidiaries included in the Consolidated Financial Statements, whose Financial Statements reflect total assets of ₹ 20,192.92 crore as at March 31, 2022, total revenues of ₹ 2,353.71 crore for the year ended March 31, 2022, total net profit after tax of ₹ 210.95 crore for the year ended March 31, 2022, and total comprehensive income of ₹ 212.42 crore for the year ended March 31, 2022, and net cash inflows of ₹ 12.79 crore for the year ended March 31, 2022, which have been audited by their respective other auditors.

   The Consolidated Financial Statements also include the Group's share of profit after tax of ₹ 0.13 crore for the year ended March 31, 2022 and total comprehensive income of ₹ 0.13 crore for the year ended March 31, 2022, in respect of 1 associate whose financial statements have not been audited by us.

   The Consolidated Financial Statements also include the Group's share of profit after tax of ₹ 0.39 crore for the year ended March 31, 2022 and total comprehensive income of ₹ 0.39 crore for the year ended March 31, 2022, in respect of 1 joint venture whose financial statements have not been audited by us.

   These financials statements have been audited, by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditors' Responsibilities for the audit of the Consolidated Financial Statements section above.

CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of sec 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations provided to us, and based on the CARO reports issued by us for NLCIL and CARO reports issued by the Other Auditors of Subsidiaries, its associate and joint venture included in the Consolidated Financial Statements of the Holding Company, to which the reporting under CARO is applicable, we report the following qualifications or adverse remarks:

S No	Name of the Company	CIN	Holding Company / Subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	NLC India Limited	L93090TN1956GOI003507	Holding Company	Clauses – (i)(c), (vii)(a) & (vii)(b).
2	NLC Tamil Nadu Power Limited	U40102TN2005GOI058050	Subsidiary	Clauses – (i)(b), (i)(c) and (vii)(b).
3	Neyveli Uttar Pradesh Power Limited	U40300UP2012GOI053569	Subsidiary	Clauses – (i)(b), (i)(c), and (xvii).
4	MNH Shakti Limited	U10100OR2008GOI010171	Associate	Clauses – (vii)(b) and (xvii).
5	Coal Lignite Urja Vikas Private Limited	U40101DL2020PTC372985	Joint venture	Nil

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the branch auditors and other auditors on separate Financial Statements of such branches, subsidiaries, its associate and joint venture, as were audited by branch auditors and other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c. The reports on the accounts of the Branch Offices of the Holding Company audited under Sec 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;

   d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   e. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS;

   f. The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may not have an adverse effect on the functioning of the Holding Company;

   g. The provisions of Sec 164(2) of the Act relating to disqualification of directors is not applicable to Government companies in view of the Notification No: G.S.R. 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs;

   h. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements (Cont..)

i. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure - I" which is based on our audit of the Holding Company and other auditor's reports of subsidiary companies, its associate and joint venture incorporated in India.

j. The provisions of Sec 197 of the Act relating to managerial remuneration is not applicable to Government companies in view of the Notification No: G.S.R. 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable;

k. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture – Refer Note 56 to Consolidated Financial Statements;

ii. The Group, its associate and joint venture have long term contracts for coal mining, power sale, project execution etc. However as at March 31, 2022, there were no material foreseeable losses on those contracts. The Group, its associate and joint venture did not have any derivative contracts as at March 31, 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associate and joint venture;

iv. **(a)** The respective Managements of the Holding Company, its subsidiaries, associate and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture, respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associate and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company, its subsidiaries, associate and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, associate and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint venture, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements (Cont..)

v. **(a)** The Final Dividend paid during the year by the Holding company and one of its subsidiary (NLC Tamil Nadu Power Limited), which pertains to previous year 2020- 21 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend;

(b) The Interim Dividend declared and paid by the Holding company and one of its subsidiary (NLC Tamil Nadu Power Limited), during the year is in accordance with Section 123 of the Act; and

(c) As stated in Note 57 (c) to the Consolidated Financial Statements, the Board of Directors of the Holding Company have proposed Final Dividend for the year 2021- 22 which is subject to the approval of the Members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

3. As required by Sec 143(5) of the Act, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India is given in Annexure - II.

4. During the year, NLCIL has not complied with the requirements relating to the composition of the Board, including failure to appoint woman director, as required under Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, NLCIL has complied with the requirement of Regulation 17(1)(a) with respect to appointment of independent woman director as at March 31, 2022.

For M/s. R Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AKBFNF8727

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 22221916AJXLGM2378

Place: Chennai
Date: May 30, 2022

INDEPENDENT AUDITORS' REPORT

Annexure-I to Independent Auditors' Report on the Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Group, its associate and joint venture for the year ended March 31, 2022, We have audited the internal financial controls over financial reporting of M/s. **NLC India Limited** ("hereinafter referred to as "the Holding Company") its subsidiary Companies, its associate and joint venture, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial with reference to Consolidated Financial Statements controls based on the internal control over financial reporting criteria established by the respective Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors of the relevant subsidiaries, Joint venture and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding company, its subsidiary companies, its associate and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 branches, 2 subsidiary Companies, 1 associate and 1 joint venture, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such branches / companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For M/s. R Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AKBFNF8727

Place: Chennai
Date: May 30, 2022

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 22221916AJXLGM2378

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Annexure-II to Independent Auditors' Report on the Consolidated Financial Statements

Comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India

Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1. Whether the Company has a system in place to process all the accounting transactions through IT system? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	**In respect of NLCIL:** As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. SAP ERP has been implemented for the processes like Financial Accounting (FI), Controlling (CO), Material Management (MM), Sales and Distribution (SD), Production Planning (PP), Project systems (PS) and Plant maintenance (PM). During the year the Company has continued to use Payroll Accounting software for employee salary (PIPAS). For integration of the entire system, the Company is in the process of implementing Human Capital Management (HCM) and Fund Management (FM) modules of SAP. Our examination of records on sample basis did not reveal any transactions not coming within the purview of various IT systems as stated above. **As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED in their audit report dated May 24, 2022 is reproduced below:** The Company has implemented SAP ERP system for recording of its financial transactions (FICO), Material Management (MM). The Company has entered in to a Corporate Service Agreement with its parent Company, NLC India Limited (NLCIL) for certain services like Generation and Maintenance Planning, Human resources management, Procurement and contracts management etc. The Company is operating Sales and Distribution Module (SD Module) for recording the revenue generated. For approval of PR, Indent creation, generation of PO and accounting, Material Management (MM Module) is being operated. The Company has introduced e-Office during the year as part of its green-initiative and office automation for file management. In this, the decision making process is captured from end-to end in electronic mode and forms part of the transaction processing. The Company has e-tendering process in place. For e-trading of energy, the Company has entered in to an agreement with NLCIL, participant in IEX platform. For Payroll, attendance is captured on Bio-metric basis and the monthly report duly authorized, is being used. Our examination of records did not reveal any transactions not coming within the purview of IT systems stated above. **As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited in their audit report dated May 24, 2022 is reproduced below:** Yes, the company has system in place to process all accounting transactions through IT system. No accounting transactions were found recorded outside the IT system. **As reported by the auditor of the Associate Company MNH Shakti Limited in their audit report dated May 06, 2022 is reproduced below:** The Company's accounts are maintained in computer system through Tally. ERP Software, wherein all the data are captured through manual feeding. Since there are no manufacturing and other transaction the other clauses for reporting are not applicable.	NA
2. Whether there is any restructuring of any existing loan or cases of waiver/ write off of debts/loans/interest etc., made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	**In respect of the Group, its associate:** During the year under audit, there were no cases of waiver/write off / restructuring of any debt /loan /interest etc.	NA

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Annexure-II to Independent Auditors' Report on the Consolidated Financial Statements
Comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India

Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
3. Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	**In respect of NLCIL:** During the year, the Company has recognized ₹ 10.88 crore as capital grant for Solar Projects at Andaman and the same have been properly accounted for and utilised as per the terms and conditions stipulated thereto. This does not include ₹ 5.23 crore towards teacher's salary grant received from Tamil Nadu State Government. As per practice in various states, salaries of the school teachers are being paid by the Govt. of Tamilnadu through its education department. Apart from Salary all retirement benefits of those school teachers as per applicable guidelines issued by Govt. of Tamilnadu and are being paid by Govt of Tamil Nadu. The salary of the teachers is paid by Govt. of Tamilnadu through NLCIL bank account as there are no separate bank accounts operated by those schools. Hence, the regular salary payment of school teachers is not considered as a grant. **As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED in their audit report dated May 24, 2022 is reproduced below:** According to the information and explanation furnished to us and so far, as it appears from our examination of the books of account and records of the Company, no funds are received / receivable for any specific scheme from Central /State agencies by the Company. **As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited in their audit report dated May 24, 2022 is reproduced below:** As explained to us, no such funds have been received/receivable under specific schemes from the central/state agencies during the year under audit. **As reported by the auditor of the Associate Company MNH Shakti Limited in their audit report dated May 06, 2022 is reproduced below:** As per information and explanations given to us the Company has not received/ receivable any fund for specific schemes from Central/State agencies.	NA
4. Whether the Company's financial statements had properly accounted for Mine Closure Liability as per Ministry of Coal guidelines dated 16 Dec 2019 ?	**In respect of NLCIL:** Based on the information and explanations provided to us by the Company, the 'Guidelines for preparation of Mining Plan for the coal and lignite blocks' dated Dec 16, 2019 read with 'Standard of Operating Procedure for Mine Closure reimbursement against Mine Closure Activities in line with the new guidelines for preparation of mining plan for Coal and Lignite blocks issued vide No. F.No. 34011/28/2019-CPAM dated Dec 16, 2019', the amount to be considered for Mine Closure amounting to ₹ 9 Lakhs per hectare shall arise in the case of New Coal & Lignite Mines/Blocks or for any existing Coal and Lignite Mine/Block which require modification of Mining Plan / Mine Closure Plan as per new modified guidelines dated Dec 16, 2019. As on Balance Sheet date, the Company has not received any approval from Ministry of Coal for its revised mine closure plan and accordingly the Company has not considered these new modified guidelines while creating the mine closure liability for the year ended Mar 31, 2022.	NA

In the case of Joint Venture Coal Lignite Urja Vikas Private Limited, the auditor of such entity has not reported on the above points. Hence the same has not been considered as a part of our report.

For M/s. R Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 22008460AKBFNF8727

Place: Chennai
Date: May 30, 2022

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 22221916AJXLGM2378

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2022

(₹ crore)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021*	As at April 1, 2020*
ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	2	24,604.51	25,645.58	23,478.41
(b) Right-of-Use Asset	3	80.58	31.12	32.28
(c) Intangible Asset	4	189.83	147.07	6.45
(d) Capital Work-in Progress	5	12,908.55	11,494.90	12,534.11
(e) Asset Under Development	6	113.58	101.68	127.67
(f) Financial Assets	7			
(i) Investments	a	6.62	13.59	13.51
(ii) Loans	b	23.19	30.17	30.88
(g) Other Non-Current Assets	8	1,162.92	1,002.01	983.15
		39,089.78	**38,466.12**	**37,206.46**
2. Current Assets				
(a) Inventories	9	1,201.41	1,628.55	1,691.50
(b) Financial Assets	10			
i) Trade Receivables	a	3,709.63	7,521.50	8,509.79
ii) Cash and Cash Equivalents	b	139.41	157.34	16.96
iii) Bank balances other than cash and cash equivalent	c	629.63	627.22	415.72
iv) Loans	d	26.82	30.29	39.54
v) Other Financial Assets	e	42.53	69.18	65.39
(c) Income Tax Asset (Net)	11	489.16	795.32	829.44
(d) Other Current Assets	12	1,781.57	1,750.29	1,525.98
		8,020.16	**12,579.69**	**13,094.32**
3. Regulatory Deferral Account Debit Balances	13	2,675.50	2,246.05	1,735.21
Total Assets and Regulatory Deferral Account Debit Balances		**49,785.44**	**53,291.86**	**52,035.99**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	14	1,386.64	1,386.64	1,386.64
(b) Other Equity	15			
(i) Retained Earnings	a	10,452.28	9,764.31	8,624.26
(ii) Other Reserves	b	2,350.26	2,333.86	2,309.98
		14,189.18	**13,484.81**	**12,320.88**
Non-Controlling Interest	16	2,185.13	1,896.84	1,767.37
LIABILITIES				
1. Non-Current Liabilities				
(a) Financial Liabilities	17			
(i) Borrowings	a	18,845.27	18,934.44	18,943.19
(ii) Lease Liability	b	27.70	4.10	3.46
(b) Deferred Tax Liabilities (Net)	18	3,054.31	2,737.88	2,184.34
(c) Other Non-Current Liabilities	19	2,516.65	1,526.33	1,165.61
		24,443.93	**23,202.75**	**22,296.60**
2. Current Liabilities				
(a) Financial Liabilities	20			
(i) Borrowings	a	3,213.10	8,295.74	8,283.04
(ii) Trade Payables	b			
-Total outstanding dues of Micro and Small Enterprises		28.05	40.53	22.97
-Total outstanding dues of creditors other than Micro and Small Enterprises		1,489.92	1,855.16	3,264.72
(iii) Other Financial Liabilities	c	162.53	139.99	123.64
(b) Other Current Liabilities	21	758.03	1,273.08	634.29
(c) Provisions	22	597.62	481.34	757.43
		6,249.25	**12,085.84**	**13,086.09**
3. Regulatory Deferral Account Credit Balances	23	2,717.95	2,621.62	2,565.05
Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		**49,785.44**	**53,291.86**	**52,035.99**

* Restated - Refer Note No 36
Significant Accounting Policies 1
The Accompanying Notes 1 to 64 forms an integral part of the Financial Statements.

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Consolidated Balance Sheet referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ crore)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021*
INCOME			
(i) Revenue from Operations	24	11,947.94	9,846.09
(ii) Other Income	25	598.02	1,952.33
(iii) **Total Income (i+ii)**		**12,545.96**	**11,798.42**
(iv) **EXPENSES**			
Cost Of Fuel Consumed	26	1,176.59	1,563.30
Changes in Inventories	27	476.49	(51.43)
Employee Benefit Expenses	28	2,690.45	2,755.89
Finance Costs	29	983.78	1,312.57
Depreciation and Amortization Expenses	30	1,908.72	1,611.42
Other Expenses	31	3,441.54	2,775.72
Total Expenses (iv)		**10,677.57**	**9,967.47**
(v) Profit / (Loss) before Exceptional, Tax & Rate Regulatory Activity (iii-iv)		1,868.39	1,830.95
(vi) Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	32	344.92	462.94
(vii) Profit / (Loss) before Exceptional Item and Tax (v+vi)		2,213.31	2,293.89
(viii) Exceptional Items-Expenses/(income)	33	(389.83)	70.82
(ix)Profit / (Loss) before Tax (vii-viii)		**2,603.14**	**2,223.07**
(x) Tax Expense:	57		
(1) Current Tax			
- Current Year Tax		500.67	274.90
- Previous Year Tax		603.70	(1.58)
- Tax Expenses / (Savings) on Rate Regulated Account		67.71	82.74
(2) Deferred Tax (after MAT adjustment)		315.93	552.97
Total Tax Expenses (x)		1,488.01	909.03
(xi) Profit / (Loss) after Tax before share of Profit/(Loss) of associates (ix - x)		**1,115.13**	**1,314.04**
(xii) Share of Profit/(loss) of Associates & Joint Venture		0.52	0.07
(xiii) **Profit / (Loss) for the Year (xi + xii)**		**1,115.65**	**1,314.11**
(xiv) Other Comprehensive Income			
Items not to be reclassified to Profit or Loss:	34		
- Net Actuarial gains/(losses) on defined benefit plans		33.91	33.63
- Income Tax expenses/(savings) on net actuarial gains/(losses) on defined benefit plans		5.68	7.02
Total other comprehensive income for the year (net of income tax) (xiv)		28.23	26.61
(xv) Total Comprehensive Income for the year (xiii + xiv) (Comprising Profit or (Loss) and other Comprehensive Income)		**1,143.88**	**1,340.72**
(xvi) Profit attributable to			
- Owners of the company		1,092.57	1,281.88
- Non Controlling Interest (NCI)		23.08	32.23
(xvii) Total Comprehensive Income attributable to			
- Owners of the company		1,120.37	1,309.81
- Non Controlling Interest (NCI)		23.51	30.91
(xviii) Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balance):			
(1) Basic (in ₹)	35	6.05	6.74
(2) Diluted (in ₹)		6.05	6.74
(xix) Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balance):			
(1) Basic (in ₹)	35	8.05	9.48
(2) Diluted (in ₹)		8.05	9.48

* Restated - Refer Note No. 36
The Accompanying Notes 1 to 64 forms an integral part of the Financial Statements

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Place : Chennai

Date : 30.05.2022

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ crore)

	No of Shares	Amount
Balance as at 1st April, 2021	1,38,66,36,609	1,386.64
Movement during the financial year	-	-
Closing Balance as at 31st March, 2022	**1,38,66,36,609**	**1,386.64**
Balance as at 1st April, 2020	1,38,66,36,609	1,386.64
Movement during the financial year	-	-
Closing Balance as at 31st March, 2021	**1,38,66,36,609**	**1,386.64**

B. Other Equity

(₹ crore)

Particulars	Retained Earnings and Other Reserves						Total
	KfW Interest-Differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
Balance as at 01.04.2021	358.00	120.00	1,457.00	291.07	107.79	9,764.31	12,098.17
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year							
- Profit or loss	-	-	-	-	-	1,115.65	1,115.65
- Other comprehensive income	-	-	-	-	-	28.23	28.23
Total Comprehensive Income	-	-	-	-	-	1,143.88	1,143.88
Dividend paid :							
- Interim Dividend						(224.85)	(224.85)
- Final Dividend						(232.07)	(232.07)
Appropriations- Transfer from / (to) Retained Earnings	4.90	10.00	-	-	1.50	(16.40)	-
Other changes:							
- Non Controlling Interest	-	-	-	-	-	17.41	17.41
Balance as at 31.03.2022	**362.90**	**130.00**	**1,457.00**	**291.07**	**109.29**	**10,452.28**	**12,802.54**

(₹ crore)

Particulars	Retained Earnings and Other Reserves						Total
	KfW Interest Differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning*	
Balance as at 01.04.2020*	351.30	110.00	1,457.00	291.07	100.61	8,624.26	10,934.24
Changes in accounting policy or prior period errors							
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,314.11	1,314.11
Other comprehensive income	-	-	-	-	-	26.61	26.61
Total Comprehensive Income	-	-	-	-	-	1,340.72	1,340.72
Dividend and dividend taxes paid :							
- Interim Dividend						(138.66)	(138.66)
- Final Dividend						(7.22)	(7.22)
Appropriations- Transfer from / (to) Retained Earnings	6.70	10.00	-	-	7.18	(23.88)	-
Other changes:							
- Non Controlling Interest	-	-	-	-	-	(30.91)	(30.91)
Balance as at 31.03.2021*	**358.00**	**120.00**	**1,457.00**	**291.07**	**107.79**	**9,764.31**	**12,098.17**

* Restated - Refer Note No 36

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ crore)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021*	
A. Cash flow from operating activities:				
Net Profit Before Tax		2,603.14		2,223.07
Adjustments for:				
Less:				
Profit on Disposal of Asset	2.29		3.60	
Interest Income	116.92		113.43	
	119.21		117.03	
Add:				
Depreciation/Amortisation Expenses	1,908.72		1,611.42	
Other non cash charges	232.47		(5.83)	
Provision for loss on asset	44.19		10.69	
Interest expense	983.78		1,312.57	
	3,169.16	3,049.95	2,928.85	2,811.82
Operating Profit before working capital changes		5,653.09		5,034.89
Adjustments for:				
Trade receivables		3,676.88		763.64
Loans & advances		108.10		(14.58)
Inventories & other current assets		(160.51)		(881.25)
Trade payables & other current liabilities		(641.35)		(206.28)
Cash Flow generated from Operations		8,636.21		4,696.42
Direct Taxes paid		(871.08)		(328.38)
Cash Flow Before Extraordinary Items		7,765.13		4,368.04
Grants received		4.51		21.66
Net Cash from/(used in) operating activities		**7,769.64**		**4,389.70**
B. Cash flow from investing activities:				
Purchase of property, plant and equipment / preliminary expenses		(916.95)		(2,318.79)
Sale of property, plant and equipment / Projects from continuing operations		3.27		(3.10)
Sale/Purchase of Investments		7.49		(0.01)
Interest Received		143.57		109.64
Net Cash from/(used in) investing activities		**(762.62)**		**(2,212.26)**
C. Cash flow from financing activities:				
Short Term Borrowings (Net)		(5,082.64)		261.80
Long Term Borrowings (Net)		(89.17)		(257.85)
Interest paid		(1,701.99)		(1,993.15)
Issue of Equity Shares		305.70		98.56
Dividend		(456.86)		(146.42)
Net Cash (used)/received in financing activities		**(7,024.95)**		**(2,037.06)**
Net increase, decrease(-) Cash and Cash equivalents		**(17.93)**		**140.38**
Cash and cash equivalents as at the beginning of the year		**157.34**		**16.96**
Cash and cash equivalents as at the end of the year		**139.41**		**157.34**

NOTE : (-) INDICATES CASH OUTFLOW.

Details of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash in hand	0.01	0.07
Cash at bank in current accounts	89.40	66.86
Cash at bank in deposit accounts	50.00	90.41
Total	**139.41**	**157.34**

* Restated- Refer Note No 36

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2022 (Expressed Rs in crore, unless otherwise stated)

Reporting entity

NLC India Limited ("NLCIL" or "the holding Company"), is a Government Company registered under the erstwhile Companies Act, 1956 with its registered office located at No.135, EVR Periyar High Road, Kilpauk, Chennai - 600 010 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLCIL is engaged in the business of mining of Lignite, Coal and generation of power by using lignite as well as Renewable Energy Sources.

NLC Tamil Nadu Power Ltd ("NTPL" or a subsidiary Company), is the joint venture between NLC India Limited (NLCIL) and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), a Government of Tamil Nadu Enterprise and the Company is registered under erstwhile Companies Act, 1956 with its registered office located at No.135, EVR Periyar High Road, Kilpauk, Chennai - 600 010. NTPL is engaged in the business of generation of power using Coal.

Neyveli Uttar Pradesh Power Ltd ("NUPPL" or a subsidiary Company), is the joint venture between NLC India Limited (NLCIL) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and the Company is registered under erstwhile Companies Act , 1956 with its registered office located at 6/42, Vipul Khand, Gomti Nagar, Lucknow - 226 010. NUPPL is engaged in the business of generation of power using Coal. The Company has not started the generation till the reporting date as the Plant is under construction.

The above Entities along with Associates and Joint Venture are jointly referred as the Group for the purpose of reporting in Consolidated Financial Statements.

Principles of Consolidation

The Consolidated Financial Statements of the Group are prepared in accordance with Indian Accounting Standard ('Ind AS') 110 "Consolidated Financial Statements" and Indian Accounting Standard ('Ind AS') 28 "Investment in Associates & Joint Ventures".

The Financial statements of the Company (NLCIL) and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions and adopting uniform accounting policies. The Financial Statements of the jointly controlled entity are consolidated using equity method. The share of interest in each item of Balance Sheet and Statement of Profit and Loss is separately shown.

Basis of consolidation

The Consolidated Financial Statement comprise the financial statements of the Company, its Subsidiaries, Associates & Joint Ventures as at 31st March, 2022. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statement from the date on which control commences until the date on which control ceases.

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Basis of preparation

a. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act , 2013 and the Provisions of Electricity Act,2003 as applicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been prepared on a historical cost basis, except otherwise stated.
The financial statements are presented in Indian Rupees ('₹') which is also the Group's functional currency. All amounts are rounded to the nearest crore, except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognized in the financial year in which the results are known or materialized.

c. Current and Non-Current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be recognized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-Current.

Deferred tax assets/liabilities are classified as Non-Current.

Significant Accounting Policies

I. Property, Plant and Equipment

Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. Cost of acquisition is inclusive of taxes, duties, freight, installation and allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalized as an asset and depreciated over the useful life of the asset.

Items of Property, Plant and Equipment (PPE) are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

In accordance with Ind AS 101, the Group has availed the exemption where in the carrying value of the PPE as per Previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cost of a self-constructed item of Property, Plant and Equipment includes the cost of materials, direct labor, and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Other Direct Expenses relating to construction of Property, Plant and Equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Subsequent Cost of Capitalization

Subsequent expenditure incurred on the existing assets are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria as per Ind AS 16.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in as expenses in the statement of Profit and Loss as and when it is incurred.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Thermal Power Stations resulting in increased life and/or efficiency of an existing asset is added to the carrying cost of related asset and depreciated over the estimated extended life of the Unit from the completion of original life / from the date of synchronization of the Unit as the case may be.

Stores and spares:

Purchased along with Property, Plant and Equipment are capitalized and depreciated along with the main asset.

Spares purchased subsequent to commissioning of the asset:

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment as per Ind AS 16 are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit or Loss on consumption.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capitalization of Land

a. **Freehold Land:** Land acquired for mining, thermal plants, wind mills, solar plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894/ Tamilnadu Acquisition of Land for Industrial purpose Act 1997, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/change made by respective state Govt. from period to period. The cost of the said land is capitalized on the date of taking over the possession/ transfer of title deed in favour of the Group.

b. **Lease hold Land:** Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act, 1957. The said leasehold land is capitalized when the entire land / substantial portion of land is ready for development and mining activity.

c. **Coal Mine:** The date of commercial operation in case of integrated mines (commissioned after 31st March, 2019) shall mean the earliest of:-
   a. The first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or
   b. The first date of the year succeeding the financial year in which the value of production estimated in accordance with CERC Regulation 2019-24, exceeds total expenditure in that financial year; or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

c. The date of two years (i.e., Financial Year) from the date of commencement of production..

Capitalization

a. **Specialized Mining Equipment**
Successful completion of eight effective working hours on load test excluding minor stoppage is the criteria followed in respect of the assets covering Specialized Mining Equipment System viz., Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalization and commencement of depreciation charge and revenue recognition. The entire test shall be completed within twelve hours from the time of starting of the test including minor stoppages.

b. **Thermal Power Generation Unit**
Test and trial production for Thermal Power Generation unit commences from the date of synchronization and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of Commercial Operation Date (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Direct expenses and interest charges incurred during the test and trial run are capitalized and the revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

c. **Wind Turbine Generators (WTG)**
Each WTG is capitalized on the date on which it is connected to grid based on the commissioning and acceptance certificate issued by DISCOM's.

d. **Solar Power Plant**
Solar Power Plants are capitalized on the date on which it is connected to Grid or the date of CoD if any specified in the agreement after complying necessary technical parameters. In case the date of CoD is later than the date of connection to Grid, revenue if any arises from sale of infirm Power offset to the Capital Cost of the project.

e. **Other Assets**
Other assets are capitalized when they are available for the use as intended by the management.

Depreciation / Amortization

Depreciation is provided on cost of the Property, Plant and Equipment net of estimated residual values over their estimated useful lives and is recognized in the Statement of Profit and Loss. Freehold land is not depreciated.

The cost of the land taken on lease is amortized from the date of commencement of commercial operation over the estimated useful life of the mine or life of the linked Thermal Power Plant originally estimated whichever is less.

The cost of mining land capitalized in the Books of Accounts is amortized on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by technical experts.

Depreciation is provided for under straight line method as indicated below: -

Description of Assets covered	Basis
i. a. Assets of Thermal Power Stations excluding vehicles other than Ash Tippers	The Group follows the provisions of the Electricity Act 2003. Depreciation is as per the rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act 2003.
b. Wind Turbine Generator(WTG) and Solar Power Plants.	As per the estimated life of the plant in line with the guidelines issued by Ministry of New and Renewable Energy (MNRE) / CERC / SERC as applicable.
c. Life Extension Program (LEP) Assets.	Life assessed as per technical estimate / life approved by CERC / SERC.
ii. Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Description of Assets covered	Basis
iii. Buildings: Non-residential Buildings Plant & Machinery: CME other than dozers and pipe layers, Workshop machinery, Pumps GWC & SWC pipes and Civil construction machinery.	At technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. Specialized Mining Equipment	At technically assessed life.
v. Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalized with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset.
vii. Spares treated as PPE	At technically assessed life.
viii. Asset costing less than ₹ 5,000	Fully depreciated in the year the asset is available for use.

In the case of assets of Integrated Mines, declared Commercial Operation on or after 1st April 2019, depreciation is computed as per rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC).

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Group.

In the year of commissioning / retirement of assets, depreciation is calculated on pro-rata basis recognized from the month of capitalization.

Depreciation on the following major assets is provided on the technically estimated useful life:

Asset	Useful Life of Asset in years
Specialised Mining Equipment	15
Furniture- Others	5 to 10
Fire Fighting Equipments	10
Photo copier	10
Air Conditioner and Refrigerator	10 to 14
Telecommunication Equipment	10

On transition to Schedule II of Companies Act'2013, Assets partially depreciated has been migrated as per Companies Act 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of Companies Act, 2013 which has been considered for computation of depreciation and the said derived rate / remaining useful life period is treated as "Technically Estimated" rate for the purpose of depreciation of those Migrated Assets.

Amortization of Mine Development Cost

Over burden removal and related costs are classified as mine development cost under Capital Work-In-Progress till achievement of quantity parameters as laid down for each project. On achievement of such quantity parameters, the mine development cost is capitalized as a 'Mining Development Cost'.

For the mines which are directly linked to feeding Thermal Power Plants, such "Mine Development Cost" are amortized over the estimated life of the mine or the life originally /initially approved for the linked Thermal Power Plant whichever is lesser. For the mines which are not directly linked to any specific feeding Thermal Power Plants, such "Mine Development Cost" are amortized over the life estimated by the Management from the date of declaration of commercial operation.

De-recognition

Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and Losses on de-recognition of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of Property, Plant and Equipment, and are recognized in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

II. Intangible Assets

Recognition and measurement

The Group recognises an intangible asset and measures that at cost if, and only if:

a. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
b. The cost of the asset can be measured reliably.

Research and Development Cost - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognized as an intangible asset when the Group can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets - Other Intangible Assets including Computer software that are acquired by the Group for an amount more than Rs 10 lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development Cost (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and Subsequent Expenditure	Over the residual life of the parent asset
Software costing more than Rs 10 lakh	5 years
Mining Rights	20 years

Gains or losses arising from de-recognition of an intangible asset are recognized in the Statement of Profit and Loss.

Exploration and evaluation

Exploration and evaluation costs comprise capitalized costs which are attributable to the search for coal, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter-alia the following:

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining & examining the volume and grade of the resource; and
- surveying transportation and infrastructure requirements.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets (intangible assets under development) and stated at cost less impairment.

Exploration and evaluation assets are assessed for impairment indicators at least annually. Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

III. Inventories

Inventories are valued at the lower of Cost or Net Realisable Value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Stock Items	Basis
Lignite / Coal	At absorption cost excluding allocated administration charges and social overhead.
Coal (NTPL)	At weighted average acquisition cost
Stores and spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	Nil
Goods in Transit including goods received but pending inspection / acceptance	Cost

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Non - Moving Stores and Spares

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares (excluding Insurance/Mandatory/Critical spares) is ascertained on review and provided for.

IV. Mine closure expenditure

Concurrent mine closure expenses are accounted as and when incurred. The annual cost of mine closure is calculated and accounted on the basis of guidelines for preparation of mine closure plan issued by Ministry of Coal.

V. Prepaid expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed Rs 1 crore in each case.

VI. Financial Instruments

Non-derivative Financial Assets

Initial recognition and Measurement

Financial assets are recognized at its fair value plus or minus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the asset is held with in the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Group’s financial assets consist of staff advances and trade receivables, etc.

Investment in Subsidiaries

A Subsidiary is an entity controlled by the Group. Control exist when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Investment in Joint Ventures and Associates

A Joint Venture is a type of joint agreement whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are derecognized when and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount presented in the Balance Sheet when, and only when the Group:

- currently has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

VII. Impairment

Financial Assets (including receivables)

Impairment of financial assets in accordance with Ind AS 109- 'Financial instruments', the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
b. Financial assets that are debt instruments and are measured as at Fair Value Through OCI.
c. Lease receivables under Ind AS 116.
d. Trade receivables, unbilled revenue and contract assets under Ind AS 115.
e. Loan commitments which are not measured as at Fair Value through P&L.
f. Financial guarantee contracts which are not measured as at Fair Value through P&L.

For trade receivables and contract assets/unbilled revenue, the Group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Non-financial assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro-rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognized in the Statement of Profit & Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognized accordingly

VIII. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Group opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz., in respect of financial assets and financial liabilities.

IX. Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility and other studies, development expenditure, expenditure on exploration works, technical knowhow etc. The cost of the project is transferred to capital as and when implemented. In case such projects are identified for transfer of business by Govt. of India the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

X. Government / Other Grants

Related to assets

Grants related to assets are presented in the Balance Sheet by setting up the grant as deferred income when there is reasonable assurance that it will be received and the Group will comply with the conditions associated with the grant. The deferred income is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are recognized in the statement of Profit and Loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate or when the conditions related to the grant is fulfilled.

XI. Employee benefits - Short term employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprise of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as and when the related services are provided. The Group's liability towards Gratuity, Post-Retirement Medical Facilities, Transport Allowance for settlement at home town, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the guidelines issued by Department of Public Enterprises.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Contribution towards Provident Fund and Gratuity is recognized as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

Contribution towards Post-Retirement Medical Benefit Scheme comprising of fixed amount of annual assistance (PRMA) in respect of employees retired prior to 1st January, 2007 and Premium towards Post-Retirement Medical Insurance (PRMI) are treated as Defined Contribution Plans.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method and accounted accordingly.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognized immediately in the statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed when the Group can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Liability towards VRS is booked in the year of exercise of option by the employee up to the date of closure of each offer in accordance with terms and conditions of each offer.

XII. Allocation of Common Charges/Social Overhead Expenses/Interest on Working Capital

These are allocated to production units based on salaries and wages of the respective units.

XIII. Prior period items, Accounting estimates and effect of change in Accounting Policy

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of change in accounting estimate is recognized prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognized by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the respective Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XIV. Events after Reporting Period

Events of material nature occurring after the Reporting period are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS10.

XV. Revenue Recognition

Revenue from Operation includes i) sale of Power generated by Thermal Power Stations, ii) Sale of Power generated from Renewable Energy Sources such as Wind and Solar, iii) Sale of Lignite/Coal, iv) Sale of By Products & Joint products, v) Consultancy & Management Services relating to Mining and Power generation and vi) Commission on Trading of Power.

Revenue is recognized as per Ind AS-115 when the following criteria are met

a. the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
b. the entity can identify each party's rights regarding the goods or services to be transferred;
c. the entity can identify the payment terms for the goods or services to be transferred;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

d. the contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
e. it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sale of Power generated by Thermal Power Stations

Sale of Power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC)/ State Electricity Regulatory Commission (SERC).

The Group adopts the tariff rates as approved by CERC for the sale of power. Such Tariff rates includes Lignite Transfer Price which is subject to revision as calculated by the Group from time to time in accordance with guidelines issued by Ministry of Coal (MoC) or as delegated by MoC.

In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of Ministry of Coal guidelines on Lignite Transfer Price for energy charges and other relevant CERC's guidelines, for capacity charges are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue / Expenditure, respectively.

Rebates / discounts allowed to beneficiaries / customers for early payment incentives are net-off with the amount of revenue from operations.

Sale of Un-requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries is accounted net off sharing of any gain arising from such sale.

Sale of Power through Renewable Energy Sources

Revenue from sale of solar energy and wind energy are recognized in accordance with the price agreed under the Power Purchase Agreement (PPA) and in accordance with the orders passed by the respective State Electricity Regulatory Commission (SERC).

Sale of Lignite/Coal

Sale of Lignite/Coal, by E-auction sales has been reckoned to the extent of amount received. Sale of Lignite/Coal other than by E-auction is recognized in accordance with the agreement entered into with the respective parties. Sale of Coal for end use plant is accounted in accordance with the provisions of tariff regulations issued by Central Electricity Regulatory Commission (CERC) for integrated mines.

Unbilled Revenue

As at each reporting date, revenue from sale of energy includes an accrual for sales made to beneficiaries but not billed i.e. unbilled revenue and the same is categorized under Other Current Assets in the Balance Sheet.

Consultancy, Technical and Management Services

Revenue from consultancy, technical and management services is recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the agreement with service recipient.

Commission on Trading of Power

Commission on trading of power for third party shall be recognized on receipt of payment.

Other Income

Other Income includes interest income, insurance claims, surcharge, dividend income and income from sale of Scrap.

Interest Income

Interest Income with respect to advances provided to employees is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest Income due on income tax recoverable is recognized in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognized in the period in which there is acceptance of the claim.

Surcharge

The Interest/Surcharge on late payment/overdue sundry debtors on thermal power is recognized based on agreement with beneficiaries. On renewable power the same is recognized based on realization / certainty of realization.

Dividend Income

Dividend Income is recognized when the shareholder's right to receive payment is established.

Scrap Sale

Scrap is accounted for as and when sold.

XVI. Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognized in the statement of Profit and Loss in the period in which they arise.

The Group has availed the exemption provided under Ind AS from recognizing in the Statement of Profit and Loss the exchange difference arising on translation of long-term foreign currency monetary items recognized in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalize the same.

XVII. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in the statement of Profit and Loss except to the extent that it relates to a business combination or items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.
Deferred tax assets and liabilities are offset only if certain criteria(s) set out in Ind AS 12 are met.

XVIII. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

All other borrowing costs are expensed in the year in which they occur.

XIX. Leases

Finance lease

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1st April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Group has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant & Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Group is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Group presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities in 'Financial Liabilities' in the Balance Sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a Lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income on a straight-line basis over lease term as part of 'Other Income'.

XX. Provisions and Contingent Liability

Recognition and measurement

A provision is recognized when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XXI. Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XXII. Earnings Per Share

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic Earnings Per Share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXIII. Operating segments

Segment reports are prepared in accordance with Ind AS108. The operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The operating segments have been identified on the basis of the nature of products / services.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

XXIV. Dividend

Dividends and interim dividends paid to Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

XXV. Cash Flow Statement

Cash Flow Statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'.

XXVI. Regulatory Deferral Accounts

Income / Expense recognized in the Statement of Profit or Loss to the extent recoverable from / payable to the beneficiaries in the subsequent periods as per CERC tariff regulations are recognized as Regulatory Deferral Account balances. Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from / payable to the beneficiaries.

Pending the disposal of review/ appeal petitions filed by the Group against adverse orders before CERC / SERC/ Other Appellate Authorities, the impact of the said orders is considered under Regulatory Deferral Account in the Statement of Profit or Loss of the respective financial year. In case of appeal by the beneficiary against the CERC/SERC orders, the impact on the same is not considered as Regulatory Deferral liability and disclosed under Contingent Liability.

Regulatory Deferred Account balances are reviewed and evaluated at each Balance Sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criterion is not met this regulatory deferral account balances are derecognized.

Regulatory Deferral Account Balances are presented as separate line item in the Balance Sheet. The movement in the regulatory deferral account balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NON-CURRENT ASSETS

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

(₹ crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2021	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2022	As at 01.04.2021	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land										
- Freehold Land	717.65	40.72	-	758.37	-	-	-	-	758.37	717.65
- Lease hold Mining Land	229.69	30.82	-	260.51	6.76	-	4.36	11.12	249.39	222.93
- Mining Land	682.07	38.42	-	720.49	619.21	-	39.32	658.53	61.96	62.86
Roads	159.64	9.79	-	169.43	79.58	-	12.62	92.20	77.23	80.06
Buildings	819.01	37.53	0.01	856.53	88.91	-	22.82	111.73	744.80	730.11
Electrical Installations	225.48	7.71	0.06	233.13	129.65	0.04	14.05	143.66	89.47	95.83
Water Supply & Drainage	122.90	2.55	0.57	124.88	70.38	0.51	9.05	78.92	45.96	52.52
Plant & Machinery	29,521.93	539.12	1.76	30,059.29	6,362.05	0.27	1,596.62	7,958.40	22,100.89	23,159.88
Furniture & Equipment	107.87	32.65	1.18	139.34	39.75	0.58	15.34	54.51	84.83	68.12
Vehicles	56.75	2.24	0.37	58.62	30.84	0.08	5.24	36.00	22.62	25.91
Assets Costing ₹ 5000 and below	1.11	0.30	-	1.41	1.11	-	0.30	1.41	-	-
Mine Development										
- Mine-I	206.97	-	-	206.97	116.98	-	89.98	206.96	-	89.99
- Mine-IA	91.74	-	-	91.74	40.04	-	51.68	91.72	-	51.70
- Mine-II	348.51	-	-	348.51	140.58	-	25.99	166.57	181.97	207.93
- Barsingsar Mine	110.85	-	-	110.85	30.76	-	10.01	40.77	70.08	80.09
- Talabira Mines	-	123.10	-	123.10	-	-	6.16	6.16	116.94	-
Total	**33,402.17**	**864.95**	**3.95**	**34,263.17**	**7,756.60**	**1.48**	**1,903.54**	**9,658.66**	**24,604.51**	**25,645.58**
Previous Year (Restated)	**29,609.58**	**3,797.86**	**5.27**	**33,402.17**	**6,131.17**	**2.48**	**1,627.90**	**7,756.59**	**25,645.58**	
Opening Balance as on 01.04.2020 (Restated)	**21,857.07**	**7,759.22**	**6.71**	**29,609.58**	**4,205.49**	**3.27**	**1,928.95**	**6,131.17**	**23,478.41**	

a. In respect of land acquired by the group during the periods 1956 to 1977 and 1997 to 2001, ownership is subject to certain restrictions imposed through the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively.

b. Plant and Machinery includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects and Machinery spares. This also includes residual value of assets considered as addition to the assets under Life Extension programme.

c. Freehold Land includes acquisition of land relating to Barsingsar Extension and Bithnok Power and related Mining projects amounting to ₹ 169.28 crore.

d. All units of Thermal Power Station -I have been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2022 are included in the above Schedule. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

e. Spares meeting the criteria of PPE and having a value of more than ₹ 5 Lakh have been considered for capitalisation .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

f. Depreciation on Specialised Mining Equipment(SME) has been considered based on technical estimate of specific assets.

g. Depreciation on Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/ SERC.

h. There is no impairment loss identified for the tangible fixed assets during the year.

i. In terms of Notification issued by CERC on September 13, 2021 and as per the accounting policy of the Group, 01.04.2021 has been reckoned as date of commencement of commercial operation in respect of Talabira II & III Coal Mines. Accordingly, the capitalization of the amount carried under CWIP as on 31.03.2021 has been reckoned as 01.04.2021.

j. The financial impact due to change in accounting policy for amortisation of land amounts ₹ 592.00 crore till 01.04.2020 and ₹ 27.21 crore for FY 20-21. The above impact has been considered in Retained earning up to 01.04.2020 and Statement of profit and Loss for FY 2020-21 respectively. The impact on current financial year is ₹ 39.32 crore. The carrying Net Block of assets has been restated accordingly.

k. During the FY 2021-22 the Group has changed the period of amortisation for Mine Development expenditure and the financial impact due to change in such accounting estimate in the current year is ₹ 131.90 crore.

l. The Licence fees for mining land capitalised under leasehold mining land in FY 2020-21 has been reclassified to Intangible assets in line with CERC Regulation 2019-24.

m. Based on physical verification of assets (including conveyor belts and pipes) the net block of Rs 13.47 crore which are not available for use are included in the above schedule pending write off from Asset register.

n. The Group has identified land with limited life and classified the same under the head mining land.

NOTE 3: RIGHT-OF-USE ASSETS

(₹ crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2021	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2022	As at 01.04.2021	Withdrawls/ Trans./ Adjt.	For the Year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land	50.51	38.21	-	88.72	22.91	-	2.11	25.02	63.70	27.60
Building	2.22	0.55	1.07	1.70	1.25	0.92	0.46	0.79	0.91	0.97
Vehicle	3.26	-	-	3.26	0.71	-	0.61	1.32	1.94	2.55
Plant and Machinery	-	15.53	-	15.53	-	-	1.50	1.50	14.03	-
Total	**55.99**	**54.29**	**1.07**	**109.21**	**24.87**	**0.92**	**4.68**	**28.63**	**80.58**	**31.12**
Previous Year	54.29	1.70	-	55.99	22.01	-	2.86	24.87	31.12	

NOTE 4: INTANGIBLE ASSETS

(₹ crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2021	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2022	As at 01.04.2021	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Software	39.71	3.27	-	42.98	8.89	-	13.82	22.71	20.27	30.82
Mining License	119.77	75.98	-	195.75	3.52	-	22.67	26.19	169.56	116.25
Total	**159.48**	**79.25**	**-**	**238.73**	**12.41**	**-**	**36.49**	**48.90**	**189.83**	**147.07**
Previous Year (Restated)	12.36	147.17	0.05	159.48	5.91	0.04	6.54	12.41	147.07	

a. There is no impairment loss identified for the assets during the year.

b. Mining Rights represents license obtained to operate coal and lignite mines, which is capitalized in lines with the CERC regulations of tariff period 2019-24.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: CAPITAL WORK-IN-PROGRESS

(₹ crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
Plan Expenditure				
i) TPS II Expansion				
Supply and Erection	-	-	0.15	-
Expenditure during Construction	-	-	-	0.15
ii) Neyveli New Thermal Plant				
Supply and Erection	35.43		61.05	
Expenditure during Construction	0.09	35.52	0.10	61.15
iii) Bithnok Project *				
Supply and Erection	11.85		29.29	
Expenditure during Construction	12.51	24.36	20.53	49.82
iv) Barsingsar Extension & Hadla Mines *				
Supply and Erection	9.11		9.11	
Expenditure during Construction	17.19	26.30	17.19	26.30
v) Mine-IA Expansion				
Supply and Erection	50.54		45.85	
Expenditure during Construction	394.40	444.94	361.52	407.37
vi) Talabira II & III				
Expenditure on Land Acquisition	280.69		252.10	
Expenditure during Construction	-	280.69	111.54	363.64
vii) Odisha Thermal Power Project				
Supply and Erection	48.43		30.99	
Expenditure during Construction	6.71	55.14	3.14	34.13
viii) NLC Tamilnadu Power Limited				
Supply & Erection	78.06	78.06	21.83	21.83
ix) Neyveli Uttar Pradesh Power Ltd.				
Supply & Erection	9462.01		8984.18	
Expenditure during construction	2356.07	11,818.08	1469.18	10,453.36
Non- Plan Expenditure				
Supply and Erection	142.70		58.97	
Capital Goods in Stock & Transit	2.76	145.46	18.18	77.15
TOTAL		**12,908.55**		**11,494.90**

* Project on Hold. Discussions are underway with stakeholders for revival of the project. Refer Note No. 22

CWIP AGEING SCHEDULE (FY 2021-22)

(₹ crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
A) Plan Projects					
1) Projects in Progress :	1,988.20	2,253.73	3,084.17	5,379.66	12,705.76
2) Projects that are temporarily suspended	-	-	-	57.33	57.33
B) Non Plan Project	116.55	14.59	7.93	6.39	145.46
Total	**2,104.75**	**2,268.32**	**3,092.10**	**5,443.38**	**12,908.55**

NOTE 6: ASSETS UNDER DEVELOPMENT

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Preliminary project expenditure	135.40	135.35
Less: Provisions	21.82	33.67
Total	**113.58**	**101.68**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: FINANCIAL ASSETS

A. Investments

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Equity Instruments		
Non-Trade Un Quoted Investments		
(i) Associates In equity shares fully paid up 52,65,000 (PY 1,27,65,000) shares @ ₹10 per share of MNH Shakti Limited (15% Stake)	6.10	13.51
Add: Share of Profit/ (loss) in MNH Shakti Limited (15% Stake)	0.13	0.08
	6.23	**13.59**
(ii) Joint Venture In equity shares fully paid up 10,000 shares @ ₹10 per share of Coal Lignite Urja Vikas Private Limited (CLUVPL) (50% Stake)	0.01	0.01
Add: Share of Profit/ (loss) in CLUVPL (50% stake)	0.38	(0.01)
	0.39	**-**
Total Investment in associate and Joint venture	**6.62**	**13.59**

In respect of MNH Shakti Limited NCLT has approved for the reduction of equity capital of MNH Shakti Limited from ₹85.10 crore to ₹35.10 crore. Accordingly the effect of the same has been carried out in FY 2021-22 . The NLCIL's stake in the said associate is maintained at 15% after reduction of share capital.

B. Loans

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties		
- Considered good -Secured	0.05	0.09
- Considered good -Unsecured	0.01	-
Other Loans: Loans to employees		
- Considered good -Secured	18.36	25.10
- Considered good -Unsecured	4.77	4.98
	23.19	**30.17**

a. The secured loans and unsecured loan to Employees includes house building loan, Vehicle loan , and multipurpose loan etc. and are measured at amortised cost and the said deferred interest expenditure representing the benefits accruing to employees is amortised on straight line basis over the remaining period of the loan.

b. The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Group.

c. The loans to employees includes Rs 0.06 crore (PY ₹ 0.09 crore) due from Key Management Personnel's. The details of transactions with Key Management Personnel's are mentioned in note no. 44.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: OTHER NON-CURRENT ASSETS

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured considered good		
Capital Advances	947.87	816.66
Unsecured considered Good		
Capital Advances	52.59	27.56
Others	162.46	157.79
	1,162.92	**1,002.01**

a. Capital Advances includes ₹ 135.43 crore paid against a bank guarantee to an EPC contractor with respect to Barsingsar Extension & Bithnok Project. On invocation of Bank Guarantee by the group, the EPC contractor approached Judicial intervention. Pending final judicial order, the advance to an extent of ₹ 114.79 crore (for which BG is available) has been provided for. Also refer note 22.

b. Advances other than capital advances include amount paid to vendors on receipt of LD Bank guarantee, which will be adjusted along with retention money upon finalisation of contract.

CURRENT ASSETS
NOTE 9: INVENTORIES

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials- Lignite	480.99	887.60
Raw Materials- Coal	84.43	95.68
Solid/Hollow/Fly Ash Bricks	1.54	2.07
Goods-in-transit (Stores and Spares)	17.62	73.39
Stores and Spares	648.91	590.74
Less: Provision for obsolete/unserviceable Stores and Spares	32.08	20.93
	1,201.41	**1,628.55**

a. Inventory valuation - Inventories are valued at the lower of cost or net realisable value. Cost for these purposes are as follows:
(i) Extracted Lignite & Coal - At absorption cost excluding share of common charges and social overhead.
(ii) Coal procured/Coal In transit - At weighted average acquisition cost.
(iii) Stores & Spares - At weighted average acquisition cost.
(iv) Fly ash bricks - At absorption cost.
(v) Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition
(vi) Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.

b. Refer Note no. 20 (a) for information on inventory pledged as security by the Group.

NOTE 10: FINANCIAL ASSETS

A. Trade Receivables

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Secured	762.73	684.45
b) Unsecured		
i) considered good	2,946.90	6,837.05
ii) credit impaired	501.51	366.52
	4,211.14	7,888.02
Less: Loss allowances on debtors	501.51	366.52
	3,709.63	**7,521.50**

a. Based on arrangements among NLCIL, Banks and DISCOMs' certain bills which are due from the DISCOMs' have been discounted during the FY 2020-21. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 5337.93 crore (31 March 2021 ₹ 1542.00 crore).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: FINANCIAL ASSETS (CONTD.)

b. The Group has reviewed its outstanding debtors balance in March'2022. Taking into account, period of outstanding, collections and the trend of realization subsequent to intervention of Ministry of Power and Ministry of Coal and pending completion of the reconciliation of balances and resolving various issues, in respect of which action have been initiated, on estimated basis, a provision of ₹501.51 crore (PY ₹ 366.52 crore) has been considered upto FY 2021-22 towards loss allowances on outstanding debtors balance as on March 31, 2022.

c. Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28/06/2019 w.e.f. 01/08/2019 as Payment Security Mechanism under Power Purchase Agreements.

d. A detailed ageing analysis of Trade Receivable has been provided in note No 53.

B. Cash and Cash Equivalents

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Bank Balance		
- Current Account	89.40	66.86
- Short Term Deposits	50.00	90.41
b) Cash and Stamp on hand	0.01	0.07
	139.41	**157.34**

a. Stamps on hand as on 31.03.2022 - ₹ 50,800/- (as on 31.03.2021 ₹ 55,644/-)

b. Short term deposit includes an amount of ₹ 50 crore invested in bank term deposits @ 3% p.a. for the period of 7 days from 31.03.2022 to 07.04.2022.

C. Other Bank Balances

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividend Account Balance	2.54	2.46
Earmarked deposits with Banks :		
i. Staff Security Deposit	0.01	0.01
ii. Endowment fund in the name of NLC Schools	0.46	0.44
iii. Mine Closure Deposit	425.11	358.59
iv. PRMA Deposit	107.81	101.50
v. Security for Bank Guarantee	2.55	2.04
vi. Margin for Bank Guarantee & Letter of Credit	88.75	161.41
vii. Multi Option Deposit (MOD)	0.08	0.33
viii. Land for Fly Ash deck	0.44	0.44
ix. Unspent CSR deposit	1.88	-
	629.63	**627.22**

a. As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of "Coal Controller Escrow Account NLC India Limited" for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'. Up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan as per the Guidelines. Interest earned on the escrow account is added to mine closure deposit account. All the deposits are renewed every year.

b. In order to meet the post retirement medical expenditure of employees retired on or before 01.01.2007, the Group deposits 1.5% of its Profit before tax after deducting actual expenditure towards PRMA in a separate deposit for this purpose termed as PRMA deposit. The above amount will be utilised in future years towards the purpose for which it has been created. The interest accrued in this fund is added to the fund. The deposit matured and renewed on 4th April, 2022.

c. Margin for bank guarantee includes ₹ 83.98 crore (PY ₹ 117.15 crore) kept as deposit to facilitate M/s BGR Energy System Limited (GA-3: Balance of Plant package contractor of NUPPL) to provide security for opening of Letter of Credit in favour of the sub-vendors for supply of materials.

d. As per Section 135 of Companies Act, 2013, unspent CSR amount has been deposited in Unspent Corporate Social Responsibility Account. The unspent CSR represents shortfall in CSR expenditure of NTPL (a subsidiary) deposited into separate bank accounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: FINANCIAL ASSETS (CONTD.)

D. Loans

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Loans to Related Parties		
Considered good -Secured	-	-
Considered good -Unsecured	-	-
b) Other Loans : Loans to employees		
Considered good -Secured	13.49	16.08
Considered good -Unsecured	13.33	14.21
	26.82	**30.29**

a. The secured loans and unsecured loan to Employees includes house building loan, car loan, Vehicle loan , and multipurpose loan etc. and are measured at amortised cost and the said deferred interest expenditure representing the benefits accruing to employees is amortised on straight line basis over the remaining period of the loan.

b. The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Group.

c. The Group has a policy of extending loans and advances to its employees including Directors, KMPs and the related parties. All these loans are paid in accordance with the Policy adopted by the group and the principal and interests are charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence separate disclosure as mentioned in revised schedule -III of Companies Act 2013 is not applicable .

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Due by Officers	0.05	0.06
(ii) Maximum amount due at any time during the year	0.06	0.06
(i) Due by Directors	0.02	0.02
(ii) Maximum amount due at any time during the year	0.02	0.03

E. Other Financial Assets

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued	37.35	41.66
Discount on Commercial Paper	5.18	27.52
	42.53	**69.18**

a. Interest Accrued includes interest due on loans given to employees, interest on various advances given to suppliers and interest on various deposits such as PRMA etc.

b. In respect of NLCIL there is no Commercial Paper outstanding (PY ₹ 3550 crore) as on 31.03.2022. These are unsecured loans repayable on respective due dates. The Commercial Paper to tune of Rs 7000 crore has been issued at a coupon rate ranging from 3.33% to 3.50% p.a. during the FY 2021-22. All the Commercial Paper issued during the Financial year and outstanding as on March 2021 has been repaid during the FY 2021-22.

c. Commercial Paper to the tune of ₹ 4900 crore has been issued by NTPL at a coupon rate ranging from 3.75% to 4.48% p.a. during the FY 2021-22. These are unsecured loans repayable on respective due dates. The Commercial Paper outstanding as on 31.03.2022 is ₹ 1150 crore. The discount on Commercial Paper represents the unamortised portion of finance charges.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: INCOME TAX ASSET (NET)

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax	1,510.55	2,120.87
Less : Provision for Tax	1,021.39	1,325.55
	489.16	**795.32**

NLCIL has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and Form-5 has been issued by Income Tax department on acceptance of the forms filed by NLCIL. The tax liability on this account is ₹730.91 crore which has been considered as Tax expenses in the FY 2021-22. Further consequent to issuance of Form 3 by the department and filing of Form-4 by NLCIL for all years for which it has opted for VSVS, reduction in Tax expenses amounting to ₹129.80 crore arising out of orders of AY 2014-15 and AY 2015-16 have also been accounted in the FY 2021-22. Refer Note no. 33

NOTE 12: OTHER CURRENT ASSETS

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Disposable / Dismantled Assets, Spares	3.15	3.81
Prepaid Expenses	114.14	172.29
Advances other than capital advances (unsecured)		
i. Considered good		
- Staff Advances	55.72	209.82
- for purchase of Coal	39.51	46.80
- for purchase of Fuel Oil	-	0.79
- for Rail Freight	1.45	4.07
- Others	110.67	43.52
ii. Considered doubtful	2.11	2.11
Less: Provision for doubtful advances	2.11	2.11
Deposits with Govt. Authorities		
- Towards Goods and Service Tax	-	-
- Towards Royalty	8.91	12.07
- Towards Advance TDS	0.61	0.28
- Port Trust and Customs authorities	10.72	12.09
- VAT Appeal	112.43	56.21
Unbilled Revenue	1,283.11	1,170.61
GST Receivable	29.90	12.77
TCS Receivable	0.31	0.22
Escrow with RITES Limited	8.55	-
Other Receivables	2.39	4.94
Total	**1,781.57**	**1,750.29**

a. Unbilled Revenue includes ₹ 873.01 crore of billing done after March 31, for Sale of Power Related to March 2022 (PY - ₹ 921.10 crore).

b. Advances other than capital advances-Staff advance includes advances paid towards Performance Related Pay pending final rating of employees & the Group.

c. Advances other than capital advances -Other advances represents advances given to contractors and suppliers in ordinary course of supply of goods and services.

NOTE 13: REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Foreign Currency Fluctuation	117.85	132.17
Gratuity	171.48	171.47
Wage Revision	643.04	643.04
Other items recoverable as per CERC Order/Regulations	1,554.03	1,083.06
Others	189.10	216.31
Total	**2,675.50**	**2,246.05**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES (CONTD.)

a. The Regulatory Deferral account balances has been accounted in line with the Group's accounting policy. Refer note no 51 for detailed disclosures.

b. NLCIL has filed truing up petition for the Tariff period 2014-19 for its Mines. CERC has issued true up order for determination of Lignite Transfer Price for Neyveli mines the Tariff period 2014-19 on 24th March'2022 followed by corrigendum order dated 26th April'2022. In the said order CERC has interpreted few aspects of Lignite Transfer Price Guidelines 2014-19 issued by Ministry of Coal (MoC) which are not in line with the intent and sprit of MoC guidelines. NLCIL is in the process of seeking necessary clarification from MoC and also filed review petition for the same before CERC. Pending disposal of CERC review petition, no impact has been considered in current financial year. All the regulatory deferral liability is being reviewed on periodic basis. Based on subsequent information/ details/orders the same shall be reviewed and considered accordingly.

c. NLCIL has filed truing up petition for the Tariff period 2014-19 for its Thermal Stations in December 2019. Adjustment arising out of price revisions, if any shall be considered in the books of accounts on receipt of order from CERC.

d. Based on petition filed with CERC for NNTPP (2 X 500 MW), the differential amount of ₹ 166.47 crore considered under regulatory deferral account debit balance.

e. The Group undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May'2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Accordingly, for the 5 year period from 2016-17 to 2020-21, an amount of ₹165.78 crore has been considered on provisional basis under regulatory income during FY 2020-21, pending filing of the claim with "Coal Controller". Pending submission of the claim and its approval the said amount is being carried forward.

   Further an amount of ₹ 22.22 crore has been considered as regulatory income for the Financial Year 2021-22 in line with mine closure guidelines.

f. CERC Tariff Regulations, 2019 provide for recovery of deferred tax liability (DTL) as at 31 March 2009 from the beneficiaries. Accordingly, DTL as at 31 March 2009 is recoverable on materialisation from the beneficiaries. The deferred tax materializing from FY 19-20 onwards has not been considered in the financials, pending finalisation of the claim amount.

NOTE 14: EQUITY SHARE CAPITAL

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised, Issued, Subscribed and Paid-Up Share Capital :		
Authorised		
2,00,00,00,000 Equity Shares of par value ₹10 each (2,00,00,00,000 Equity Shares of par value ₹10 each as at 31st March 2021)	2,000.00	2000.00
Issued :		
1,38,66,36,609 Equity Shares of par value ₹10 each fully paid (1,38,66,36,609 Equity Shares of par value ₹10 each as at 31st March 2021)		
(1,09,82,21,224 Equity Shares being 79.20 % (previous year 1,09,82,21,224 shares being 79.20%) are held by the President of India.)	1,386.64	1,386.64
	1,386.64	**1,386.64**
A. Movement in Share Capital during the year	**As at March 31, 2022**	**As at March 31, 2021**
No. of shares outstanding at 1st April	1,38,66,36,609	1,38,66,36,609
Shares issued during the year	-	-
Shares bought back during the year	-	-
No of Shares outstanding at 31st March	1,38,66,36,609	1,38,66,36,609

B. Rights attached to each class of Shares

The Group has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

C. Shareholders holding more than 5% of shares	As at March 31, 2022	
	No. of Shares (face value @ 10)	% of holding
President of India	1,09,82,21,224	79.20%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14: EQUITY SHARE CAPITAL (CONTD.)

D. Shares held by Promoters at the end of the year	No. of Shares	% of holding
President of India	1,09,82,21,224	79.20 %

There were no change in number of shares and percentage of holding during the FY 2021-22.

(₹ crore)

E. Dividends	As at March 31, 2022	As at March 31, 2021
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31st March 2021 of ₹ 1.5 (31st March 2020 ₹ Nil) per fully paid equity share	208.00	-
- Interim dividend for the year ended 31st March 2022 of ₹ 1.5 (31st March 2021 ₹ 1.00) per fully paid equity share	208.00	138.66
ii) Dividends not recognised during the year	208.00	208.00
Since year end, the directors NLCIL have recommended the payment of final dividend @15% amounting to ₹ 1.5 per share for FY 2021-22 (31 March 2021:₹ 1.5 per share). Furthermore the Board of Directors of NTPL (subsidiary of NLCIL) has also recommended the final dividend ₹ NIL per share for FY 2021-22 (31st March 2021 : ₹ 1 Per share)		

F. Movement in Equity Shares Last Five Years preceding 01.04.2021	Equity Shares
Number of Shares as on 01.04.2016	**1,67,77,09,600**
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21	-
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21.	-
Aggregate number and class of shares bought back FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21.	29,10,72,991
Number of Shares as on 31.03.2021	**1,38,66,36,609**

Shares bought back 14,91,41,173 nos. & 14,19,31,818 nos. during the FY 2016-17 & FY 2018-19 respectively.

NOTE 15: OTHER EQUITY

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Retained Earnings	**10509.96**	**9,850.22**
ii) Other Comprehensive Income		
Remeasurement of actuarial gains/ (losses) and interest cost	(57.68)	(85.91)
a) Total Retained Earnings (i + ii)	**10,452.28**	**9,764.31**
b) Other Reserves		
KfW Interest Differential Reserve	362.90	358.00
General Reserve	1,457.00	1,457.00
Contingency Reserve	130.00	120.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	109.29	107.79
Total other reserves (b)	**2,350.26**	**2,333.86**
Total Other Equity (a + b)	**12,802.54**	**12,098.17**

A. Retained Earnings	As at March 31, 2022	As at March 31, 2021
Opening Balance	**9,850.22**	**8,736.78**
Addition during the year	1,143.88	1,340.72
i) Retained Earning available for Appropriation	**10,994.10**	**10,077.50**
Less: Appropriations		
Transfer to / (from) Interest Differential Fund Reserve	4.90	6.70
Transfer to Contingency Reserve	10.00	10.00
Transfer to PRMA Reserve Fund	1.50	7.18
Interim Dividend	224.85	138.66
Final Dividend	232.07	7.22
Non Controlling Interest (NCI)	(17.41)	30.91
ii) Other Comprehensive Income		
Remeasurement of Actuarial Gain/(loss)	28.23	26.61
Closing Balance	**10,509.96**	**9,850.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15: OTHER EQUITY (CONTD.)

B. Other Reserves:

(₹ crore)

1. KfW Interest Differential Reserve	As at March 31, 2022	As at March 31, 2021
Opening Balance	358.00	351.30
Transfer from Retained Earnings	26.66	28.98
Less : Withdrawal / Adjustment during the year	21.76	22.28
Closing Balance	**362.90**	**358.00**

The Group sets aside a reserve equivalent to the amount in ₹ of 6% pa of the soft loan amount outstanding annually, to be utilised for covering the exchange rate risk under this loan and for any charges imposed by the guarantor in line with the agreement entered into with KfW.

(₹ crore)

2. General Reserve	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,457.00	1,457.00
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**1,457.00**	**1,457.00**

3. Contingency Reserve	As at March 31, 2022	As at March 31, 2021
Opening Balance	120.00	110.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**130.00**	**120.00**

₹ 10 crore is apportioned from profit every year to secure the contingency payments in the future periods.

4. Capital Redemption Reserve	As at March 31, 2022	As at March 31, 2021
Opening Balance	291.07	291.07
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**291.07**	**291.07**

In accordance with applicable provisions of the Companies Act, 2013 read with Rules where a Group purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the capital redemption reserve account towards nominal value of shares bought back.

During the previous financial years 29,10,72,991 shares has been bought back and the total amount in capital redemption reserve represents the nominal value of such share bought back.

(₹ crore)

5. PRMA Reserve Fund	As at March 31, 2022	As at March 31, 2021
Opening Balance	107.79	100.61
Transfer from Retained Earnings	1.50	7.18
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**109.29**	**107.79**

Reserve towards Post Retirement Medical Assistance (PRMA) provided to retired employees and their spouse.

The deposit of PRMA fund has been renewed on 4th April 2022.

NOTE 16: NON CONTROLLING INTEREST

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
a) NLC Tamilnadu Power Ltd. (NTPL)	288.77	306.36
b) Neyveli Uttar Pradesh Power Limited (NUPPL)	1,896.36	1,590.48
	2,185.13	**1,896.84**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NON CURRENT LIABILITIES

NOTE 17: FINANCIAL LIABILITIES

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Borrowings		
a) Secured Loans		
(i) Neyveli Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
(ii) Term Loans		
- From Banks	2,473.85	3,409.43
- Power Finance Corporation Ltd	7,565.42	7,662.51
- Rural Electrification corporation Ltd.	4,238.85	3,633.70
b) Unsecured Loans		
(i) Neyveli Bonds		
- Series-II-2020	500.00	500.00
- Series-I-2021	1,175.00	1,175.00
- Series-II-2021	500.00	-
(ii) Inter Corporate Loan :		
- Loan from Mahanadi Coal Fields Limited (MCL)	-	125.00
(iii) Foreign Currency loan from KfW-Germany #		
- '6.36 Million Euro (6.80 Million Euro) - I	49.91	54.80
- '43.44 Million Euro (46.24 Million Euro)-II	342.24	374.00
# Guaranteed by the Government of India.		
	18,845.27	**18,934.44**

Details of Terms of Repayment, Rate of Interest and Security :

a. To meet the fund requirement of Neyveli New Thermal Power Project (NNTPP 1000 MW) borrowing arrangement has been done with:

i) Loan of Rs 3000 crore was availed from M/s. Power Finance Corporation Ltd., and outstanding amount as on 31.03.2022 is ₹ 2250 crore. The Loan is secured by pari passu charge on project lands & fixed asset, repayable in 20 equal bi-annual instalments commencing from 31.03.2020. The interest rate as on 31.03.2022 is @ 6.26% p.a. (on the basis of 3 year AAA Reuter rate i.e. 5.41% p.a plus fixed spread 0.85%)

ii) NLCIL Bonds 2021 Series-I was issued on 12.02.2021 for an amount of ₹ 1175 crore @ 6.05% p.a. The Bond is unsecured and will be repayable by bullet payment on 12.02.2026.

iii) NLCIL Bonds 2021 Series-II was issued on 20.12.2021 for an amount of ₹ 500 crore @ 6.85% p.a., Out of which ₹ 295.60 crore was utilised towards NNTPS project and balance ₹ 204.40 crore was utilised towards working capital requirements. This Bond is unsecured and will be repayable by bullet payment on 13.04.2032.

b. To meet the fund requirement of Neyveli Solar Power Project (130 MW), borrowing arrangement has been done with HDFC Bank for an amount of ₹481 crore. The interest rate as on 31.03.2022 is 6.94% p.a (on the basis of 5 year G-Sec Rate i.e 6.31% plus 0.63% fixed spread). Repayment for the same started from October 2018, amount drawn is ₹ 481 crore and outstanding amount as on 31.03.2022 is ₹ 96.20 crore. The Loan is secured by charge on project lands & fixed asset to the extent of the loan amount, repayable in 10 equal bi-annual instalments.

c. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with the following banks:

i) Axis Bank sanctioned a loan of ₹500 crore and drawn ₹ 500 crore. The outstanding amount as on 31.03.2022 is ₹ 199.97 crore. The interest rate as on 31.03.2022 is 7.66% p.a (on the basis of 5 Year G-Sec rate i.e. 6.44% plus 1.22% fixed spread). Repayment for the loan started from September'2019 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge to the extent of facility.

ii) Axis Bank sanctioned a loan of ₹ 450 crore and drawn ₹ 450 crore. The outstanding balance as on 31.03.2022 is ₹ 224.98 crore. The interest rate as on 31.03.2022 is 7.64% p.a (On the basis of 5 Year G-Sec Rate i.e. 6.44% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

iii) Federal bank sanctioned a loan of ₹ 456 crore and drawn ₹ 456 crore. The outstanding as on 31.03.2022 is ₹ 227.97 crore. The interest rate as on 31.03.2022 is 7.56% p.a. (on the basis of 5 Year G-Sec rate i.e. 6.36% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

d. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17: FINANCIAL LIABILITIES (CONTD.)

SBI for an amount of ₹ 2552 crore. The Interest rate as on 31.03.2022 is 6.95% p.a (on the basis of 6 Month MCLR rate @ 6.95%). This loan is repayable in 20 equal half- yearly instalments of ₹ 127.60 crore each. Out of the facility, ₹ 2319 crore was drawn & outstanding amount as on 31.03.2022 is ₹ 1935.67 crore. First repayment started on 31.12.2020. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

e. To meet the fund requirement of Talabira Coal Mine II & III, borrowing arrangement has been done with SBI for an amount of ₹ 1680.75 crore. Out of the facility, ₹ 593 crore was drawn & outstanding as on 31.03.2022 is ₹ 424.80 crore. The interest rate as on 31.03.2022 is 6.95% p.a (on the basis of 6 Months SBI MCLR rate) repayable in 20 equal half- yearly instalments of ₹ 84.04 crore starting from 30.09.2021. The loan is secured by pari-passu charge on the project assets to the extent of the facility.

f. To meet the General Funding arrangement, NLCIL BONDS 2019 SERIES I was Issued on 29.05.2019 for ₹ 1475 crore and NLCIL BONDS 2020 SERIES I was issued on 27.01.2020 for an amount of ₹ 525 crore. and which carries interest rate @ 8.09% p.a & 7.36% p.a respectively. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) Thermal power station (including Land) to the extent of the facility and subsequently to have sufficient asset cover another security has been created by pari-passu 1st charge on the project assets of 1000 MW (2 X 500 MW) NNTPP, Neyveli project to the extent of ₹ 450 crore with the consent of lender of NNTPP i.e. PFC. These Bonds are repayable on 29-05-2029 & 25-01-2030 respectively. Out of ₹ 1475 crore, ₹ 749.22 crore and ₹ 234.98 crore has been used towards unlocking of Equity of TPS II Expansion Project (2*500 MW) & Wind 51 MW respectively and balance were used for operational requirement.

g. To meet the General Funding arrangement, an unsecured Bonds i.e. NLCIL Bond 2020 Series-II and was issued on 31.07.2020 for ₹ 500 crore carrying an interest rate of 5.34% p.a. which is repayable through bullet payment on 11.04.2025.

h. To meet the general funding arrangement, an unsecured inter corporate borrowing agreement was tied up with Mahanadi Coalfields Limited for ₹ 2000 crore carrying an interest rate of 7%. This is unsecured loan repayable in 48 equal monthly instalments commencing from July 2018. Total drawl was ₹ 2000 crore. The entire outstanding loan of ₹ 458.33 crore was pre-closed on 19.08.2021.

i. Bi- annual equal repayment (€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany, commenced from 30-12-2001, ending on 30-06-2036. This loan is unsecured but guaranteed by GOI @ guarantee fee of 1.20% p.a.. The outstanding loan, Euro 6.36 million carries interest rate @ 0.75% p.a.

j. Bi-annual equal repayment (€ 1.401 Million each) of Foreign Currency loan -II from KfW Germany, commenced from 30-06-2002, ending on 30-06-2037. This loan is unsecured but guaranteed by GOI @ guarantee fee of 1.20% p.a.. The outstanding soft loan, Euro 43.44 million carries interest rate @ 0.75% p.a.

k. The group has maintained required asset cover as per the terms of offer document/information memorandum and/ or Debenture trust deed, including compliance with all the covenants, in respect of the listed non-convertible debt securities.

In respect of NTPL :

l. A rupee term loan- I from Power Finance Corporation Ltd (Sanctioned and Availed) ₹ 1,184.92 crore repayable in Twenty (20) equal half-yearly instalments from January 2016 at the rate of interest of 7.04% p.a. (on the basis of 3 year AAA Bond rate plus 1.59% fixed spread). The loan is secured through first pari-passu charge on existing and future projects of NTPL. The out standing amount as on 31.03.2022 is ₹ 415.83 crore.

m. A rupee term loan -II from Power Finance Corporation Ltd (Sanctioned and Availed) of ₹ 3,093.30 crore repayable in Nineteen (19) equal half yearly instalments from October 2016 at the rate of interest 7.00% (on the basis of 3 year AAA Bond rate plus 1.21% fixed spread). The loan is secured through first charge on pari-passu basis by way of hypothecation on existing and future movable assets (save and except book debts) including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site of NTPL. The outstanding amount as on 31.03.2022 is ₹1,302.44 crore.

n. Bank of India - Rupee Term Loan(Sanctioned) ₹ 483.52 crore repayable in Twenty (20) equal half yearly instalments from March 2019 at the rate of interest of 7.33% p.a. (on the basis of 1 month MCLR plus 0.28% fixed spread). Out of the sanctioned amount an amount of ₹ 123.93 crore is undrawn as on 31.03.2022.The loan is secured through pari-passu charge on fixed assets of NTPL.

o. State Bank of India - Term Loan (Sanctioned) ₹ 572.85 crore repayable in Twenty (20) equal half yearly instalments starting from June 2025 and ending on Dec 2034. The rate of interest is 7.05% p.a. (on the basis of 1 year MCLR plus 0.05% fixed spread). Out of the sanctioned amount an amount of ₹ 549.88 crore is undrawn as on 31.03.2022. Term Loan is secured through exclusive charge over the FGD assets of NTPL.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17: FINANCIAL LIABILITIES (CONTD.)

In respect of NUPPL :

p. Rupee Term Loan of ₹ 5,588.84 crore and ₹ 5,478.17 crore is tied up with Power Finance Corporation Ltd. and Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%.

Both the loans are secured by first pari passu charge, by way of mortgage of all the immovable properties/ other assets & by way of hypothecation of all the movable assets (save and except book debt) including movable machinery, machinery spares, tools and accessories, fuel stock, spares and materials of Ghatampur Thermal Power Station, both present and future.

The loan is repayable in 20 equal Half Yearly instalments. The first instalment will become due on 15-Jul-2024 and the subsequent instalments will become due for payment on 15th Jan & 15th Jul every year.

(₹ crore)

B. Lease Liability	As at March 31, 2022	As at March 31, 2021
Lease Liability on		
- Land	7.26	0.44
- Building	0.98	0.97
- Vehicle	2.18	2.69
- PPE	17.28	-
	27.70	**4.10**

Due to variable nature of payment for overburden removal, the right to use asset and lease liability under Ind AS 116 is not ascertainable. The detailed disclosure has been provided in note no 50.

NOTE 18: DEFERRED TAX LIABILITIES (NET)

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities		
On Depreciation	5,193.99	4,950.84
Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	688.95	950.02
MAT Credit entitlement	1,450.73	1,262.94
Deferred Tax Liabilities (Net)	**3,054.31**	**2,737.88**

NOTE 19 : OTHER NON-CURRENT LIABILITIES

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital purchase, Capital works-in-progress and other liabilities	1,920.47	1045.73
Mine Closure Liability	428.17	361.57
Deferred Income	123.73	119.03
Others	44.28	-
	2,516.65	**1,526.33**

a. In respect of Mine Closure Liability Pursuant to GoI guidelines on Mine closure, total Mine closure cost was approved by Ministry of Coal at a rate of ₹ 6 lakh per hectare for all the open cast Mines. The annual contribution, compounded @ 5% p.a. is deposited in an Escrow account in the name of "Coal Controller Escrow account NLC Ltd". Mine., as stipulated by the Coal Controller.

b. Deferred income includes capital grant of ₹ 79.87 crore and ₹ 41.17 crore (gross value of Grant) received from Ministry of New and Renewable Energy (MNRE) in respect of installation of 130 MW solar at various locations in Neyveli and 20 MW of Solar Plant at various locations of Andaman and Nicobar in their respective year of commissioning. The portion of the grant matching with depreciation of the respective solar asset is charged to Statement of Profit and Loss each year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CURRENT LIABILITIES

NOTE 20: FINANCIAL LIABILITIES

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Borrowings		
a) Loans Repayable on Demand		
From Banks (Secured) :		
- Working Capital Demand Loan	157.35	853.17
-Treasury Bill Linked WCDL	285.00	150.00
- Other Short term Loans (BOI)	-	230.00
From Banks (Unsecured) :		
- Commercial Paper	1,150.00	5,050.00
b) Current Maturities of long term debt		
Secured		
Term Loans		
- Banks	849.04	740.26
- Power Finance Corporation Ltd.	744.42	744.42
Unsecured		
- Inter Corporate Loan-MCL Ltd.	-	500.00
- Foreign Currency loan from KfW	27.29	27.89
	3,213.10	**8,295.74**

a. In respect of NLCIL:

i. The working capital facility agreed with SBI and is secured by Hypothecation of entire current assets of the group i.e. Raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. The outstanding Working Capital loan as on 31.03.2022 is ₹ 285 crore in the form of T-bill linked WCL. This outstanding loan carries interest rate of 4% p.a to 4.10% p.a.

ii. There is no Commercial Paper outstanding (PY ₹ 3550 crore) as on 31.03.2022. These are unsecured loans repayable on respective due dates. The Commercial Paper to tune of ₹ 7000 crore has been issued at a coupon rate ranging from 3.33% to 3.50% p.a. during the FY 2021-22. All the commercial paper issued during the Financial year and outstanding as on march 2021 has been repaid during the FY 2021-22.

b. In respect of NTPL (a subsidiary)

iii. The working capital loan and cash credit facility agreed with Bank of India with Fund based Limit of ₹ 1300.00 crore and Non-Fund based Limit of ₹ 200.00 crore is subject to the availability of drawing power. The loan bears an interest rate of 7.05% p.a. (on the basis of 1 month MCLR) on Working capital demand loan and 7.25% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit. The loan is secured by pari passu charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project.

iv. Other than Working capital loans and cash credit facility, Short Term Loan of ₹ 1,000.00 crore was also availed from Bank of India availed on 31.03.2020 @ 6.10% p.a. (on the basis of Repo rate plus 2.10% fixed spread). The loan is repayable in eight monthly instalments of ₹ 110.00 crore starting from 30.09.2020 (the group has availed moratorium on principal instalment amount for July, 2020 and August, 2020 as per RBI Circular dated 27.03.2020 and 23.05.2020) and the last instalment of ₹ 120.00 crore fall due and paid on 30.05.2021. The loan was secured by Second charge on the current assets of NTPL (charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project). As on 31.03.2022 the loan is outstanding is Nil.

v. State Bank of India Working Capital loan with Fund based Limit of ₹ 500.00 crore and Non-Fund based Limit of ₹ 10.00 crore (sub-limit of Fund based Limit of ₹ 500.00 crore) is subject to the availability of drawing power. Secured by pari passu first charge over the entire current assets of the group i.e., hypothecation of raw materials, stock in process, finished goods, consumable stores, spares and charge on the receivables. The rate of interest as on 31.03.2022 is 7.10% p.a. (on the basis of 6 month MCLR plus 0.15% spread) on Cash Credit.

vi. Commercial Paper to the tune of ₹ 4900 crore has been issued at a coupon rate ranging from 3.75% to 4.48% p.a. during the FY 2021-22. These are unsecured loans repayable on respective due dates. The commercial Paper outstanding as on 31.03.2022 is ₹ 1150 crore.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CURRENT LIABILITIES

NOTE 20: FINANCIAL LIABILITIES (CONTD.)

(₹ crore)

B. Trade Payables	As at March 31, 2022	As at March 31, 2021
Trade Payables :		
- Towards Micro and Small Enterprises	28.05	40.53
- Other than Micro and Small Enterprises	1,489.92	1855.16
	1,517.97	**1,895.69**

Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 33.81 crore (previous year ₹ 45.38 crore). Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note No-58.

(₹ crore)

C. Other Financial Liabilities	As at March 31, 2022	As at March 31, 2021
Interest Accrued but not due Loans		
i. Neyveli Bonds	143.91	134.34
ii. KfW-Germany	0.79	0.86
iii. Term Loans from Banks & FI's	17.52	3.14
iv. Working Capital Demand Loan.	0.23	1.54
v. Treasury Bill	0.08	0.11
	162.53	**139.99**

NOTE 21: OTHER CURRENT LIABILITIES

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividend	2.52	2.46
Unutilised Revenue Grant	4.62	4.81
Staff Security Deposit	0.01	0.01
Advance for Fly ash sales	2.63	15.24
Other liabilities		
- Employees	358.50	403.76
- Statutory	205.40	119.19
- Others	184.35	727.61
	758.03	**1,273.08**

Other liabilities-Others include Liquidity Damages, EMD from contractors, credit balance from vendors, EMD for lignite supply, caution deposits etc. which are to be settled / Adjustment against services / goods received from/to the vendors/debtors.

NOTE 22: PROVISIONS

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Short-Term Benefit of Leave Salary	81.09	114.55
Post Retirement Medical Benefit	15.26	15.76
Provision for Gratuity & Others	283.62	277.96
Provision for Loss on Assets	62.64	18.46
Provision for Contingencies	139.51	41.28
Other Provision	7.70	9.62
Provision for unspent CSR	7.80	3.71
	597.62	**481.34**

a. On invocation of Bank Guarantee, the EPC contractor approached Judicial intervention. Pending final Judicial order, advance amount ₹ 114.79 crore for which BG is available has been provided for. Refer Note No. 8.

b. Provision for gratuity and others includes provisions for EPC contractors of Bithnok and BTPS expansion projects amounting to ₹29.98 crore.

c. Provision for loss on assets includes Bithnok and BTPS project provision amounting to ₹ 22.78 crore.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23: REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES

(₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021*
Deferred Foreign Currency Fluctuation	26.26	30.57
CERC Order/Petition filed with APTEL/Others	2,691.69	2,591.05
	2,717.95	2,621.62

a. Amounts under Regulatory Deferral Liabilities as on 31.03.2022 relates to the impact arises out of various regulatory orders for the previous tariff periods.

b. The Group has filed appeals before the Appellate Authority of Electricity (APTEL) against the following CERC orders / filed review petition before CERC which are pending for disposal:

1. Thermal Power Station II (Neyveli) – Disallowance of de-capitalization of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14.
2. Lignite Truing up – Disallowance of O &M escalation at 11.50% p.a as per MOC Guidelines considering FY 2008-09 as the base year.
3. Sharing of profits on adoption of pooled lignite price considering the cost of Mines – II Expansion.

   The impact on the above mentioned orders have been considered appropriately under Regulatory Deferral Account. Balances / Net Movement in Regulatory Deferral Balances in accordance with Ind AS 114, in the respective previous financial period's.
4. The Group has filed review petition before CERC on the true up order for determination of Lignite Transfer Price for the Tariff Period 2014-19.

c. The Group has filed truing up petition for the Tariff period 2014-19 for its Mines. CERC has issued true up order for determination of Lignite Transfer Price for Neyveli mines the Tariff period 2014-19 on 24th March'2022 followed by corrigendum order dated 26th April'2022. In the said order CERC has interpreted few aspects of Lignite Transfer Price Guidelines 2014-19 issued by Ministry of Coal (MoC) which are not in line with the intent and sprit of MoC guidelines. NLCIL is in the process of seeking necessary clarification from MoC and also filed review petition for the same before CERC. Pending disposal of CERC review petition, no impact have been considered in current financial year.

All the regulatory deferral liability is being reviewed on periodic basis. Based on subsequent information/ details/orders the same shall be reviewed and considered accordingly.

d. The Group has filed truing up petition for the Tariff period 2014-19 for its Thermal Stations in December 2019. Adjustment arising out of price revisions, if any shall be considered in the books of accounts on receipt of order from CERC.

NOTE 24: REVENUE FROM OPERATIONS

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Power	10,335.25	9422.14
Sale of Lignite	824.21	351.38
Sale of Coal	830.26	78.87
Sale of Fly Ash & Other By-products	95.98	86.33
Other Operating Revenue :		
- Consultancy Charges	2.69	0.47
	12088.39	**9939.19**
Less: Transfer to Capital Work in Progress	122.43	90.09
Less: Rebate on sale of Power	18.02	3.01
	11947.94	9846.09

a. Sale includes Sale of Power through Trading of ₹ 353.96 crore (31 March 2021: ₹454.04 crore).

b. Pending disposal of petition and approval of CERC tariff for the tariff period 2019-24 , beneficiaries are being billed in accordance with the tariff order for the tariff period 2014-19. However, recovery on account of O&M component for tariff period 2019-24 has been recognized based on CERC tariff regulations and differential revenue between tariff periods 2019-24 and 2014-19 is recognized under Regulatory Deferral Account. The accrual for the remaining 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the final order.

c. Central Electricity Regulatory Commission has notified (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2021 on 13th September 2021, which is effective from 1st April 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24: REVENUE FROM OPERATIONS (CONTD.)

As per the tariff regulation Tariff petition in respect of integrated mines for the tariff period 2019-24 shall be filed by the group as per new regulation notified by CERC. The group is in the process of filing the said petition.

Pending filing of the tariff petition for tariff period 2019-24 before CERC, NLCIL has billed @ ₹1950/ Ton to its DISCOMs which was approved by the Commission earlier and adjustments if any arising out of revision of lignite price by CERC, will be accounted in the books on filing / disposal of petition by CERC.

As per the regulation "the generating company shall, after the date of commercial operation of the integrated coal mine(s), till the input price of coal is determined by the Commission under these regulations, fix the input price of coal for the generating station at notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine(s) or the estimated price available in the investment approval, whichever is lower, as the input price of coal."

d. Due to lower Plant Availability Factor during the FY 2021-22, in NTPL (a subsidiary) there is an under recovery of capacity charges to the extent of ₹ 248.47 crore (NIL in PY). This reduction in Plant Availability Factor is mainly attributable to coal shortage.

NOTE 25: OTHER INCOME

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Interest on		
i) Bank Deposits	90.41	43.60
ii) Employees Loans	3.93	4.77
iii) Mine Closure Deposits	18.25	15.20
iv) Others	4.33	49.86
b) Recoveries Towards Rent and Others	31.38	22.38
c) Profit on Sale of Assets	2.29	3.60
d) Coal Handling Charges	10.00	-
e) Provision Written Back	24.51	112.34
f) Surcharge on sale of Power	451.47	1,561.37
g) Exchange Fluctuation	0.97	12.33
h) Deferred Income on Govt. Grant	11.53	10.48
i) Miscellaneous	46.35	172.04
	695.42	**2,007.97**
(Add) / Less: Transfer to Capital Work in Progress	80.89	40.69
Less: Transfer to Mine Closure Liability (Net of Tax)	16.51	14.95
	598.02	**1,952.33**

a. Interest others includes ₹ Nil crore (PY ₹ 41.98 crore) towards interest on income tax refunds and ₹ 3.12 crore (PY ₹ 7.69 crore) towards interest from customers.

b. Miscellaneous income includes ₹ 44.66 crore (PY ₹ 32.80 crore) towards sale of scrap and ₹ 5.09 crore (PY ₹44.04 crore) towards liquidated damage recovered other than projects.

c. The other income include ₹ 3.33 crore (PY ₹17.49 crore) of TPS-I for FY 21-22 which was discontinued from operation as on 30th September, 2020. A Note containing details has been provided in Note no-59.

d. Provision written back for includes ₹ 16.56 crore towards reversal of provision created on TDS deduction, which now forms part of VSVS scheme.

e. Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Group.

f. Insurance claim of ₹253.31 crore in respect of TPS-II fire incident has been lodged with the Insurance Company for recovery of damage including loss of profit. Based on conformation from insurance Company ₹50 crore was recognized in 2020-21 and ₹9.50 crore received in 2021-22. Pending receipt of the balance claim amount, the same has been de-recognized in the current year.

g. In respect of NTPL (a subsidiary) an insurance claim of ₹ 1.79 crore on account of loss caused due to fire accident at Unit-1 AHS LT Panel on 16.10.2017 has been lodged with National Insurance Group Limited. In this regard an amount of ₹ 0.62 crore and ₹ 0 .13 crore has been received as a part settlement during the FY 2019-20 and FY 2021-22 respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26: COST OF FUEL CONSUMED

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Coal Consumption	1,167.99	1,554.18
Oil Consumption	8.60	9.12
	1,176.59	**1,563.30**

NOTE 27: CHANGES IN INVENTORIES OF RAW MATERIAL

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock		
Raw Material		
Lignite	887.60	836.17
Coal	20.60	-
Closing Stock		
Raw Material		
Lignite	480.99	887.60
Coal	19.24	20.60
Less : Transfer to Capital Work in Progress	68.52	20.60
Increase (-) / Decrease in Stock	**476.49**	**(51.43)**

NOTE 28: EMPLOYEE BENEFIT EXPENSES

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Incentives	2,269.65	2,301.99
Contribution to Provident and other funds	375.03	380.87
Gratuity	28.31	34.21
Welfare Expenses	135.52	121.88
	2,808.51	**2,838.95**
Less: Transfer to Capital Work in Progress	118.06	83.06
	2,690.45	**2,755.89**

a. Employee benefit expenditure includes ₹ 13.96 crore (PY ₹ 121.46 crore) towards salaries and other employee benefits paid to employees of TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020. A Schedule containing details of such expenditure has been provided in Note-59.

b. Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 47.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 29: FINANCE COSTS

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses :		
i) KfW - Foreign Currency Loan	3.33	3.86
ii) NLCIL Bonds	265.33	184.73
iii) Loan from Banks	269.55	471.25
iv) Loan from Power Finance Corporation	651.79	673.50
v) Loan from Rural Electrification Corporation (REC)	359.92	262.58
vi) Treasury Bill Linked WCDL	8.42	66.04
vii) Others (includes interest on Cash Credit & WCDL)	13.15	123.28
viii) Interest on Lease Liability	3.20	0.33
ix) Inter Corporate Loan		
- Mahanadi Coal Fields Ltd. (MCL)	14.70	62.62
Others :		
i) Discount on Commercial Papers	129.66	155.70
ii) Guarantee Fees on KfW loan	5.48	5.61
	1,724.53	**2,009.50**
Less: Transfer to Capital Work in Progress	740.75	696.93
	983.78	**1,312.57**

Finance cost included ₹ 0.40 crore (PY ₹ 18.46 crore) of interest expenditures for TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020. A Schedule containing details of such expenditure has been provided in Note-59.

NOTE 30: DEPRECIATION AND AMORTIZATION EXPENSES

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Property, Plant and Equipment	1,755.60	1,588.54
Mine Development and other Amortisations	184.43	45.87
Amortisation of ROU Asset	4.68	2.85
	1,944.71	**1,637.26**
Less: Transfer to Capital Work in Progress	35.99	25.84
	1,908.72	**1,611.42**

a. Depreciation and amortisation includes ₹ 0. 51 crore (PY ₹ 1.54 crore) for FY 2021-22 in respect to TPS-I for FY 21-22, which was discontinued from operation as on 30th September, 2020. A schedule containing details of such expenditure has been provided in note-59.

b. Spares meeting the criteria of PPE and having value more than ₹ 5 Lakh has been considered for capitalisation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31: OTHER EXPENSES

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of Stores and Spares	522.25	512.56
Fuel	124.59	93.57
Mine Closure	44.43	63.73
Rent	1.57	1.53
Rates and Taxes		
- Electricity Tax	1.12	0.76
- Others	109.06	19.39
Repairs and Maintenance		
- Plant and Machinery	469.52	344.80
- Buildings	28.09	28.18
- Others	374.36	418.58
Overburden Removal Expenditure	374.23	233.00
Insurance	124.22	89.17
Payments to Auditors		
- Audit fees	0.76	0.65
- Tax Audit fees	0.07	0.06
- Other Certification Fees	0.06	0.22
- Reimbursement of expenses	0.10	0.08
Travelling Expenses	28.95	23.37
Training Expenses	21.32	16.79
Advertisement	-	0.22
Legal Charges	0.89	0.69
Professional charges	1.36	1.07
Family Welfare Expenses	24.05	18.02
Selling Expenses - Commissions	53.26	27.92
Afforestation Expenses	26.76	23.25
Royalty	706.72	386.94
Central Industrial Security Force Expenses	205.00	184.17
Corporate Social Responsibility	48.46	52.79
Provision for Unspent CSR	5.12	3.71
Exchange Fluctuation	-	0.38
Miscellaneous Expenses	66.48	88.11
Transit and Handling loss	9.80	5.56
Consultancy Charges	6.88	6.12
Electricity Expenses	20.75	10.16
Rehabilitation and Resettlement	3.98	-
Transmission Charges	51.24	-
Commercial Paper Issue Expenses	0.56	-
Loss on assets disposed/written off/discarded	0.01	0.71
Provision for Stores & Materials	10.98	13.95
Provision on Fixed Assets	44.18	8.90
Provision for Preliminary Expenses	-	0.03
Provision for Doubtful Debt	134.99	336.76
Provision for contingency	114.79	-
	3,760.96	**3,015.90**
Less: Transfer to Capital Work in Progress (CWIP)	319.42	240.18
	3,441.54	**2,775.72**

a. Other expenses under various heads includes a cumulative amount of ₹ 22.42 crore (PY ₹ 186.14 crore) in FY 2021-22 spend towards TPS-I for FY 21-22,which was discontinued from operation as on 30th September, 2020. A Scehdule containing details of such expenditure has been provided in Note-59.

b. The provision for Transmission Line Charges has been created as per TSA agreement and UPERC order dated 09-07-2021. The group has filed an appeal against the said order before APTEL. Based on the outcome, the same will be reviewed in future periods.

c. Miscellaneous expenses includes following provisions for EPC contractors of Bithnok and BTPS Expansion projects amounting to ₹29.98 crore.

d. Provision for Fixed Asset/CWIP includes Bithnok and BTPS Project provision amounting to ₹ 22.78 crore.

e. CSR Expenses for the FY 2021-22 include ₹ 0.23 crore for CER expenditure towards Talabira Project.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 32: NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES INCOME/ (EXPENSES) - NET

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income		
a) CERC Regulations	252.40	147.48
b) Deferred Foreign Currency	13.34	19.98
c) Mine Closure	22.22	165.78
d) CERC Orders	175.64	189.96
Expenses		
a) Deferred Foreign Currency	18.04	-
b) CERC/SERC Orders	100.64	60.26
Net Movement	**344.92**	**462.94**

a. Pending disposal of petition and approval of CERC tariff for the tariff period 2019-24, beneficiaries are being billed in accordance with the tariff order for the tariff period 2014-19. However, Income/Expenses to the extent of O&M parameters have been recognized based on the applicable operating norms for the tariff period 2019-24 and recognized under Regulatory Deferral Account. The accrual for the other 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the final order.

b. The Group undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May'2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure upto a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Accordingly, for the 5 year period from 2016-17 to 2020-21, an amount of ₹165.78 crore has been considered on provisional basis during FY 2020-21 under regulatory income pending filing of the claim with "Coal Controller".

Further an amount of ₹ 22.22 crore has been considered as regulatory income for the Financial Year 2021-22 in line with mine closure guidelines.

c. The group undertakes review of regulatory assets and liabilities at the end each year and based on reassessment of recoverability/refund of such assets/liabilities necessary accounting adjustments are carried out and based on expert opinion wherever required period cost on regulatory liability has also been considered subject to approval of Regulatory Authority.

d. The subsidiary company i.e. NTPL has incurred an amount of ₹ 774.38 crore towards discharge of undischarged liabilities for meeting out the project expenditure from the date of commissioning up to 31.03.2018. The said expenditure is covered under the original scope of the project work as approved in the project cost and the same has been filed with CERC in the Trued up Petition 2014-19. Hence, Unbilled Power Sales/CERC Order income has been accounted in the books of account, which is as per the CERC's order dated 11-07-2017 stipulating the consideration of the discharged liabilities out of the undischarged liabilities at the time of trued up petition.In the event, the CERC disallows any portion of the claim, then regulatory deferral account balances would be derecognized to that extent as per the policy of the group.

e. Pending filing of petition for sale of coal to end use plants under the said regulations, the Group adopted investment approval price for billing and estimated transfer price as per CERC regulation for accounting purpose amounting to ₹48.59 crore considered under regulatory income in the current year.

NOTE 33: EXCEPTIONAL ITEMS

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee Remuneration -VRS Compensation	0.14	0.14
Power Sales - Rebate	-	70.68
Power Sales- VSVS	(389.97)	-
	(389.83)	**70.82**

a. The group in pursuant to 'Vivad Se Vishwas Scheme' (VSVS) has accounted ₹ 389.97 crore on account of income tax recoverable from the beneficiaries as per the CERC tariff Regulations, for different Tariff periods due to payments/adjustments relating to earlier periods pursuant to 'Vivad Se Vishwas Scheme' (VSVS). Pending billing to beneficiaries, the said amount has been considered as unbilled revenue Power sales in FY 2021-22. Any adjustments arising out of the subsequent resolutions with the beneficiaries in this regard shall be accounted for in the subsequent periods. Refer Note No. 11

b. Power sales (VSVS) includes ₹ 94.87 crore(PY ₹ NIL) for TPS-I which is retired from operation. Refer Note No. 59.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 34: OTHER COMPREHENSIVE INCOME

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Remeasurement of Actuarial Gains / (Losses)	33.91	33.63
b) Tax expenses/(savings) Remeasurement of Actuarial Gains / (Losses)	5.68	7.02
	28.23	**26.61**

NOTE 35: EARNING PER SHARE FROM CONTINUING OPERATIONS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Basic and Diluted (Before Net Regulatory Deferral Adjustments)		
Profit after Tax before Regulatory (₹ crore)	838.44	933.91
Weighted Avg. Number of Shares	1,38,66,36,609	1,38,66,36,609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	6.05	6.74
Basic and Diluted (After Net Regulatory Deferral Adjustments)		
Profit for the period (₹ crore)	1,115.65	1,314.11
Weighted Avg. Number of Shares	1,38,66,36,609	1,38,66,36,609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	8.05	9.48

The Group does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 36: DISCLOSURE AS PER IND AS - 8 - ACCOUNTING POLICIES, CHANGE IN ACCOUNTING ESTIMATE AND ERRORS

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Group has retrospectively restated its Balance Sheet as at 31st March 2021 and 1st April 2020 (beginning of the preceding period) and Statement of Profit and Loss and Statement of Cash Flows for the year ended 31st March 2021. Impact on other items are not material and hence not disclosed. Reconciliation of financial statement line items which are retrospectively restated are as under:

A. Restatement of Prior Period

i) Reconciliation of Restated Items of Balance Sheets as at 31st March, 2021 and 1st April, 2020

(₹ crore)

Particulars	As at 31st March 2021			As at 1st April, 2020		
	As Per Previously Reported	Adjustments	As Restated	As Per Previously Reported	Adjustments	As Restated
a) Noncurrent Asset :						
Property Plant and Equipment	26,381.04	(735.46)	25,645.58	24,070.41	(592.00)	23,478.41
Intangible Assets	30.82	116.25	147.07	-	-	-
b) Current Asset :						
Inventories	1,623.84	4.71	1,628.55	1,683.75	7.75	1,691.50
Total Asset	**28,035.70**	**(614.50)**	**27,421.20**	**25,754.16**	**(584.25)**	**25,169.91**
c) Equity and Liabilities						
Other Equity (Retained earnings)	10,379.89	(615.58)	9,764.31	9,208.51	(584.25)	8,624.26
Total Equity	14,100.39	(615.58)	13,484.81	12,905.13	(584.25)	12,320.88
Provisions	480.26	1.08	481.34	757.43	-	757.43
Total Equity and Liabilities	**24,960.54**	**(614.50)**	**23,730.46**	**22,871.07**	**(584.25)**	**21,702.57**
Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balance):						
- Basic/Diluted	6.96	(0.22)	6.74	9.66	(4.21)	5.45
Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balance):						
- Basic/Diluted	9.70	(0.22)	9.48	10.48	(4.21)	6.27

ii) Reconciliation of Restated items of Statement of Profit and Loss for the Year Ended 31st March, 2021

(₹ crore)

Particulars	Year ended 31st March 2021		
	As Per Previously Reported	Adjustments	As Restated
a) Changes in Inventories	(54.47)	3.04	(51.43)
b) Employee Benefit Expenses	2,754.81	1.08	2,755.89
c) Depreciation	1,584.21	27.21	1,611.42
d) Total Expenses	9,936.14	31.33	9,967.47
e) Profit before Tax	2,254.40	(31.33)	2,223.07
f) Current Year Tax	909.03	-	909.03
g) Profit for the Period	1,345.44	(31.33)	1,314.11
h) Total Comprehensive Income	1,372.05	(31.33)	1,340.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 36: DISCLOSURE AS PER IND AS - 8 - ACCOUNTING POLICIES, CHANGE IN ACCOUNTING ESTIMATE AND ERRORS (CONTD.)

iii) Reconciliation of Statement of Cash Flows for the year ended 31st March, 2021

(₹ crore)

Particulars	Year ended 31st March 2021		
	As Per Previously Reported	Adjustments	As Restated
Under Cash flows from Operating activity :			
- Profit before Tax	2,254.40	(31.33)	2,223.07
- Depreciation	1,584.21	27.21	1,611.42
- Inventories and Other Current Assets	(884.29)	3.04	(881.25)
- Others (including provision and non cash items)	3.78	1.08	4.86
Net Cash from operating activities	4,389.70	-	4,389.70
Net Cash used in investing activities	2,212.26	-	2,212.26
Net Cash (used)/received in financing activities	(2,037.06)	-	(2,037.06)
Net increase, decrease(-) Cash and Cash equivalents	140.38		140.38

No change in cash flows as all the restatements belongs to operating activity and non cash items.

iv) Change in Other Equity - Retained Earnings

(₹ crore)

Particulars	As at 31st March 2021	As at 1st April 2020
a) Retained Earnings Prior to change	10,379.89	9,208.51
b) Changes due to Restatement :		
- Depreciation	619.21	592.00
- Change in Inventories	(4.71)	(7.75)
- Provisions for employment benefits	1.08	-
c) Retained Earnings after Restatement	9,764.31	8,624.26

NOTE 37: EFFECT OF FOREIGN EXCHANGE FLUCTUATION

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) The amount of exchange rate difference debited/ (credited) to the Statement Profit & Loss	(1.45)	(7.80)
b) The amount of exchange rate difference Adjustment debited /(credited) to the carrying amount of fixed assets & WIP	(8.35)	16.06
	(9.80)	**8.26**

As per the Guidance Note on Rate Regulated Activity issued by ICAI , exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff Regulations and MoC guidelines on Lignite Transfer price are accounted as Deferred foreign currency fluctuation asset / liability. Accordingly necessary adjustment are made in depreciation and interest expenditure in the current year.

NOTE 38: EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Capital Expenditure	7.59	6.58
Revenue Expenditure	15.67	15.12
	23.26	**21.70**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 39: DISCLOSURE AS PER IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS'

(₹ crore)

Particulars	As at 01.04.2021	Additions	Withdrawals	As at 31.03.2022
Movement in Provisions				
i) Provision for loss on Assets	18.46	44.52	0.35	62.63
ii) Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	16.56	0.04
Power Tariff adjustment - Deemed export benefit	(1.91)	-	-	(1.91)
Miscellaneous provision	2.84	-	-	2.84
iii) Other Provisions	33.36	121.81	8.92	146.25
iv) Provision for unspent CSR	3.71	5.12	1.03	7.80
	73.06	**171.45**	**26.86**	**217.65**

a. In all these cases, outflow of economic benefits is expected within next one year.

b. The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Group to compute the possible effect of assumptions and estimates made in recognizing these provisions.

NOTE 40: CONSUMPTION OF RAW MATERIAL AND SPARE PARTS

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Value of Indigenous and Imported Raw Material and Spares consumed		
a) INDIGENOUS		
Raw Material	1,303.96	1342.32
Spare parts	194.95	396.42
Percentage	99.97%	89.07%
b) IMPORTED		
Raw Material	-	211.85
Spare parts	0.50	1.47
Percentage	0.03%	10.93%

NOTE 41: C.I.F. VALUE OF IMPORTS

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material	-	30.98
Capital Goods	42.85	36.19
Components and Spares	1.72	3.61
	44.57	**70.78**

NOTE 42: EXPENDITURE IN FOREIGN CURRENCY

(₹ crore)

Particulars	Year ended March 31,2022	Year ended March 31, 2021
Travelling Expenses	-	-
Professional and Consultancy	0.35	0.03
Subscriptions/ Periodicals	-	0.13
Interest Charges	4.23	3.86
	4.58	**4.02**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 43: CORPORATE SOCIAL RESPONSIBILITIES

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises and Ministry of Corporate Affairs of Govt of India from time to time, the Group is required to spend, in every financial year, at least two per cent of the average net profits of the Group made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Amount Required to be spent during the year :		
i) Gross Amount (2% of average net profit of three immediately preceding financial years as per the Companies Act 2013 and amendments thereto)	48.89	52.55
ii) Surplus arising out of CSR Projects		
iii) Set off available from previous years		
iv) Total CSR Obligation for year (i+ii-iii)	48.89	52.55
b) Gross amount approved by the Board of Directors for the year	72.38	52.55
c) Amount spent during the year on		
i) construction and acquisition of any asset	-	-
ii) on purposes other than (i) above*	44.00	49.15
d) Set off available for succeeding year	-	-
e) Amount unspent during the year	5.12	3.40

* CSR Expsenses for the FY 2021-22 include ₹ 0.23 crore for CER expenditure towards Talabira Project.

i) Amount spent during the year ended 31 March 2022

(₹ crore)

Particulars	In cash	Yet to be paid in Cash	Total
a) For construction or acquisition of any asset	-	-	-
b) On purposes other than (a) above	42.72	1.84	44.56

i) Amount spent during the year ended 31 March 2021

(₹ crore)

Particulars	In cash	Yet to be paid in Cash	Total
a) For construction or acquisition of any asset	-	-	-
b) On purposes other than (a) above	49.87	-	49.87

ii) Details of Short fall

(₹ crore)

Particulars	As on March 31, 2022	As on March 31, 2021
a) Out of amounts required to be spent during the year	5.12	3.40
b) Previous years Shortfall	3.15	0.31

Reason for shortfall: CSR Activities are under progress and balance will be carried in FY 2022-23

iii) Details of unspent amount

(₹ crore)

Particulars	As on March 31, 2022	As on March 31, 2021
Opening balance	3.71	1.04
Amount deposited in funds specified in Sch-VII within 6 months	-	-
Amount required to be spent during the year	48.89	52.55
Amount spent during the year	44.33	49.87
Closing balance	8.27	3.71

iv) Details of excess amount spent

(₹ crore)

Particulars	As on March 31, 2022	As on March 31, 2021
Opening balance	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 43: CORPORATE SOCIAL RESPONSIBILITIES (CONTD.)

v) Details of on going project (to be given year wise)

(₹ crore)

Particulars	As on March 31, 2022	As on March 31, 2021
Opening balance		
- with Group	-	1.04
- in separate unspent account	3.71	-
Amount required to be spent		
- from Group's bank Account	8.09	5.81
- from separate unspent account	3.71	
Amount spent during the year		
- from Group	2.54	3.13
- from separate unspent account	0.56	-
Closing balance		
- with Group	5.55	3.71
- in separate unspent account	3.15	-

vi) CSR expenditure

(₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Medical-health & family welfare	11.91	6.56
Drinking water facility	0.56	1.51
Education & Scholarship	14.70	14.71
Construction of link road	-	0.72
Promotion of sports	0.28	0.05
Community development centre	0.69	0.45
Afforestation & environment sustainability	0.65	0.15
Sanitation & other Basic Amenities	18.02	2.31
Construction of school, library & hostel	-	0.06
Vocational Skill development Centre	0.03	0.89
Irrigation facilities	-	5.15
Electricity including Solar & Non Conventional Energy	-	0.75
Relief on natural calamities	0.02	0.20
Others	1.60	19.28
	48.46	**52.79**

a. As per specific condition A, Clause V, of the environment clearance given by Ministry of Environment, Forest and Climate Change, GoI dated 17.06.2015, ₹ 68.95 crore (i.e. 0.40% of project sanction cost of ₹ 17237.80 crore) needs to be spent by NUPPL, during construction period towards Capital cost of CSR activities and ₹ 13.79 crore (0.08% of project sanction cost of ₹ 17,237.80 crore) as recurring cost per annum till operation of the Ghatampur Thermal Power Plant. On account of this NUPPL has spent ₹ 4.46 crore (PY: ₹ 2.92 crore), which is included in the above schedule. The cumulative amount spent till 31.03.2022 is ₹ 20.75 crore (PY ₹ 16.23 crore). As the subsidiary NUPPL is in construction phase , Section 135 of Companies Act 2013 requirement does not apply in this current financial year.

b. Unspent Corporate Social Responsibility expenditure of and ₹ 5.54 crore (PY ₹ 3.71 crore) relating to ongoing projects has been deposited in Unspent Corporate Social Responsibility Account as on April 2022 and 2021 respectively.

c. CSR Expenses for the FY 2021-22 include ₹ 0.23 crore for CER expenditure towards Talabira Project.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24

Particulars		
A. List of related parties		
(A) Parent Company		
Key Managerial Personnel (KMP)		
(i) Whole Time Directors		
Shri. Rakesh Kumar	Chairman cum Managing Director	
Shri. R. Vikraman	Director (Human Resources)	Relinquished w.e.f 01.03.2022
Shri. Nadella Naga Maheswar Rao	Director (Planning and Projects)	Relinquished w.e.f 01.06.2021
Shri. Prabhakar Chowki	Director (Mines)	Relinquished w.e.f 01.09.2021
Shri. Shaji John	Director (Power)	
Shri. Jaikumar Srinivasan	Director (Finance)	
Shri. K Mohan Reddy	Director (Planning and Projects)	Appointed w.e.f 21.02.2022
(ii) Independent Directors		
Shri. Dr. P Vishnu Dev	Non Executive Director	Relinquished w.e.f 13.12.2021
Shri. Dr. V Muralidhar Goud	Non Executive Director	
Shri. N K Narayanan Namboothiri	Non Executive Director	
Shri. Subrata Chaudhury	Non Executive Director	Appointed w.e.f 05.11.2021
Shri. Prakash Mishra	Non Executive Director	Appointed w.e.f 08.11.2021
Smt. Nivedita Srivastava	Non Executive Director	Appointed w.e.f 10.11.2021
(iii) Nominee Directors		
Shri. Vinod Kumar Tiwari	Non Executive Director	Relinquished w.e.f 03.01.2022
Shri. S.K. Prabakar	Non Executive Director	Relinquished w.e.f 04.06.2021
Shri. Nagaraju Maddirala	Non Executive Director	Appointed w.e.f 03.01.2022
Shri. Dharmendra Pratap Yadav	Non Executive Director	Appointed w.e.f 15.06.2021 Relinquished w.e.f 09.12.2021
Shri. Ramesh Chand Meena	Non Executive Director	Appointed w.e.f 23.12.2021
(iv) Chief Financial Officer and Company Secretary		
Shri. Jaikumar Srinivasan	Chief Financial Officer	
Shri. K. Viswanath	Company Secretary	
(B) Subsidiary Companies		
NLC Tamilnadu Power Limited (NTPL)		
i) Directors		
Shri. Rakesh Kumar	Chairman	
Shri. Nadella Naga Maheswar Rao	Director	Relinquished w.e.f 01.06.2021
Shri. Shaji John	Director	
Shri. Jaikumar Srinivasan	Director	
Shri. Prabhakar Chowki	Director	Appointed w.e.f 17.06.2021 Relinquished w.e.f 01.09.2021
Shri. Mahendra Pratap	Director	Relinquished w.e.f 03.01.2022
Shri. A.Ashok Kumar	Director	Relinquished w.e.f 17.06.2021
Shri. R.Ethiraj	Director	Appointed w.e.f 17.06.2021
Shri. R.S.Saroj	Director	Appointed w.e.f 07.01.2021
Shri. K.Mohan Reddy	Director	Appointed w.e.f 21.02.2022
ii) Key Managerial Personnel (KMP):		
Shri. K.S.Gopalakrishnan	Chief Executive Officer	Relinquished w.e.f 01.03.2022
Shri. K.Kondas Kumar	Chief Executive Officer	Appointed w.e.f 01.03.2022
Shri. D.Dhanapal	Chief Financial Officer	
Smt. K.Suganyaa	Company Secretary	
Neyveli Uttar Pradesh Power Limited (NUPPL)		
i) Directors		
Shri Rakesh Kumar	Chairman	
Shri Shaji John	Director	
Shri Jaikumar Srinivasan	Director	
Shri Ajit Kumar Tewary	Director	Relinquished w.e.f 26-03-2022
Shri Rajnish Kwatra	Director	Relinquished w.e.f 26-03-2022
Shri Bibhu Prasad Mahapatra	Director	Relinquished w.e.f 27-05-2021
Shri Manoj Kumar Gupta	Director	Appointed w.e.f 07-01-2022
Shri Sudhir Arya	Director	Appointed w.e.f 27-05-2021 Relinquished w.e.f 09-08-202 1
Shri Ranjan Kumar Srivastava	Director	Appointed w.e.f 09-08-2021

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24 (CONTD.)

Particulars		
A. List of related parties		
ii) Key Managerial Personnel (KMP):		
Shri Mohan Reddy K	Chief Executive Officer	Relinquished w.e.f 02.02.2022
Shri Santhosh C.S.	Chief Executive Officer	Appointed w.e.f 02.02.2022
Shri Ashok Kumar Mali	Chief Financial Officer	
Shri Nikhil Kumar	Company Secretary	
(C) Subsidiaries, Joint Venture and Associate:		
NLC Tamilnadu Power Limited (NTPL)	Subsidiary	
Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary	
MNH Shakti Limited	Associate	
Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint Venture	
(D) Post Employment Benefit Plans:		
NLC Employees PF Trust		
NLC Employees Pension Fund		
NLC Post Retirement Medical Assistance Fund		
NLC Group Gratuity Fund		
(E) Entities under the control of the same Government:		

The Parent Company is a Public Sector Undertaking (PSU) wherein majority of shares are held by the President of India. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as Related Parties. The Group has applied the exemption available under Paragraph 25 & 26 of Ind AS 24 for Government related entities and have made disclosures accordingly in the financial statements.

B. Transactions with the Related Parties:

The aggregate value of transactions and outstanding balances related to Key Managerial Personnel and entities over which they have control or significant influence were as follows:

(₹ crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Key Management Personnel Compensation		
Short Term Employment Benefits	5.00	5.28
Post-Employment Benefits	0.42	0.43
Long-term Employment Benefits	0.86	0.61
Termination Benefits	-	-
Share-based Payments	-	-
Sitting Fees	0.27	0.23
	6.54	**6.55**
ii) Transactions with Post Employment Benefit Plans:		
Contributions made during the year	318.04	352.62

iii) Transactions with the Related Parties under the control of the same Government:

Name of the Company	Nature of Transactions	2021-22	2020-21
Bharat Heavy Electricals Limited	Purchase of Stores and Spares	10.67	27.26
Bharat Heavy Electricals Limited	Package contracts	127.58	99.26
BEML Limited	Payment for FMC contract	13.87	26.23
BEML Limited	Purchase of Stores and Spares	47.65	0.09
BEML Limited	Payment for procuring CMEs	6.65	5.78
Hindustan Petroleum Corporation Limited	Purchase of Furnace oil	78.76	77.83
Bharath Petroleum Corporation Limited	Purchase of Furnace oil	128.75	130.73
Indian Oil Corporation Limited	Purchase of Furnace oil	155.48	155.80
Steel Authority Of India Limited	Purchase of Steel	21.32	44.69
Rashtriya Ispat Nigam Limited	Purchase of Steel	-	4.49
Balmer Lawrie & Co Limited	Purchase of Lubricants	10.70	4.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24 (CONTD.)

(₹ crore)

iii) Transactions with the Related Parties under the control of the same Government: (contd.)

Name of the Company	Nature of Transactions	2021-22	2020-21
Balmer Lawrie & Co Limited	Purchase of Air Ticket	0.81	0.39
MSTC Limited	E-auction agent Commission	2.46	3.04
M/s Mecon Limited	Consultancy Services-MOEF norms	0.30	0.45
Instrumentation Limited	Supply of spares	0.47	0.88
Mahanadi Coalfields	Loan repayment	625.00	500.00
Power Grid Corporation Of India Limited	Maintenance Contract	1.68	0.03
Central Mine Planning & Design Institute	Testing/consultancy	0.22	0.13
Power Grid Corporation Of India Limited	Transmission charges	1.70	5.91
Central Power Research Institute	Testing Fee	0.54	-
Projects Development India Limited	Consultancy Services-Methanol Project	0.38	0.24
EDCIL India Limited	Recruitment Process	-	9.16
LIC India Limited	Risk Insurance Policy Premium	-	1.80
National Insurance Company Limited	PRMI Insurance	97.26	15.32
New India Assurance Company Limited	Insurance Premium (Group Insurance)	2.77	1.28
United India Insurance Company Limited	Insurance Premium (Mega Insurance)	0.06	96.79
Railtel Corporation of India Limited	Internet Services	0.13	0.03
Electronics Corporation of India Limited	Secret Ballot election voting machine	-	0.04
Rites Limited	Consultancy for Railway siding	4.74	7.59
Stock Holding Corporation of India Limited	Payment of Stamp Duty	-	1.66
Mahanadi Coalfields Limited	Sale of Coal	3.07	91.03
NTPC Limited	Sale of Coal	360.01	-
Bharat Sanchar Nigam Limited	Land Line and Internet Services	0.16	0.20
Power System Operation Corpn. Limited	Transmission Charges	27.95	-
National Informatics Centre Services	E mail Service	0.13	-
MMTC Limited	Purchase of gold coins & Commission on e-auction	0.60	-
Central Institute of Mining and Fuel Research	Sampling and analysis of Coal	3.94	4.03
V.O Chidambaram Port Trust	Wharfage Charges	29.66	12.01
Mahanadi Coalfields Limited	Purchase of Coal	163.51	381.72
Oriental Insurance Company Limited	Insurance premium	19.70	23.14
Eastern Coalfields Limited	Purchase of Coal	108.52	342.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 44: DISCLOSURES WITH RESPECT TO RELATED PARTIES AS PER IND AS 24 (CONTD.)

(₹ crore)

C. Outstanding balances with Related Parties are as follows:

Particulars	Transactions value for the year ended March 31		Balance outstanding as at March 31	
	2022	2021	2022	2021
i) Key Managerial Personnel				
Shri. Shaji John/Director(Power) - towards CAR Loan	0.02	0.00	0.003	0.02
Shri. K Mohan Reddy /Director(P&P) - towards Multi purpose loan	0.01	-	0.01	-
Shri.Viswanath K/Company Secretary				
- CAR Loan	0.01	0.01	0.01	0.02
- Festival Advance	0.00	0.00	-	-
Shri. D.Dhanapal - Chief Financial Officer - Festival Advance	0.00	0.00	-	0.00
Smt. K.Suganyaa, Company Secretary - Festival Advance	0.00	-	0.00	-
Shri. Ashok Kumar Mali/CFO/NUPPL - Car advance	0.01	0.01	0.03	0.04

Particulars	Balance outstanding	
	As at March 31, 2022	As at March 31, 2021
ii) Post Employment Benefit Plan:		
- Receivable	-	-
- Payable	29.36	29.08

D. Terms and conditions of transactions with the Related Parties

1. Transactions with the Related Parties are made on normal commercial terms and conditions & at prevalent market rates.
2. NLCIL (The Holding Company) is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the companies. The cost incurred by the holding Company towards superannuation and employee benefits are recovered from subsidiary companies.
3. Outstanding balances of Subsidiaries and Associate at the year-end other than Loans are unsecured and interest free.
4. For the year ended March 31, 2022 and March 31, 2021 the Group has not recorded any impairment of receivables relating to amounts payable to/from Related Parties. This assessment is undertaken each financial year through examining the financial position of the Related Party and the market in which the Related Party operates.
5. Consultancy/Management services provided by NLCIL (the holding Company) to Subsidiaries and Associates are generally on nomination basis at the terms, conditions and principles applicable for consultancy/management services provided to other parties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 45: NON- CONTROLLING INTERESTS (NCI)

March 31, 2022

(₹ crore)

Particulars	NLC Tamilnadu Power Limited	Neyveli Uttar Pradesh Power Limited	Intra-group Eliminations	Total
NCI %	**11%**	**49%**		
Non-Current Asset	4,791.18	13,440.23	-	18,231.41
Current Asset	1,833.27	128.24	-	1,961.51
Non-Current Liability	1,768.91	9,125.23	-	10,894.14
Current Liability	2,230.39	573.10	-	2,803.49
Net Asset	2,625.15	3,870.14	-	6,495.29
Net Assets attributable to NCI	**288.77**	**1,896.36**	**-**	**2,185.13**
Total Income	2,353.69	0.02	-	2,353.71
Profit for the period	211.28	(0.33)	-	210.95
OCI	0.77	0.70	-	1.47
Total Comprehensive Income	**212.05**	**0.37**	**-**	**212.42**
Profit Allocated to NCI	23.24	(0.16)	-	23.08
OCI allocated to NCI	0.08	0.34	-	0.43
Cash flows from Operating Activity	2,411.14	(0.33)	-	2,410.81
Cash flows from Investment Activity	(72.81)	(1,144.24)	-	(1,217.05)
Cash flows from Financing Activity	(2,325.70)	1,144.75	-	(1,180.95)
Net increase/(decrease) in Cash and Cash Equivalents	**12.63**	**0.18**	**-**	**12.81**

March 31, 2021

(₹ crore)

Particulars	NLC Tamilnadu Power Limited	Neyveli Uttar Pradesh Power Limited	Intra-group Eliminations	Total
NCI %	**11%**	**49%**		
Non Current Asset	5,096.95	11,533.15	-	16,630.10
Current Asset	3,282.48	144.73	-	3,427.21
Non-Current Liability	2,171.17	7,665.90	-	9,837.07
Current Liability	3,423.19	766.09	-	4,189.28
Net Asset	2,785.07	3,245.89	-	6,030.96
Net Assets attributable to NCI	**306.36**	**1,590.48**	**-**	**1,896.84**
Total Income	2,958.87	0.05	-	2,958.92
Profit for the period	363.00	(0.97)	-	362.03
OCI	(3.52)	(1.91)	-	(5.43)
Total Comprehensive income	**359.48**	**(2.88)**	**-**	**356.60**
Profit Allocated to NCI	39.93	(0.48)	-	39.45
OCI allocated to NCI	(0.39)	(0.94)	-	(1.32)
Cash flows from Operating Activity	784.17	(0.27)	-	783.90
Cash flows from Investment Activity	(69.02)	(1,792.58)	-	(1,861.60)
Cash flows from Financing Activity	(714.22)	1,792.91	-	1,078.69
Net increase/ (decrease) in Cash and Cash Equivalents	**0.93**	**0.06**	**-**	**0.99**

NOTE 46: DISCLOSURE IN RESPECT OF THE EQUITY ACCOUNTED INVESTEES AS PER IND AS-112

(i) Equity Accounted Joint Venture

Company Name: M/s Coal Lignite Urja Vikas Private Limited
Registered Office: Coal India office, Scope Minar, New Delhi

NLC India Limited and Coal India Limited had entered into a joint venture agreement for incorporating a Company namely Coal Lignite Urja Vikas Private Limited (CLUVPL) with 50 : 50 equity participation. The newly formed Company was incorporated on 10.11.2020 with the objective to develop and operate the conventional as well as renewable power projects and also to provide Project Management Consultancy (PMC) services for developing power projects.

(₹ crore)

Particulars	2022	2021
Interest in Coal Lignite Urja Vikas Private Limited	0.39	0.00
Balance as at March 31	**0.39**	**0.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 46: DISCLOSURE IN RESPECT OF THE EQUITY ACCOUNTED INVESTEES AS PER IND AS-112 (CONTD.)

The following table summarises the Un-audited financial information of Coal Lignite Urja Vikas Private Limited as included in its own financial statements, adjustment for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Parent Company's interest in Coal Lignite Urja Vikas Private Limited.

(₹ crore)

Particulars	31.03.2022	31.03.2021
Percentage of ownership interest	50.00%	50.00%
Non-current assets	-	-
Current assets	0.91	0.02
Non-current liabilities	-	-
Current liabilities	0.14	0.02
Net assets (100%)	0.77	-
Group’s share of net assets (50 %)	0.39	-
Elimination of unrealised profit and loss (if any)	-	-
Carrying amount of interest in Associate		
Revenue	1.07	-
Other Income	0.01	-
Depreciation & Amortization	-	-
Finance cost	-	-
Employee benefit	-	-
Other expenses	0.05	0.02
Profit before tax	1.03	(0.02)
Income tax expense	0.26	-
Profit from continuing operations (100%)	0.77	(0.02)
Total Comprehensive Income (100%)	0.77	(0.02)
Total Comprehensive Income (50 %)	0.39	(0.01)
Elimination of unrealised profit and loss (if any)	-	-
Group’s share of total comprehensive income	0.39	(0.01)
Carrying amount of interests in associates		
Share of:		
Profit from continuing operations	0.38	(0.01)
OCI	-	-

(ii) Equity Accounted - Associates
Company Name: M/s MNH Shakti Limited
Registered Office: Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.

M/s. Mahanadi Coalfields Limited (MCL), NLCIL & Hindalco formed MNH Shakti Limited, a Joint Venture Company with equity participation of 70:15:15 to implement 20.0 MTPA coal mining project in Talabira in the State of Odisha. The Talabira II & III coal blocks allocated for this purpose have been cancelled pursuant to the judgment dated 25th August 2014 of Hon’ble Supreme Court of India and the Coal Mines (Special Provisions) Ordinance 2014 dated 21st October 2014. The Joint Venture Company has proposed for the winding up and necessary formalities are being worked out by them.

(₹ crore)

Particulars	2022	2021
Interest in MNH Shakti Limited	6.23	13.59
Balance as at March 31	**6.23**	**13.59**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 46: DISCLOSURE IN RESPECT OF THE EQUITY ACCOUNTED INVESTEES AS PER IND AS-112 (CONTD.)

The following table summarises the financial information of MNH Shakti Limited as included in its own financial statements Adjustment for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Parent Company's interest in MNH Shakti Limited.

(₹ crore)

Particulars	31.03.2022	31.03.2021
Percentage of ownership interest	15.00%	15.00%
Non-current assets	0.01	0.01
Current assets	42.71	91.63
Non-current liabilities	-	-
Current liabilities	42.72	0.95
Net assets (100%)	(0.00)	90.69
Group's share of net assets (50 %)	6.23	13.59
Elimination of unrealised profit and loss (if any)		
Carrying amount of interest in Associate	**6.23**	**13.59**
Revenue	-	-
Other Income	1.47	2.11
Depreciation & Amortization	0.00	-
Finance cost	0.03	0.02
Employee Benefit	0.18	0.29
Other expenses	0.10	0.09
Profit before tax	1.16	1.71
Income tax expense	0.29	0.43
Profit from continuing operations (100%)	0.86	1.28
Total comprehensive income (100%)	0.86	1.28
Total comprehensive income (15 %)	0.13	0.08
Elimination of unrealised profit and loss (if any)	-	-
Group's share of total comprehensive income	0.13	0.08
Carrying amount of interests in associates	6.23	13.59
Share of:		
Profit from continuing operations	0.13	0.08
OCI	-	-

NOTE 47: EMPLOYEE BENEFITS

(i) Defined benefit plans:

The defined benefit plan is administered by the LIC which is named as "LIC Group Gratuity Fund" ('Fund') that is legally separated from the Group. The board of the fund is required by law to act in the best interest of the plan participants and is responsible for setting certain policies (e.g. Investment, Contribution and Indexation Policies) of the fund. Their defined benefit plans expose the group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

Defined benefit plan is fully funded by the Group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Group has determined that in accordance with the terms and conditions of the defined benefit plan and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

B. Movement in net defined benefit (Asset)/ Liabilities

Gratuity & Leave Benefit

The Group has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 * last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death. The Group has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

The Group provide for earned leave benefit and half pay leave to the employees of the group, which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation. However

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFITS (CONTD.)

total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for the same is recognized on the basis of actuarial valuation.

(₹ crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net Amount	Defined benefit Obligations	Fair value of plan asset	Net Amount
Balance as at April 1, 2021	1,237.32	1,240.53	(3.21)	618.57	576.54	42.03
Included in Profit and Loss						
Current Service Cost	20.22	-	20.22	27.99	-	27.99
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost/(income)	74.04	74.25	(0.21)	38.10	36.74	1.36
Included in OCI	-	-	-	-	-	-
Remeasurement of loss /(gain) :	-	-	-	-	-	-
Actuarial loss (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(19.58)		(19.58)	(11.84)	4.70	(16.54)
Experience adjustment	(1.40)	12.94	(14.34)	(4.24)	-	(4.24)
Return on plan asset excluding interest income	-	-		-	-	-
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	0.13	0.13	-	0.03	0.03	-
Others	-	-	-	-	-	-
Contributions Paid by the employer	-		-		42.03	(42.03)
Benefits paid	(179.02)	(179.02)	-	(64.56)	(64.56)	-
Balance as at March 31, 2022	**1,131.71**	**1,148.83**	**(17.12)**	**604.05**	**595.48**	**8.57**

(₹ crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net Amount	Defined benefit Obligations	Fair value of plan asset	Net Amount
Balance as at April 1, 2020	1,350.36	1,130.21	220.15	600.70	494.03	106.67
Included in Profit and Loss						
Current Service Cost	23.11	-	23.11	28.04	-	28.04
Past service cost and gain or loss on settlement	-	-		-	-	-
Interest cost/ (income)	81.19	73.90	7.29	37.16	33.68	3.48
Included in OCI						
Remeasurement of loss/ (gain) :						
Actuarial loss (gain) arising from	-	-		-	-	-
Demographic assumptions	-	-		-	-	-
Financial assumptions	-	-		-	-	-
Experience adjustment	(27.59)		(27.59)	13.94		13.94
Return on plan asset excluding interest income		6.03	(6.03)		3.43	(3.43)
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	0.03	0.03	-	0.18	0.18	-
Others						
Contributions Paid by the employer	-	220.14	(220.14)	-	106.67	(106.67)
Benefits paid	(189.78)	(189.78)	-	(61.45)	(61.45)	-
Balance as at March 31, 2021	**1,237.32**	**1,240.53**	**(3.21)**	**618.57**	**576.54**	**42.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFITS (CONTD.)

(₹ crore)

Particulars	Gratuity		Leave Benefit	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Represented by :				
Net defined benefit asset	1,148.83	1,240.53	595.48	576.54
Net defined benefit liability	1,131.71	1,237.32	604.05	618.57
i) Plan Asset				
Particulars	**Gratuity**		**Leave Benefit**	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Plan assets comprises the following:				
Equity Securities	5.85%	5.85%	5.71%	5.71%
Govt Bonds	94.15%	94.15%	94.29%	94.29%
Details of the employee benefits and plan assets are provided below :				
Present value of funded obligation	1,131.71	1,237.32	604.05	618.57
Fair value of plan assets	1,148.83	1,240.53	595.48	576.54
Present value of net obligations	(17.12)	(3.21)	8.57	42.03
Unrecognised past service cost	-	-	-	-
ii) Actuarial Assumptions				
The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)				
Discount rate per annum	6.90%	6.50%	6.90%	6.50%
Expected rate of return per annum on plan asset	6.90%	6.50%	6.90%	6.50%
Salary escalation per annum	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT
Attrition rate	1%	1%	1%	1%

iii) Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligation by the amounts shown below.

Particulars	Gratuity				Leave Benefit			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	1,108.13	1,156.29	1,210.36	1,265.44	589.92	618.93	603.47	634.48
Salary escalation per annum (+/- 50 BP)	1,136.97	1,125.53	1,243.47	1,229.93	619.13	589.60	634.63	603.19

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFITS (CONTD.)

Expected maturity analysis of the defined benefit plans in future years

31st March, 2022

(₹ crore)

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Gratuity	174.65	159.00	508.26	543.64	1,385.55
Leave Benefit	86.20	83.34	269.69	273.18	712.41
Total	**260.85**	**242.34**	**777.95**	**816.82**	**2,097.96**

Expected maturity analysis of the defined benefit plans in future years

31st March, 2021

(₹ crore)

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Gratuity	196.40	173.46	494.01	615.64	1,479.51
Leave Benefit	84.51	83.78	251.43	298.60	718.32
Total	**280.91**	**257.24**	**745.44**	**914.24**	**2,197.83**

Provident Fund

The Group pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Group has an obligation to ensure minimum rate of return to the members as specified by Government of India. Accordingly, the Group has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employee pension scheme is paid to the appropriate authorities.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the provident fund plan as at balance sheet date:

(₹ crore)

Particulars	Defined benefit Obligation		Fair value of plan asset		Net defined benefit (asset)/ liability	
	2022	2021	2022	2021	2022	2021
Balance as at April 1	3,206.91	3,082.17	3,217.46	3,111.07	(10.55)	(28.90)
Current Service Cost	162.48	163.39	162.47	163.39	0.01	-
Interest cost (income)	221.33	216.54		263.29	221.33	(46.75)
Actuarial loss (gain)	(22.96)	110.25	(47.01)	-	24.05	110.25
Expected return on plan assets	(10.04)	-	234.83	45.16	(244.87)	(45.16)
Contributions paid by the employer	371.17	426.12	371.17	426.12	-	-
Benefits paid	(818.24)	(791.57)	(818.24)	(791.57)	-	0.00
Balance as at March 31	**3,110.65**	**3,206.91**	**3,120.68**	**3,217.46**	**(10.03)**	**(10.56)**

Pursuant to Para 57 of Ind AS 19, accounting by an entity for defined benefit plans, inter-alia, involves determining the amount of the net defined benefit liability (asset) which shall be adjustment for any effect of limiting a net defined benefit asset to the asset ceiling prescribed in Para 64. As per Para 64 of Ind AS 19, in case of surplus in a defined benefit plan, an entity shall measure the net defined benefit asset at the lower of actual surplus or the value of the assets ceiling determined using the discount rate. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Further, Para 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act,1952, the Group has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of Rs 10.03crore (Previous year Rs 10.56 crore) determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47: EMPLOYEE BENEFITS (CONTD.)

Plan assets comprises the followings:

(₹ crore)

Particulars	March 31, 2022		March 31, 2021	
	(₹ crore)	% of total assets	(₹ crore)	% of total assets
i) Plan Asset				
Equity Securities	34.97	1.12%	49.21	1.53%
Fixed Income/Debt Securities	3085.71	98.88%	3,168.25	98.47%
	3,120.68	**100.00%**	**3,217.46**	**100.00%**

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

ii) Actuarial Assumptions	March 31, 2022	March 31, 2021
Discount rate per annum	6.94%	6.54%
Expected return per annum on plan asset	8.10%	8.50%
Superannuation age	60 Years	60 Years
Remaining work life	Average of 8.52 years	Average of 8.53 years
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT

C. Defined Contribution Plan

Post Retirement Medical Assistance (PRMA)

The Group has a Post Retirement Medical Assistance Scheme, under which annual cash assistance is provided to retired employees and their spouse for both inpatient and outpatient medical treatment availed in subject to Group's grade wise policy applicable for employees.

A trust has been constituted and is managed by the Group for its employees, for the sole purpose of providing post retirement medical assistance facility to them. Necessary contributions are made to trust every year for the purpose.

(₹ crore)

Particulars	March 31, 2022	March 31, 2021
Disclosure of Defined Contribution Plan in respect of PRMA :		
i) Amount recognised in the Profit and Loss account as premium paid to the Insurance Company	15.49	14.84
ii) Liability provided for the fixed Medical Assistance	15.26	15.76

NOTE 48: FINANCIAL INSTRUMENTS - FAIR VALUE DISCLOSURES

31st March, 2022

(₹ crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
a) Financial Assets				
Investments	6.62	-	-	6.62
Loans	50.01	-	-	50.01
Trade Receivables	3,709.63	-	-	3,709.63
Cash and Cash Equivalents	139.41	-	-	139.41
Other Bank Balances	629.63	-	-	629.63
Other Financial Assets	42.53	-	-	42.53
b) Financial Liabilities				
Borrowings	22,058.37	-	-	22,058.37
Lease Liablity	27.70	-	-	27.70
Trade Payable	1,517.97	-	-	1,517.97
Other financial liabilities	162.53	-	-	162.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 48: FINANCIAL INSTRUMENTS - FAIR VALUE DISCLOSURES (CONTD.)

31st March, 2021

(₹ crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
a) Financial Assets				
Investments	13.59	-	-	13.59
Loans	60.46	-	-	60.46
Trade Receivables	7,521.50	-	-	7,521.50
Cash and Cash Equivalents	157.34	-	-	157.34
Other Bank Balances	627.22	-	-	627.22
Other Financial Assets	69.18	-	-	69.18
b) Financial Liabilities				
Borrowings	25,217.61	-	-	25,217.61
Lease Liability	4.10	-	-	4.10
Trade Payable	1,895.69	-	-	1,895.69
Other financial liabilities	2,152.56	-	-	2,152.56

The fair valuation of employee's loans have been carried out and accounted appropriately through Profit and Loss account, however the amount is immaterial. Hence the same has not been disclosed separately.

NOTE 49: DISCLOSURE AS PER IND AS 23 ON 'BORROWING COSTS'

Borrowing costs capitalised during the year is ₹ 740.75 crore (previous year ₹ 696.93 crore).

NOTE 50: DISCLOSURE AS PER IND AS 116 'LEASES'

The Group has adopted Ind AS 116 "Leases" with effect from 1st April 2019 and has applied the standard to all lease contracts that are existing as at 1st April 2019. The Group has chosen the modified retrospective approach for valuation of its right of use assets and lease liability.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Group has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjustment for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjustment for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Group is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 50: DISCLOSURE AS PER IND AS 116 'LEASES' (CONTD.)

The Group presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease Liabilities in 'Loans and Borrowings' in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets, when it is new. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

The companies significant leasing arrangements are in respect of various assets are as follows :

a. **Land :** The Company has lease arrangement with respect to its office and township requirements at various locations (i.e. HUDCO land at Delhi and office & township land in Talabira Project, Odisha) for 99 years. The lease rental are fixed for entire lease term, which has been arrived based on lease agreement. The lease can be extended for similar periods on mutually agreed terms after the completion of the current lease period. The Group do not have to option to buy.

b. **Vehicles :** The Group has taken certain vehicles (including e-vehicles) on lease for a period extending up to 5 years, which can be further extended at mutually agreed terms. All the lease rental of vehicles are fixed in nature except for e-vehicles Lease rental for which are escalated @10% each year.

c. **Plant and Machinery :** An agreement has been arrived between NLCIL (the Company) and Solar Development Operator (SDO) to use power evacuation facility for a period of 25 years. The lease rental are fixed in nature.

d. **Buildings :** Premises for use of offices and guest houses on lease are usually renewable on mutually agreeable terms. The lease rental are fixed in nature for 2 properties and escalated by 10% each year for other properties.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate.

i. As a lessee

Following are the changes in the carrying value of right-of-use assets and Lease liability for the year ended 31st March 2022:

a) Right-of-use assets

(₹ crore)

Particulars	Plant & Machinery	Property	Vehicles	Land	Total
Balance at 1st April 2021	-	0.97	2.55	27.60	**31.12**
Additions	15.53	0.55	-	38.21	**54.29**
Deductions	-	1.07	-	-	**1.07**
Depreciation charge	1.50	(0.46)	0.61	2.11	**3.76**
Balance at 31st March 2022	**14.03**	**0.91**	**1.94**	**63.70**	**80.58**

b) Lease Liability	**As at March 31, 2022**	**As at March 31, 2021**
Opening balance	4.10	3.47
Additions :		
- Addition to lease liability	23.10	1.69
- Interest towards lease liability	3.22	0.33
Deductions :		
- Payment of lease liability	2.56	1.39
- Short closure	0.17	-
Closing Balance	**27.70**	**4.10**

Lease Liabilities	**2021- 2022**	**2020-2021**
Maturity analysis – contractual undiscounted cash flows		
Less than one year	3.60	1.31
One to Five years	12.29	3.23
More than Five years	62.46	1.83
Total undiscounted lease liabilities as at 31st March 2022	**78.35**	**6.37**
Lease liabilities included in the Balance Sheet as at 31st March	27.92	4.10
Current	1.71	1.02
Non-current	26.21	3.08

Amounts recognised in profit or loss	**2021-22**	**2020-21**
Interest on lease liabilities	3.20	0.33
Expenses relating to leases of low-value assets	-	-
Total	**3.20**	**0.33**

Amounts recognised in the statement of cash flows	**As at 31.03.2022**	**As at 31.03.2021**
Total cash outflow for leases	**2.56**	**1.36**

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 51: DISCLOSURE ON IND AS 114, 'REGULATORY DEFERRAL ACCOUNTS'

(i) Nature of rate regulated activities

The Group is engaged in the business of mining of lignite/coal and generation of power by using lignite /coal as well as renewable energy sources. The price to be charged by the Group for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC)/State Electricity Regulatory Commission (SERC)/bidding process and the lignite transfer price is determined by the Ministry of Coal (MoC) guidelines. The CERC and MoC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of power and transfer of lignite.

The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Group to recover its costs of providing the goods or services plus a fair return.

(ii) Recognition and measurement

As per the CERC/SERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past periods in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114. When the Group prefers appeal in APTEL/Other Authorities the impact of the same along with period cost if any required is considered under the Regulatory Deferral Account. The Lignite price difference between CERC approved rate, other recoverable/ payable in future through Tariff are also considered under Regulatory Deferral Account Balances.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and Adjustment from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ 117.85 crore for the year ended as at 31 March 2022 (31st March, 2021 : ₹ 132.17 crore) has been accounted for as 'Regulatory deferral account debit balance'.

Revision of pay scales of employees of PSEs w.e.f. 1 January 2017 has been implemented based on the guidelines issued by Department of Public Enterprises (DPE). The guidelines provide payment of superannuation benefits @ 30% of basic + DA to be provided to the employees of CPSEs which includes gratuity at the enhanced ceiling of ₹ 0.20 crore from the existing ceiling of ₹ 0.10 crore. As per Proviso 8(3) of Terms and Conditions of Tariff Regulations 2014 applicable for the period 2014-19, truing up exercise in respect of Change in Law or compliance of existing law will be taken up by CERC. The increase in gratuity limit from ₹ 0.10 crore to ₹ 0.20 crore falls under the category of 'Change in law' and a regulatory asset has been created. The Payment of Gratuity Act, 1972 has since been amended and the ceiling has been increased to ₹ 0.20 crore. Based on the filing of the petition with CERC the Group has recognised both amounts recoverable for Wage revision and gratuity amounting ₹ 814.52 crore under regulatory deferral account debit balance as recoverable from the beneficiaries.

As per the CERC tariff regulation the expenses towards water charges , security expense and capital spares shall be allowed to be claimed from the beneficiaries based on prudence check at the time of truing up. The Group has recognised ₹ 484.04 crore as on 31.03.2022 (₹ 376.99 as on 31.03.2021.) under its Regulatory Deferral Assets subject to petition for truing up for tariff period 19-24.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

a) **Demand risk -** Availability of alternative and cheaper sources of power may result in reduced demand.

b) **Regulatory risk -** the regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in derecognition of regulatory deferral asset/liability.

c) **Other risks -** The Foreign Exchange Variation on actual repayment of loans are eligible for recovery from the customers and hence the risk is mitigated. In respect of disputed orders, the Group has recognised Regulatory Deferral Liability which may require economic outflow of resources upon passing of orders by the Appellate Authorities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 51: DISCLOSURE ON IND AS 114, 'REGULATORY DEFERRAL ACCOUNTS' (CONTD.)

(iv) Reconciliation of the carrying amounts:

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ crore)

Particulars	As at March 31, 2022	As at March 31,2021
a) Regulatory deferral account debit balance		
i) Opening balance	2,246.05	1,735.21
ii) Recognised during the current year	429.45	519.88
iii) Amount Adjustment/collected/refunded during the year	-	9.04
iv) Regulatory deferral account balances recognized in the Statement of Profit & Loss	445.56	523.20
v) Closing balance	**2,675.50**	**2,246.05**
b) Regulatory deferral account credit balance		
i) Opening balance	2,621.62	2,565.05
ii) Recognised during the current year	91.93	76.92
iii) Amount Adjustment/collected/refunded during the year	(4.40)	20.35
iv) Regulatory deferral account balances recognized in the Statement of Profit & Loss	100.64	60.26
v) Closing balance	**2,717.95**	**2,621.62**
c) Total amount recognized in the Statement of Profit & Loss during the year		
Total amount recognized in the Statement of Profit & Loss during the year	**344.92**	**462.94**

The Group expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and/or upon passing of orders by Appellate/Other Authorities.

NOTE 52: FINANCIAL INSTRUMENTS

Capital Management

The Group 's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Under the terms of major borrowing facilities, the Group is required to comply with the following financial covenants: Loan from PFC - Debt service coverage ratio not less than 1.50

NLCIL Bond - Minimum asset coverage ratio of 1.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 17(a) , 20(a) offset by cash and bank balances) and total equity of the Group . The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Gearing Ratio:

(₹ crore)

Particulars	March 31, 2022	March 31,2021
Debt	22,058.37	27,230.18
Less: Cash and bank balances*	139.41	157.34
Net debt	21,918.96	27,072.84
Total equity*	13,545.24	12,864.27
Net debt to total equity ratio	1.62	2.10

* excludes earmarked deposits/reserves

NOTE 53: FINANCIAL RISK MANAGEMENT

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk) credit risk and liquidity risk.

The Group's principal financial liabilities comprise loans and borrowings in domestic and foreign currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables.

A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables
The Group primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Group has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit defaults and the Group's historical experience for customers.

Since the Group has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2022, the Group's most significant customer, Tamil Nadu Generation & Distribution Co. Limited (TANGEDCO) accounted for ₹ 2234.22 crore of the trade receivables carrying amount (Rs 4930.02 crore of the trade receivables as at March 31, 2021).

Loans and Advances
The Group has given loans & advances to its employees. The Group manages its credit risk in respect of Loan and advances to employees through settlement of dues against full & final payment to employees.

Cash and cash equivalents and deposits with banks
The Group has banking operations with highly rated banks including scheduled banks which are owned by Government of India and Private Sector Banks. The risk of default with Government controlled entities is considered to be insignificant.

i. Provision for expected credit losses

a. Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has assets where the counter- parties/customer have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets.

b. Financial assets for which loss allowance is measured using life time expected credit losses

The group has customers (State government utilities) with strong capacity to meet the obligations . Further, management believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full. However considering various regulatory and other disputes including historical payment behaviour and analysis of customer credit risk impairment loss has been considered for the reporting period in respect of trade receivables.

ii. Ageing analysis of trade receivables
The Group's debtors include debtors in respect of TPS and Mines and also other debtors. As a policy, the Group does an ageing analysis of thermal debtors, the details of which is stated below. The Group does not carry out an ageing analysis of debtors pertaining to Mines and other debtors since the transactions are generally carried out against advances received from the customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

The ageing analysis of the trade receivables is as below:

FY 2021-22

(₹ crore)

Particulars	Outstanding from the due date of Payment					
	Less than 6 months	6months-1 years	1-2 years	2-3 years	More than 3 years	Total
A) Undisputed						
i) Trade Receivables – considered good	1379.33	755.75	306.30	189.60	0.17	2631.15
ii) Trade Receivables – which have significant increase in credit risk						
iii) Undisputed Trade Receivables – credit impaired						
B) Disputed						
iv) Disputed Trade Receivables– considered good	1.50	43.02	677.22	432.99	286.60	1,441.33
v) Disputed Trade Receivables – which have significant increase in credit risk						
vi) Disputed Trade Receivables – credit impaired						
Particulars	**Outstanding from the due date of invoice**					
	Less than 6 months	**6 months-1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
C) Undisputed						
vii) Trade Receivables – considered good	64.14	15.44	30.74	21.81	6.53	138.66
Total (A+B+C)	**1,444.97**	**814.21**	**1,014.26**	**644.40**	**293.30**	**4,211.14**

FY 2020-21

(₹ crore)

Particulars	Outstanding from the due date of Payment					
	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	Total
A) Undisputed						
i) Trade Receivables – considered good	3,854.91	2,407.65	443.31	0.17	-	6,706.04
ii) Trade Receivables – which have significant increase in credit risk						
iii) Undisputed Trade Receivables – credit impaired						
B) Disputed						
iv) Disputed Trade Receivables– considered good	-	-	9.36	59.77	928.30	997.43
v) Disputed Trade Receivables – which have significant increase in credit risk						
vi) Disputed Trade Receivables – credit impaired						
Particulars	**Outstanding from the due date of invoice**					
	Less than 6 months	**6months-1 years**	**1-2 years**	**2-3years**	**More than 3 years**	**Total**
C) Undisputed						
vii) Trade receivables – considered good	109.84	12.91	26.95	-	34.85	184.55
Total (A+B+C)	**3,964.75**	**2,420.56**	**479.62**	**59.94**	**963.15**	**7,888.02**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Group's treasury department is responsible for managing the short term and long term liquidity requirements of the Group.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ crore)

Particulars	Drawn on	March 31, 2022	March 31,2021
Floating-rate borrowings			
a) Term Loan			
Solar 709 MW	State Bank of India	233.00	233.00
Talabira Mines	State Bank of India	1,087.75	1,087.75
NUPPL (Project Asset)	Rural Electrification Corporation Limited (REC)	1,239.31	1,844.46
NUPPL (Project Asset)	Power Finance Corporation (PFC)	1,247.26	1,894.60
NTPL (Project Asset)	Bank of India	123.93	123.93
NTPL (for FGD)	State Bank of India	549.88	-
NUPPL (Project Asset)	Canara Bank	1,000.00	-
b) Working Capital Loan			
NLC India	State Bank of India	3,715.00	3850.00
NTPL	Bank Of India	1,334.44	643.21
NTPL	State Bank of India	500.00	-
Total		**11,030.57**	**9,676.95**

a. SBI ₹ 1680.75 crore facility has been taken for Talabira project. Out of the entire facility as on 31.03.2022 the undrawn amount is ₹ 1087.75 crore. Ref note 17 (a).

b. SBI term loan of ₹ 2552.00 crore has been taken for solar 709 MW , out of which ₹ 2319.00 crore has been utilised till date and the undrawn amount is ₹ 233.00 crore as on 31.03.2021. Ref note 17 (a).

c. A working capital cash credit facility of ₹ 4000.00 crore availed from SBI, out of which ₹ 285.00 crore (PY 150 crore) has been utilised and the undrawn amount of ₹ 3,715.00 crore (PY ₹ 3850 crore) is available as on 31.03.2022. Ref Note 20 (a).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:

March 31, 2022	Contractual cash flows					(₹ crore)
Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KfW Loan (Foreign Currency Loan)	13.64	13.64	27.29	81.86	283.01	419.44
PFC_NNTPS Rs 3000 Cr	-	300.00	300.00	900.00	750.00	2,250.00
RTL_HDFC Solar 130 MW	-	96.20	-	-	-	96.20
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	100.00	99.97	-	-	199.97
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	90.00	44.97	-	224.97
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	91.20	45.57	-	227.97
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	707.60	717.67	1,935.67
RTL 1680.75Cr_Talabira Mine	-	168.08	168.08	88.64		424.80
NLCIL Bonds 2019- Series I	-	-	-	-	1,475.00	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	-	525.00	525.00
NLCIL Bonds 2020- Series II	-	-	-	500.00	-	500.00
NLCIL Bonds 2021- Series I	-	-	-	1,175.00	-	1,175.00
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	500.00
WCDL (linked to Treasury bill)	285.00	-	-	-	-	285.00
Power finance Corporation						
- Rupee Term Loan I	-	118.81	118.81	178.21	-	415.83
- Rupee Term Loan II	162.81	162.81	325.61	651.22	-	1,302.45
Bank of India Rupee Term Loan	-	48.36	48.36	93.61	-	190.33
State bank of India Term Loan	-	-	-	-	22.97	22.97
Commercial Paper	1,150.00	-	-	-	-	1,150.00
WC loan (BOI)	157.34	-	-	-	-	157.34
PFC Term Loan	-	-	-	1,302.47	3,039.10	4,341.57
REC Term Loan	-	-	-	1,271.66	2,967.20	4,238.85
TOTAL	1,896.39	1,316.70	1,524.52	7,040.81	10,279.95	22,058.37

March 31, 2021	Contractual cash flows					(₹ crore)
Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KfW Loan (Foreign Currency Loan)	13.95	13.95	27.90	83.69	317.21	456.69
PFC_NNTPS Rs 3000 Cr	-	300.00	300.00	900.00	1,050.00	2,550.00
RTL_HDFC Solar 130 MW	-	96.20	96.20	-	-	192.40
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	100.00	100.00	100.00	-	300.00
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	90.00	135.00	-	315.00
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	91.20	136.80	-	319.20
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	757.60	923.40	2,191.40
RTL 1680.75Cr_Talabira Mine	-	59.30	59.30	177.90	296.50	593.00
Rupee Loan _ Mahanadi Coal Fields	125.00	375.00	125.00	-	-	625.00
NLCIL Bonds 2019- Series I	-	-	-	-	1,475.00	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	-	525.00	525.00
NLCIL Bonds 2020- Series II	-	-	-	500.00	-	500.00
NLCIL Bonds 2021- Series I	-	-	-	1,175.00	-	1,175.00
Commercial Paper	3,550.00	-	-	-	-	3,550.00
WCDL (linked to Treasury bill)	150.00	-	-	-	-	150.00
Power finance Corporation						
- Rupee Term Loan I	-	118.81	118.81	297.02	-	534.64
- Rupee Term Loan II	162.81	162.81	325.61	976.83	-	1,628.06
Bank of India Rupee Term Loan	-	48.36	48.36	141.97	-	238.69
Bank of India Short Term Loan	230.00	-	-	-		230.00
Commercial Paper	1,500.00	-	-	-		1,500.00
WC loan (BOI)	853.16	-	-	-	-	853.16
PFC Term Loan	-	-	-	738.85	2,955.39	3,694.24
REC Term Loan	-	-	-	726.74	2,906.96	3,633.70
TOTAL	6,712.52	1,583.23	1,637.58	6,847.40	10,449.46	27,230.18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

(₹ crore)

March 31, 2022	Contractual cash flows					
Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KfW Loan (Foreign Currency Loan)	1.57	1.52	2.89	7.44	11.55	24.97
KfW Guarantee Fees	5.03	-	4.71	12.15	19.36	41.25
PFC_NNTPS Rs 3000 Cr	35.12	101.00	117.65	239.33	70.44	563.54
RTL_HDFC Solar 130 MW	1.66	3.34	-	-	-	5.00
RTL 500 Cr_ Axis Bank - Solar 500 MW	3.82	9.12	5.29	-	-	18.23
RTL 450 Cr_ Axis Bank - Solar 500 MW	4.29	11.17	8.60	1.71	-	25.77
RTL 456 Cr_ Federal Bank - Solar 500 MW	4.23	11.04	8.50	1.69	-	25.46
RTL 2552Cr_Solar 709 MW	33.52	92.12	108.17	219.72	87.25	540.78
RTL 1680.75Cr_Talabira Mine	7.36	19.22	14.93	3.23	-	44.74
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	357.98	954.62
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	115.92	309.12
NLCIL Bonds 2020- Series II	-	26.70	26.70	45.28	-	98.68
NLCIL Bonds 2021- Series I	-	71.09	71.09	142.18	-	284.36
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	182.01	353.26
WCDL (linked to Treasury bill)	0.24	-	-	-	-	0.24
Power Finance Corporation						
- Rupee Term Loan I	7.30	18.14	17.09	9.90	-	52.43
- Rupee Term Loan II	20.33	54.64	52.30	35.97	-	163.24
Bank of India Rupee Term Loan	3.48	9.53	9.48	8.29	-	30.78
State bank of India Term Loan	0.40	1.21	1.62	2.02	-	5.25
PFC Term Loan	97.69	293.06	390.74	1,006.16	980.11	2,767.75
REC Term Loan	95.37	286.12	381.50	982.35	956.92	2,702.27
Total	**440.74**	**1,081.91**	**1,413.48**	**3,294.07**	**2,781.54**	**9,011.74**

(₹ crore)

March 31, 2021	Contractual cash flows					
Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KfW Loan (Foreign Currency Loan)	1.71	1.66	3.16	8.24	14.13	28.90
KfW Guarantee Fees	5.48	-	5.15	13.43	23.60	47.65
PFC_NNTPS Rs 3000 Cr	41.71	120.61	142.64	310.16	137.73	752.85
RTL_HDFC Solar 130 MW	3.18	7.70	4.51	-	-	15.39
RTL 500 Cr_ Axis Bank - Solar 500 MW	5.54	14.38	12.52	5.12	-	37.56
RTL 450 Cr_ Axis Bank - Solar 500 MW	5.80	15.80	14.95	9.98	-	46.53
RTL 456 Cr_ Federal Bank - Solar 500 MW	5.79	15.75	14.90	9.95	-	46.38
RTL 2552Cr_Solar 709 MW	37.95	105.46	125.67	271.01	144.39	684.49
RTL 1680.75Cr_Talabira Mine	10.28	29.90	36.05	83.52	56.67	216.41
Rupee Loan _ Mahanadi Coal Fields	10.16	17.50	1.43	-	-	29.09
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	477.31	1,073.95
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	154.56	347.76
NLCIL Bonds 2020- Series II	-	26.70	26.70	71.98	-	125.38
NLCIL Bonds 202I- Series I	-	71.09	71.09	213.26	-	355.44
WCDL (linked to Treasury bill)	0.12	-	-	-	-	0.12
Power Finance Corporation						
- Rupee Term Loan I	10.32	26.83	27.95	29.68	-	94.78
- Rupee Term Loan II	25.19	69.50	72.61	85.49	-	252.79
Bank of India Rupee Term Loan	4.45	12.44	13.27	18.13	-	48.29
Bank of India Short Term Loan	1.74	-	-	-	-	1.74
PFC Term Loan	83.12	249.36	332.48	936.49	1,086.11	2,687.56
REC Term Loan	81.76	245.27	327.03	921.14	1,068.31	2,643.51
TOTAL	**453.61**	**1,068.60**	**1,390.09**	**3,461.48**	**3,162.80**	**9,536.58**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

C) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

D) Currency risk

The Group executes import agreements for the purpose of purchase of capital goods. Up to March 31, 2016 the Group till the date of commercial operation capitalise the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by CERC as recovery from beneficiaries. If any exchange gain/loss arise after the date of commercial operation the same will also be recovered from beneficiaries as part of rate regulated asset. From April 01, 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from beneficiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021.

(₹ crore)

Particulars	March 31, 2022	March 31,2021
Financial liabilities		
Borrowings - KfW*	419.44	456.69

* KfW Germany loan is taken in Euro and converted into reporting currency.

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against the Euro as at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ crore)

Particulars	Profit and loss	
March 31, 2022	**Strengthening**	**Weakening**
10% movement		
Borrowings - KfW	41.94	(41.94)
March 31, 2021		
10% movement		
Borrowings - KfW	45.67	(45.67)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

E) Interest rate risk

The Group is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

(₹ crore)

Particulars	March 31, 2022	March 31,2021
Financial Assets		
Fixed-rate Instruments		
Employee Loans	50.01	60.46
Financial Liabilities		
Variable-rate instruments		
Rupee Term Loans		
- From Banks	3,322.89	4,149.69
- Power Finance Corporation (PFC)	8,309.84	8,406.93
- Rural Electrification Corporation	4,238.85	3,633.70
- BoI Short term loan	-	230.00
Fixed-rate instruments		
- Commercial Paper	1,150.00	5,050.00
- Inter Corporate Loan (MCL)	-	625.00
Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
- Series-II-2020	500.00	500.00
- Series-I-2021	1,175.00	1,175.00
Rupee Term Loans		
- Working Capital Demand Loan	157.35	853.17
- Working Capital Demand Loan-T Bill link	285.00	150.00
Foreign Currency Loan		
- KfW	419.44	456.69

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹ crore)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31st March 2022		
Rupee term loans		
- From Banks	(17.40)	17.40
- Power Finance Corporation (PFC)	(41.55)	41.55
- Rural Electrification Corporation	(21.19)	21.19
	(58.95)	**58.95**
31st March 2021		
- From Banks	(27.31)	27.31
- Power Finance Corporation (PFC)	(42.03)	42.03
- Rural Electrification Corporation	(18.17)	18.17
	(69.35)	**69.35**

Fair value sensitivity analysis for fixed-rate instruments

The group's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Group, none of the investments in equity shares are quoted in the market and does not expose the Group to equity price risks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54: DISCLOSURE AS PER IND AS 108 'OPERATING SEGMENTS'

A. Basis for segmentation

The Group has the following two strategic divisions, which are its reportable segments. These divisions are managed separately because they require different technology and operational methodologies. The following summary describes the operations of each reportable segment.

Reportable segments	Product / Service from which reportable segment derives revenues
Mining	Mining of Lignite and Coal
Power generation	Generation of power and sale to power utilities across the country

The Chairman cum Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with Statement of Profit and Loss in the consolidated financial statements.

B. Information about reportable segments:

(₹ crore)

Particulars	Mining		Power Generation		Inter segment Adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
REVENUE								
External Sales	1,654.49	351.36	10,293.45	9,494.73	-	-	11,947.94	9,846.09
Inter-segment Sales	4,866.95	4,191.01	436.66	428.02	5,303.61	4,619.03	-	-
Total Revenue	6,521.44	4,542.37	10,730.11	9,922.75	5,303.61	4,619.03	11,947.94	9,846.09
RESULT								
Segment Result	1,202.94	599.96	1,696.76	1,384.52	-	-	2,899.70	1,984.48
Other Income							529.27	1,726.56
Unallocated Corporate expenses							(159.96)	821.70
Operating Profit							3,588.93	2,920.67
Interest Expense							983.78	1,312.57
Interest Income							44.24	113.43
Exceptional Items							(389.83)	70.82
Income taxes							1,488.01	909.03
Profit from Ordinary activities							771.55	883.32
Net Movement in Regulatory Deferral Account balance income/(expenses)							344.92	462.94
Other Comprehensive Income							28.23	26.61
Net Profit							1,143.88	1,340.72
OTHER INFORMATION	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Segment Assets	4,611.74	4,790.76	30,246.39	34,043.71			34,858.13	38,834.47
Unallocated Corporate assets(Including Capital Work-in Progress)							14,927.32	14,457.39
Total Assets							**49,785.45**	**53,291.86**
Segment liabilities	3,052.37	3,225.63	11,103.63	10,053.99	-	-	14,156.00	13,279.62
Unallocated Corporate liabilities							21,440.26	26,527.43
Total liabilities							**35,596.26**	**39,807.05**
Capital Expenditure	358.09	25.86	529.54	2,692.99	-	-	887.63	2,718.85
Depreciation	508.95	351.40	1,330.19	1,210.90	-	-	1,839.14	1,535.09
Non-cash expenses other than depreciation	50.00	31.00	554.25	14.59	-	-	604.25	45.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54: DISCLOSURE AS PER IND AS 108 'OPERATING SEGMENTS' (CONTD.)

Note:
1. Since the business operation is within India the secondary disclosure does not arise.
2. The inter-segment transfers are priced on cost plus profit basis.
3. Allocation of
   i) Storage charges on the basis of material consumption ,
   ii) Common charges and social overhead on the basis of salaries & wages and
   iii) Service Centres Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.
4. Previous year 2020-2021 figures have been restated.

C. Information about major customers

Revenue from one major customer under "generation of energy" segment as at March 31, 2022 is ₹ 5,158.20 crore (March 31, 2021 : ₹4,609.48 crore) which is more than 10% of Group's total revenues.

NOTE 55

a. Advances, Sundry Debtors and Sundry Creditors have been linked with corresponding credits/debit to the extent practicable. Balances due in respect of advances and amount due to creditors are subject to confirmation. However, Power dues and Lignite sales dues are reconciled with debtors periodically.

b. In respect of NTPL - Sundry creditors, Debtors, Loans and Advances and Deposits are subject to confirmation and reconciliation. During the year letters for confirmation of the balances have been sent to various parties by the Company and the same are under reconciliation wherever replies have been received. The management however does not expect any material changes.

NOTE 56: CONTINGENCIES AND COMMITMENTS

Particulars	As at March 31, 2021	Additions	Deletions/Settlement	As at March 31, 2022
A. Contingencies				
1. Claims against the Corporation not acknowledged as debts:				
(i) From Employees /Others	NQ	-	-	NQ
(ii) Additional amount payable for the land acquired after 01-01-2014 towards compensation payable under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013	NQ	-	-	NQ
(iii) From Statutory Authorities/Central Govt/ Govt Departments	2,246.81	132.45	1,557.05	822.21
(iv) From Statutory Authorities/State Govt/ Govt Departments	2,230.46	358.04	484.72	2,103.78
(v) From CPSEs	-	-	-	-
(vi) From Others*	2,715.92	4,815.65	2,286.75	5,244.82
Sub-Total of Claims not acknowledged as debts	**7,193.19**	**5,306.14**	**4,328.52**	**8,170.81**
2. Guarantees issued by Group	460.87	0.55	8.75	452.67
Sub-Total Contingencies (A)	7,654.06	5,306.69	4,337.27	8,623.48
B. Commitments				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	7,524.66	477.56	5,166.45	2,835.77
(ii) Commitment for acquisition of lands	-	-	-	-
Sub-Total Commitments (B)	7,524.66	477.56	5,166.45	2,835.77
Total Contingencies and Commitments (A+ B)	**15,178.72**	**5,784.25**	**9,503.72**	**11,459.25**

The above Contingent liabilities do not include the guarantees given by NLCIL in respect of transactions between its subsidiaries and the third party. The Group is in the process of evaluating value of contingent assets. Based on preliminary estimate the same was not found material for separate disclosure.
* This does not include amount of Rs.20.15 crore arising out of demand letter received from ADM/LA in respect of additional compensation for private land owners pertaining to NUPPL

NQ : Not Quantifiable

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 57: DISCLOSURE AS PER IND AS 12 'INCOME TAXES'

A. Income tax expense

i) Income tax recognised in Statement of Profit and Loss

(₹ crore)

Particulars	March 31, 2022	March 31,2021
Current Tax Expense		
Current year	500.67	274.90
Adjustment for earlier years	603.70	(1.58)
Pertaining to regulatory deferral account balances	67.71	82.74
Total current tax expense	**1,172.08**	**356.06**
Deferred tax expenses		
Origination and reversal of temporary differences	504.23	948.59
Less: MAT credit	188.30	395.62
Total Deferred Tax Expense	**315.93**	**552.97**
Total Income Tax Expense	**1,488.01**	**909.03**

ii) Income tax recognised in other comprehensive income

(₹ crore)

Particulars	March 31, 2022			March 31, 2021		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	33.91	5.68	28.23	33.63	7.02	26.61

iii) Reconciliation of tax expense and the accounting profit multiplied by Group's tax rate

(₹ crore)

Particulars	March 31, 2022	March 31,2021
Profit Before Tax	**2,637.05**	**2,256.70**
Tax using the Group tax @ 34.944% (31st March 2021 - 34.944%)	1,037.58	788.58
Tax effect of:		
Non-deductible tax expenses	809.93	679.14
Tax deductions/allowances	(1,323.73)	(1,405.26)
Tax on business loss	(139.32)	(101.00)
Previous year tax liability	603.70	(1.58)
Interest	1.16	7.58
Deferred Tax expenses/(income)	315.94	552.97
MAT credit entitlement	188.43	395.62
Total tax expense in the Statement of Profit and Loss	**1,493.69**	**916.05**

B. Tax losses carried forward

(₹ crore)

Particulars	March 31, 2022	Expiry date	March 31, 2021	Expiry date
Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-

C. Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since year end, the Board of Directors of NLCIL have recommended the payment of final dividend @ 15% amounting to ₹ 1.5 per share for FY 2021-22 (31 March 2021:₹ 1.5 per share). As per IT act 1961 as amended by Finance Act 2020 dividend declared/distributed/paid by the Company on or after 01.04.2020 shall be taxable in the hand of the share holder and the Company shall be required to deduct tax at source (TDS) at the rate prescribed under Income Tax Act from the dividend amount to be paid to the share holders at the time of distribution/ payment of dividend .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 58: INFORMATION IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES AS AT 31 MARCH 2022 AS REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ crore)

Particulars	March 31, 2022	March 31,2021
a) Amount remaining unpaid to any supplier: Principal amount Interest due thereon	 33.81 -	 45.38 -
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

NOTE 59: THERMAL POWER STATION -I (RETIRED FROM OPERATION)

(₹ crore)

Particulars	For the Period ended	
	March 31, 2022	March 31,2021
INCOME		
Revenue from Operations	-	171.10
Other Income	3.33	17.49
Total Income	**3.33**	**188.59**
EXPENSES		
Cost of Fuel Consumed	-	-
Changes in Inventories	-	-
Employee Benefit Expenses	13.96	121.46
Finance Costs	0.40	18.46
Depreciation and Amortization Expenses	0.51	1.54
Other Expenses	22.42	186.14
Total Expenses	**37.29**	**327.60**
Profit / (Loss) before Exceptional & Rate Regulatory Activity	(33.96)	(139.01)
Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	1.14	-
Exceptional Items	94.87	-
Profit / (Loss) before Tax	**62.05**	**(139.01)**

NOTE 60: DISCLOSURE AS PER IND AS 33 'EARNINGS PER SHARE'

Particulars	March 31, 2022	March 31,2021
(i) Basic and diluted Earnings Per Share for the year ended		
From operations including regulatory deferral account balances (a)	8.05	9.48
From regulatory deferral account balances (b)	2.00	2.74
From operations excluding regulatory deferral account balances (a)-(b)	**6.05**	**6.74**
Nominal value per share (in ₹)	10.00	10.00
		(₹ crore)
(ii) Profit attributable to equity shareholders (used as numerator)		
From operations including regulatory deferral account balances (a) (₹ crore)	1,115.65	1,314.11
From regulatory deferral account balances-net of tax (b) (₹ crore)	277.21	380.20
From operations excluding regulatory deferral account balances (a)-(b) (₹ crore)	**838.44**	**933.91**
(iii) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares (Nos.)	1,38,66,36,609	1,38,66,36,609
Effect of shares issued during the year, if any (Nos.)	-	-
Weighted average number of equity shares for Basic and Diluted EPS	**1,38,66,36,609**	**1,38,66,36,609**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 61: ADDITIONAL DISCLOSURES : TO THE NOTIFICATION DATED 24TH MARCH 2021, BY MINISTRY OF CORPORATE AFFAIRS

a. **Title deeds/Assignment Deeds/Govt.Orders of Immovable Property not held in name of the Group:** As on the date of financials all the immovable properties are held in the name of the group by way of Title deed /Assignment deed/ Government Order. In certain cases the group is in the process of updation of name in the revenue records.

b. **Loans and Advances to Directors, KMPs, & Related Parties:** The Group has a policy of loans and advances given to its employees including loans and advances given to Directors, KMPs and the Related Parties. All these loans are paid as in accordance with the Policy adopted by the Group and repayments and interests to be charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the Group.

c. **Details of benami properties:** There are no benami properties held by the Group as on date of financials . Hence the additional disclosure as specified in the said notification Companies Act 2013 is not applicable to the Group.

d. **Wilful Defaulter:** As on date of financials or any of the previous years , the Group has not defaulted any of its loans paid to any Banks or Financial Institutions.

e. **Relationship with Struck off Companies :**

Name of the Struck off Company	Nature of Transactions with struck off Company	Balance Outstanding (₹ crore)	Relationship with the struck off Company, if any
a) Scanstar Inspection Technology Private Limited	Payables towards Goods and Services	0.04	Vendor for supply of Goods and Service
b) Geo Mineral Water Private Limited	Payables towards Goods and Services	0.01	
c) Gemini Communications Limited	Payables towards Goods and Services	0.01	
d) Bern Engineering Private Limited	Payables towards Goods and Services	0.03	
e) Ready Engineering Private Limited	Payables towards Goods and Services	0.00	
f) Nicco Power Projects Private Limited	Payables towards Goods and Services	0.09	

f. **Compliance with number of layers of companies:** Clause (87) of Sections 2, Section 450 read with sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 and Section 2 Companies (Restriction on number of layers) Rules, 2017, Government Companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries . Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to Companies Act 2013 is not applicable to the Group.

g. **Utilisation of borrowed funds and share premium:**

1. The Group has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(s), including foreign entity(s) (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall. (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

2. The Group has not received any fund from any person(s) or entity(s), including foreign entity(s) (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the Group shall disclose the following.

   Hence both the above additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the Group.

h. **Details of Crypto Currency or Virtual Currency :** The Group has not traded or invested in Crypto currency or Virtual Currency during the current financial year or any of the previous financial years.

i. **Borrowings secured against current assets:** The Group has availed working capital facility of ₹ 5000 crore (₹ 4000 crore Fund based and ₹ 1000 crore non fund based.) agreed with SBI and is secured by Hypothecation of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 61:ADDITIONAL DISCLOSURES : TO THE NOTIFICATION DATED 24TH MARCH 2021, BY MINISTRY OF CORPORATE AFFAIRS (CONTD.)

entire current assets of the Group i.e. Raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. The outstanding Working Capital loan as on 31.03.2022 is Rs 285 crore in the form of T-bill linked WCL. This outstanding loan carries interest rate of 4% p.a.

The group also availed working capital loan and cash credit facility agreed with Bank of India with Fund based Limit of ₹ 1300.00 crore and Non-Fund based Limit of ₹ 200.00 crore is subject to the availability of drawing power. The loan bears an interest rate of 7.05% p.a. (on the basis of 1 month MCLR) on Working capital demand loan and 7.25% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit. The loan is secured by pari passu charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project.

Furthermore a Working capital loans and cash credit facility, Short Term Loan of ₹ 1,000 crore was also availed from Bank of India on 31.03.2020 @ 6.10% p.a. (on the basis of Repo rate plus 2.10% fixed spread). The loan is repayable in eight monthly instalments of ₹ 110.00 crore starting from 30.09.2020 (the Group has availed moratorium on principal instalment amount for July, 2020 and August, 2020 as per RBI Circular dated 27.03.2020 and 23.05.2020) and the last instalment of ₹ 120.00 crore fall due and paid on 30.05.2021. The loan was secured by Second charge on the current assets of NTPL (charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project). As on 31.03.2022 the loan is outstanding is Nil.

In addition to the above the group has also availed State Bank of India Working Capital loan with Fund based Limit of ₹ 500 crore and Non-Fund based Limit of ₹ 10 crore (sub-limit of Fund based Limit of ₹ 500 crore) is subject to the availability of drawing power. This loan was Secured by pari passu first charge over the entire current assets of the Group i.e., hypothecation of raw materials, stock in process, finished goods, consumable stores, spares and charge on the receivables. The rate of interest as on 31.03.2022 is 7.10% p.a. (on the basis of 6 month MCLR plus 0.15% spread) on Cash Credit.

The Group has filed quarterly/monthly returns with the banks and financial institutions as per the terms of loans. These returns are in agreement with books of accounts of the Group. There are no material discrepancies in the returns filed by the Group during the FY 21-22 or any of previous financial years.

j. **Registration of charges or satisfaction with Registrar of Companies (ROC):** Not Applicable

k) Trade Payable Ageing Schedule:

FY 2021-22 (₹ crore)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
a) MSME	27.77	3.08	0.14	0.05	31.04
b) Others	909.77	46.21	60.64	421.68	1,438.29
c) Disputed Dues- MSME	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-
Unbilled :					
i) MSME	2.24	-	-	-	2.24
ii) Others	46.40	-	-	-	46.40

l) Analytical Ratios :

Name of Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	Variation(%)	Reason for Variation
1) Current Ratio	Current Assets	Current Liabilities	1.28	1.04	23.30	Repayment of Commercial paper has reduced the current liability thus increasing the Current ratio.
2) Debt - equity ratio	Total debt (current + noncurrent)	Share holders Equity (Equity + retained earnings - Preliminary project expenditure)	1.57	2.03	(22.98)	Current and long terms has been reduced due to excellent management by the Group there by increasing availability of more retained earnings for the equity share holders
3) Debt Service Coverage Ratio	Earning Available for debt Service (EBDIT)	Interest + Principal Repayments	1.35	1.31	2.79	NA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 61:ADDITIONAL DISCLOSURES : TO THE NOTIFICATION DATED 24TH MARCH 2021, BY MINISTRY OF CORPORATE AFFAIRS (CONTD.)

Name of Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	Variation(%)	Reason for Variation
4) Return on Equity	Profit for the period	Average Shareholders equity	8.06	10.18	(2.12)	NA
5) Inventory Turnover Ratio	COGS or Sales (revenue from operation)	Average Inventory	8.44	5.93	42.36	Increase in Revenue
6) Trade Receivable Turnover Ratio	Net credit Sales (Revenue for from operation)	Average Trade Receivables	2.13	1.23	73.21	Robust debtor collections through Bills discounting and Letter of Credit system resulted reduction in average trade receivable which in turn increased the trade payable turnover ratio
7) Trade Payable Turnover Ratio	Total Other Expenses excluding provisions	Average Trade Payables	1.84	0.93	97.18	Increase in trade payable in NUPPL (a subsidiary)
8) Net Capital Turn over ratio	Net Sales (Revenue from operation)	Working Capital (Current Asset - current Liability)	3.52	3.93	(10.33)	NA
9) Net Profit Ratio	Profit for the period	Net Sales (revenue from operation)	9.34	13.35	(4.01)	Reduction in disruption in production of NTPL (a subsidiary) due to coal shortage in the 2nd and 3rd quarter of FY 21-22.
10) Return on Capital Employed	Earning before interest and Taxes (EBIT)	Capital Employed (tangible net worth+ total debt+ deferred tax liability)	8.20	8.35	(0.15)	NA
11) Return on Investments	Market Value at the end of the period - Market value at the beginning of the period - sum of Net Cash inflow/ outflow	Market value at the end + sum of weighted cash flow during the period	17.85	12.53	5.32	Increase in Market Value of shares from last year resulted increase in return on investments

NOTE 62

a. Recent Pronouncements:

Vide notification dated March 24, 2021 , the Ministry of Corporate Affairs has amended the disclosure requirements of Schedule-III to the Companies Act 2013, which have been complied with in the financial statements given for FY 21-22.

The Code on Social Security, 2020 ('the Code') has been enacted, which would impact contribution by the Group towards employee benefits. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced.The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

b. Rounding off & Regrouping in Financials:

Amount in the financial statements are presented in ₹ crore (up to two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately. Figures of previous year has been regrouped/reclassified wherever necessary.

c. Other regulatory matters:

CERC has issued its second amendment to tariff regulation 2019-24 on 13th September 2021 effective from 1st April 2019 applicable to all integrated coal/lignite mines.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 63

a. The Group has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Group sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries for sale of power and lignite is generally done on periodical basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the Management will not have a material impact. Loan outstanding balances of employees are also reconciled periodically.

b. In the opinion of the Management, the value of assets, other than Property, Plant and Equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

c. In line with Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act , 2013, Govt. of Tamilnadu has revised its Land Acquisition Act vide Tamilnadu Land Acquisition laws (Revival of Operation, Amendment and Validation) Act, 2019 (Tamilnadu Act 38 of 2019 and Rules in 2019). Considering resistance of landowners for higher compensation/employment etc. the pace of land acquisition was slow since last few years. Keeping in view the requirements under new Land Acquisition Act, its Rules and to meet various expectations of land owners, NLCIL has revised its compensation and R&R Policy in January, 2021. With the said revised policy and various other welfare measures, NLCIL is pursuing to acquire Land for its sustained mining operation and believes no disruptions of its mining operations due to non availability of land.

d. Due to Slow progress in Balance of Plant (BoP) Package of Ghatampur Thermal Power Project, the Commissioning of the plant is delayed and may have corresponding impact on the Project Cost"

NOTE 64

COVID-19 Disclosures:

Significant disruptions have taken place in India due to 2nd wave of COVID 19. The Group has ensured the uninterrupted operations of its power plants to generate power and has continued to supply power during the period of lockdown. The Group is assessing the impact of COVID 19 on its operations and projects.

Information on Subsidiary and Associate / Joint ventures

Statement pursuant to section 129, Companies Act, 2013 (Schedule III)

Name of the Equity in the Group	Net Assets, i.e, total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of Consolidated net Assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % total comprehensive Income	Amount (₹ crore)
(A) Parent								
NLC India Limited								
31st March 2022	97.30%	13,806.64	81.05%	904.19	94.79%	26.76	81.39%	930.95
31st March 2021	99.87%	12,959.10	72.45%	952.04	120.41%	32.04	73.40%	984.08
(B) Subsidiaries (Indian)								
1. Neyveli Tamilnadu Power Limited (NTPL)								
31st March 2022	2.74%	389.03	18.94%	211.28	2.72%	0.77	18.54%	212.05
31st March 2021	3.94%	531.33	27.62%	363.00	0.00%	(3.52)	26.81%	359.48
2. NLC Uttar Pradesh Power Limited (NUPPL)								
31st March 2022	(0.04%)	(6.26)	(0.03%)	(0.33)	2.48%	0.70	0.03%	0.37
31st March 2021	(0.05%)	(6.45)	(0.07%)	(0.97)	0.00%	(1.91)	(0.21%)	(2.88)
(C) Joint Venture (Indian)								
Coal Lignite Urja Vikas (P) ltd. (CLUVPL)								
31st March 2022	0.00%	0.38	0.03%	0.39	0.00%	-	0.03%	0.39
31st March 2021	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
(D) Associate (Indian)								
MNH Shakti Limited								
31st March 2022	0.01%	0.97	0.01%	0.13	0.00%	-	0.01%	0.13
31st March 2021	0.01%	0.84	0.00%	0.05	0.00%	-	0.00%	0.05
Total								
31st March 2022	**100.00%**	**14,189.18**	**100.00%**	**1,115.65**	**100.00%**	**28.23**	**100.00%**	**1,143.88**
31st March 2021	100.00%	13,484.81	100.00%	1,314.11	100.00%	26.61	100.00%	1,340.72

PART "A": SUBSIDIARIES

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint ventures

S.No.	Particulars	1	2
	Name of the Subsidiary	NLC Tamil Nadu Power Limited	Neyveli Uttar Pradesh Power Limited
1	Reporting Period	2021-22	2021-22
2	Reporting Currency	₹	₹
3	Share Capital	2,188.04	3,882.41
4	Reserves and Surplus	437.11	(12.27)
5	Total Assets	6624.45	13,568.47
6	Total Liabilities	3,999.30	9,698.33
7	Investments	-	-
8	Total Income	2,353.69	0.02
9	Profit Before Taxation	329.65	(0.33)
10	Provision for taxation	118.37	0.00
11	Profit for the period	211.28	(0.33)
12	Total comprehensive income	212.05	0.37
13	Proposed Dividend	-	-
14	% of Shareholding	89%	51%
	Remarks	NTPL has declared an interim dividend of 7% per share at par value for FY 2021-22	Yet to commence the operations

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

PART "B": ASSOCIATE AND JOINT VENTURE

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014 related to Associate/Joint Venture

S.No.	Particulars	Coal Lignite Urja Vikas (P) Limited	MNH Shakti Limited
1	Status	Joint Venture	Associate
2	Share of the Associate held by the Company on the year end	10,000	52,65,000
3	Amount of investment in Associate (₹ crore)	0.01	5.27
4	Extent of holding	50%	15%
5	Description of how there is significant influence	Joint Management control	By way of representation on Board
6	Reason why the Associate/Joint Venture is not consolidated	NA	NA
7	Networth attributable to shareholding as per latest audited Balance Sheet (₹ crore)	0.39	6.23
8	Profit / Loss for the year :		
	i) Considered for consolidation	Yes	Yes
	ii) Not Considered for consolidation	NA	NA
9	Remarks	Incorporated on 10.11.2020	NCLT has approved for Capital Reduction during the FY 2021-22 and the NLCIL has received the amount for the same.

For and on behalf of the Board of Directors

K. VISWANATH
COMPANY SECRETARY

JAIKUMAR SRINIVASAN
CFO/DIRECTOR (FINANCE)

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

For M/s. R. SUBRAMANIAN & COMPANY LLP
Chartered Accountants | Firm Regn No:004137S/S200041

R. SUBRAMANIAN
PARTNER | M.NO. 008460

Place : Chennai

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants | Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER | M.NO. 221916

Date : 30.05.2022

(₹ crore)

SOCIAL OVERHEAD ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2022

Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Expenses:												
Consumption of Materials												
Stores & Spares	19.47	17.10	-	-	0.72	0.96		0.03		0.00	20.19	18.09
Power (A)	40.92	42.85	-	-		-		-		-	40.92	42.85
Employees' Remuneration and Benefits												
Salaries, Wages, Bonus and Incentives	104.01	97.12	4.36	3.86	17.24	17.25	14.72	15.68	4.25	4.53	144.59	138.44
Contribution to Provident and other Funds	17.26	17.26	0.74	0.68	2.67	2.85	1.58	1.82	0.68	0.76	22.93	23.37
Gratuity	1.45	2.14		-		-		-		-	1.45	2.14
Welfare expenses	6.45	6.01	0.11	0.06	0.57	0.51	0.21	0.31	0.14	0.00	7.48	6.89
Rent, Rates & Taxes	-	-		-		-		-		-	-	-
Repairs & Maintenance												
Buildings	16.18	12.47	-	-	-	-	0.02	0.11	-	-	16.21	12.58
Others	31.13	28.82	0.01	0.00	1.09	1.06	0.16	0.10	-	0.01	32.39	29.99
Depreciation	13.85	17.95	0.04	0.04	0.10	0.21	0.01	0.01	-	-	14.00	18.21
Travelling Expenses	0.61	0.78	0.00	0.03		-	0.04	0.01	-	-	0.65	0.82
Miscellaneous	10.20	10.00	0.04	0.01	0.59	0.38	0.17	0.06	0.01	0.02	11.01	10.46
Total	**261.53**	**252.50**	**5.30**	**4.68**	**22.98**	**23.22**	**16.92**	**18.12**	**5.09**	**5.32**	**311.82**	**303.85**
Receipts:												
Recoveries:												
Rent	21.51	21.01	-	-	-	-	-	-	-	-	21.51	21.01
Electricity Charges	15.59	18.88	-	-	-	-	-	-	-	-	15.59	18.88
Water Charges	1.06	1.24	-	-	-	-	-	-	-	-	1.06	1.24
Grant-in-aid	-	-	-	-	-	-	5.23	4.81	-	-	5.23	4.81
Bus Receipts	-	-	-	-	0.49	0.18	-	-	-	-	0.49	0.18
Misc. Receipts	4.80	1.67	-	0.00	-	0.00	-	-	-	-	4.80	1.67
Total	42.96	42.91	-	-	0.49	0.19	5.23	4.81	-	-	48.69	47.91
Net Expenditure	**218.57**	**209.59**	**5.30**	**4.68**	**22.49**	**23.03**	**11.69**	**13.31**	**5.09**	**5.32**	**263.14**	**255.94**

Note: Expenditure on Medical facilities over and above those which are statutorily required to be maintained is not ascertainable and hence not included in this account

CREATING WEALTH
FOR WELLBEING

NLC India Limited
'Navratna' - A Government of India Enterprise

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