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

150 YEARS OF CELEBRATING THE MAHATMA

Lr.No.Secy/AGM/2021 Dt. 07.09.2021

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

Dear Sir(s),

Sub: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(LODR).

***

Pursuant to Regulation 34 of LODR, we enclose a copy of the Annual Report for the Financial Year 2020-21. This is for your information and records.

Thanking you

Yours faithfully
for NLC India Limited

Company Secretary

CHAIRMAN-CUM-MANAGING DIRECTOR
Shri. Rakesh Kumar

DIRECTORS
Shri. Vinod Kumar Tiwari
Shri. Dharmendra Pratap Yadav
Shri. R. Vikraman
Shri. Shaji John
Shri. Jaikumar Srinivasan
Dr. P. Vishnu Dev
Dr. V. Muralidhar Goud
Shri. N.K. Narayanan Namboothiri

CHIEF FINANCIAL OFFICER
Shri. Jaikumar Srinivasan

COMPANY SECRETARY
Shri. K. Viswanath

STATUTORY AUDITORS
M/s. PKKG Balasubramaniam & Associates
Chartered Accountants,
Door No. 10/2, Eighth Street,
Gandhi Nagar, Thiruvannamalai - 606 602

M/s. R Subramanian and Company LLP,
Chartered Accountants,
New No.6 Old. No.36,
Krishna Swamy Avenue,
Luz, Mylapore, Chennai – 600 004

BRANCH AUDITOR
M/s. Dhoot & Associates,
D-1, New Colony, Panch Batti,
MI Road, Jaipur - 302 001

M/s. A A S A and Associates,
Plot No. 1149, Above SBI ATM,
Udit Nagar, Rourkela - 769 012

COST AUDITOR
M/s. 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

SECRETARIAL AUDITOR
M/s. 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

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

REGISTERED OFFICE
No. 135, EVR Periyar High Road,
Kilpauk, Chennai - 600 010

DEPOSITORY REGISTRAR & SHARE TRANSFER AGENT
Integrated Registry Management Services Pvt. Ltd.,
II Floor, 'Kences Towers',
No.1, Ramakrishna Street,
North Usman Road, T. Nagar,
Chennai - 600 017

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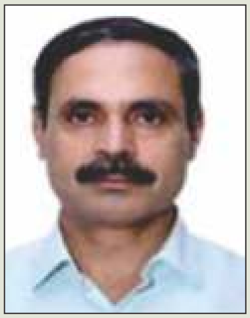
DIRECTORS' PROFILE

Shri. Rakesh Kumar, Chairman-cum-Managing Director (DIN 02865335)

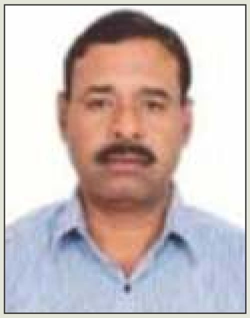
Shri Rakesh Kumar, aged 58 years, is a Commerce Graduate with Master Degree in Business Administration (Finance). Shri Rakesh Kumar carries with him rich and varied experience of over 36 years of working in 5 CPSEs (more than a decade at Board level) in states of Uttar Pradesh, Maharashtra, Delhi, Assam and Tamil Nadu in Energy Sector (Power, Renewable, Mining, Oil & Gas). Prior to assuming charge as CMD in NLCIL, Shri Rakesh Kumar served NLCIL as Director (Finance) from 23.05.2012 to 28.09.2018. Earlier, Shri Rakesh Kumar was the Director (Finance) of Brahmaputra Cracker and Polymer Limited (BCPL). Before this, he was working with GAIL (India) Limited since 1987 at various positions.

During his tenure, NLCIL has successfully diversified its operations into Coal based power generation, Renewable power generation (Solar and Wind), coal mining and consulting services for implementing solar and coal mining projects. In his tenure, NLCIL has successfully adopted unique model of SDO (Solar Developer cum Operator) in implementation of renewable power projects and MDO (Mine Developer cum Operator) model for coal mining operations in two coal blocks allotted by GoI. Under his leadership, NLCIL has become the first CPSE in India to exceed one Giga-Watt of installed capacity of Solar Power plants and NLCIL spreads its wings to pan India presence and increased its installed power generation capacity by more than 2.2 times and mining capacity by more than 1.65 times. At National level, Shri Rakesh Kumar has contributed valuable services as Convener of Energy PSU Task Force (EPTF) for optimisation 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. Shri Rakesh Kumar served as Chairman, SCOPE (Standing Conference of Public Enterprises) an apex body of CPSEs. Shri Rakesh Kumar is honoured with many prestigious awards and has travelled extensively abroad.

Shri. Vinod Kumar Tiwari, Part-time Official Director (DIN 03575641)



Shri Vinod Kumar Tiwari, Additional Secretary, Ministry of Coal (since April, 2019) a 1986 batch Indian Forest Service officer of HP Cadre, holds double masters in Geology and in Forestry besides certificate in German language. In his career spanning over three decades, he served in various positions (HRD, IT, Legal, Personnel, Environment, Social and RR and M&E) before his appointment (April, 2017) as Joint Secretary in Ministry of Tribal Affairs, Government of India. While serving in HP Forest Department he has streamlined planning and budgeting process; redesigned schemes for planting making them compatible with satellite based third party monitoring and introduced ICT enabled Litigation Monitoring System (LitMoS) besides planning, supervising and monitoring several EAPs. He has also served State Power Sector in various capacities for a decade including directorship in HP State PSU engaged in Power generation. He has been instrumental in registration of major CDM projects of hydropower sector under UNFCC mechanism and also done WCD compliance besides various due diligences for carbon trading. He has streamlined NGO grants process while making it an end-to-end online solution during his stint in Ministry of Tribal Affairs, Govt. of India. He was instrumental in bringing Eklavya Model Residential Schools for Tribal Students under Centre's umbrella with enhanced and assured support not only for education but also for the overall development of students. He has voluntarily done two year's stint in climatically harsh, remote and difficult tribal area (Pangi Sub-Division, Chamba district) of H.P. which also required working in insurgency affected areas of adjoining (erstwhile) J&K. He has been pivotal in the development of several important policies in State Power Sector, State's Environment and Forest Sector; besides CDM Project, WCD Compliance, EIA, EMP preparation and compliance monitoring etc. for Environment Management and on the tribal welfare and tribal development. In Ministry of Coal, he has been contributing significantly to several major reforms in the Sector including liberalization, private investment in the sector and process simplifications for greater and quicker coal production. He has travelled far and wide and is trained in various subjects in India and abroad. He has been a visiting faculty in the training academies of various services. He has been contributing articles to newspapers and magazines.

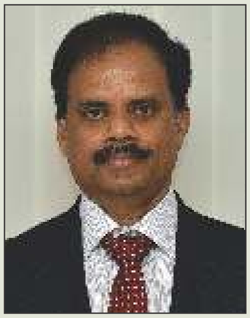


Shri. Dharmendra Pratap Yadav, Part-time Official Director (DIN 03392153)

Shri. Dharmendra Pratap Yadav, a Post Graduate is a Member of Indian Administrative Service (1996 Batch). Shri. Dharmendra Pratap Yadav has held various important positions in Government of Tamil Nadu and is presently serving as the Principal Secretary to Government of Tamil Nadu, Energy Department.

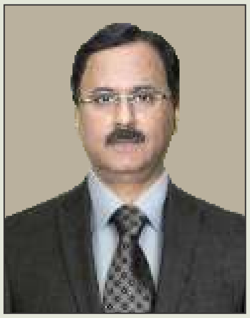
Shri. R. Vikraman, Director (Human Resource) (DIN 07601778)

Shri R.Vikraman, a Mechanical Engineer from prestigious ACCE & Tech, Karaikudi, holds a Post Graduate Degree in Business Administration (MBA) with Silver Medal for University second rank. Shri. R.Vikraman joined this Company as Graduate Engineer Trainee in the year 1986. Prior to assuming charge as Director (HR) on 09.12.2016, he held various important positions in the Company. Shri. R.Vikraman was involved and instrumental in the successful construction, commissioning and operation of Thermal Power Station-II – Stage-II (4x210MW) Project without time and cost overrun. After switching over his line of service from Engineering to Management, he had been at the helm of affairs of Corporate HR Department for over ten years bringing in a number of innovations in HR domain functions. After the Corporate assignment, he took over as the Head of the HR Departments of Mine-II & Mine-II Expansion and Thermal Power Station-II, before becoming the “Group Head of HR” of all Thermal Units. Shri. R.Vikraman has excelled in every challenging assignment entrusted to him and his significant contribution in HR include efficient crisis management, ensuring no production loss despite man-days loss, disciplining the units he had served and ensuring smooth & cordial Industrial climate. After taking over as Director (HR), he has successfully concluded the Wage and Incentive Schemes revision for the Non-Executives through a long term 'Bi-partite settlement' without any agitation/strike, first time in the history of the Company and introduced Performance based sanction of Annual Increment w.e.f. 01.01.2017. Shri R.Vikraman spearheaded in arriving at a long-term settlement between the Workmen of the Contractors and the Contractor Employers on a number of issues including wage hike. Contribution of Shri R.Vikraman enabled him to be awarded with ‘Life Time Achievement’ award of Lions International, ‘GEM of ACCET’ award, 'Top Rankers Excellence Award for HR Leadership' by Top Rankers Management, 'Global HR Leadership Award' and 'Pride of HR' in CPSE category instituted by the World HRD Congress.



Shri. Shaji John, Director (Power) (DIN 08418401)

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. in the year 2017. Shri Shaji John held the position of 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 prior to taking 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. He has guided the team in commissioning the largest Lignite fired thermal Power plant (2x500 MW) of the country at Neyveli.



Shri. Jaikumar Srinivasan, Director (Finance) (DIN 01220828)

Shri Jaikumar Srinivasan, is the Member on the Board of NLC India Limited and is also Director of NTPL, NUPPL and CLUVPL, subsidiaries of NLC India Limited. Shri Jaikumar Srinivasan is a Commerce Graduate and a Member of Cost & Management Accountants of India. He is heading the Finance and commercial portfolio in the Company. Prior to his joining NLC, he was Director (Finance) of M/s Maharashtra State Electricity and Distribution Company Limited (MSEDCL) and prior to which he was Director (Finance) in MAHAGENCO both state PSU of Government of Maharashtra. He also served as part time Director in Mahuguj Colliery Company Limited, UCM Coal Company Ltd and other subsidiary companies of MAHAGENCO. He has undergone a study on Best Practices in Power Sector at Milan and ESCP Business School n Torino and Paris.

Dr. P. Vishnu Dev, Independent Director (DIN 08308279)

Dr. P. Vishnu Dev, MA. M.Sc. (Psy.), Ph. D, is an eminent Professor of Sociology at Osmania University, Hyderabad, India. Presently, he is serving as Registrar for Mahatma Gandhi University, Nalgonda, Telangana State. Prof. Vishnu Dev is a Visiting Professor at the Department of Indology and Comparative Religions, Tübingen University, Germany. He is the author of five books and published several articles in leading National and International Journals. His research areas include: Tribal Studies, Hunters- Gatherer Societies, Political Sociology and Corporate Governance. He combines academic pursuits with various administrative experiences in service to the youth and marginalized communities. Previously, Prof. Vishnu Dev held several administrative positions such as State NSS Officer, Higher Education Department, Government of Telangana; Head and Chairman, Department of Sociology, Osmania University; Director, Empanelled Training Institute (OU), Ministry of Youth Affairs & Sports, Govt. of India; Coordinator, National Service Scheme, Osmania University; Director, Equal Opportunity Cell (sponsored by the University Grants Commission (UGC), New Delhi).

Dr. V. Muralidhar Goud, Independent Director (DIN 03595033)

Dr. V. Muralidhar Goud, an active Social Worker holds his Masters Degree in Public Administration. He has received his Doctorate from Osmania University, Hyderabad, Telangana and pursues his Post-Doctoral Fellowship at ICSSR. He has served as a Part-time Lecturer during 1992-98. He is a former Advisor Committee Member at Nehru Yuva Kendra and also a former State Level Advisor Committee Member, Food Corporation of India. Presently, he is the Chairman of Amma Urban & Rural Development Organisation (AUDRO), a NGO. He has been a Director on the Board of NLCIL from 17.07.2019.

Shri N.K. Narayanan Namboothiri, Independent Director (DIN 08527157)

Shri Narayanan Namboothiri is a leading law practitioner from Kottayam, Kerala. Having graduated from Kerala university, he then pursued LLB from Mangalore University. He is an active social worker and has very close relationships with many social, cultural and educational institutions. His firm, Namboothiri and Associates is a leading law firm in the city and he has many Junior advocates practicing under his guidance. He has been a Director on the Board of NLCIL from 02.08.2019.

Chief Vigilance Officer

Chandrasekar L

Executive Directors

Kaushal Kishore Anand
Executive Director (Safety)

Hemant Kumar
Executive Director (Coal Co-ordination)

Sadish Babu N
Executive Director (HR)

Ravindran A
Executive Director (Thermal)

Mohan Reddy K
CEO (NUPPL)

Mohan R
Executive Director (PBD, Contracts & Civil)

Suresh Chandra Suman
Executive Director (Mines)

Mukesh Agrawal
Executive Director (Finance)

Chief General Managers

Thiagaraju C
CGM (HR/CO)

Raguraman N
CGM (NNTPP)

Joe Stephen Dominic Y
CGM (HR/CO)

Gurusamynathan S
CGM (Vigilance)

Jagadish Chandra Mazumdar
CGM (Barsingsar)

Harikrishnan S
CGM (Mine-II)

Ramachandra R Parashar
CGM (Computer Services/CO)

Rajasekhara Reddy A
CGM (Mine-I)

Esaikkimuthu E
CGM (SPP / Tirunelveli)

Ganesan K
CGM (P&BD)

Gopalakrishnan K S
CEO (NTPL)

Viswanath K
Company Secretary

Karthigai N
CGM (MM & DISPOSAL)

Vijayalakshmi M
CGM (CPPM)

Chief General Managers


Gauthaman S
CGM(TPS-II)


Kannan G
CGM (TPS-I Expansion)


Kabilan S
CGM (Mechanical / Mine-I)


Sathiamoorthy P
CGM (HR / SIC) / HA


Rajasekaran A
CGM (System Monitoring)


Nambirajan K
CGM (Commercial)


Venkateswara Rao G
CGM (PSE)


Ashok Dattatraya Keote
CGM (Mining / Mine-I)


Hari Ramakrishnan N
CGM (Finance)


Lakshmi Kantha Rao M
CGM (Civil / LA)


Balakrishnan P
CGM (Technical Secretary to Dir.Mines)


Jasper Rose I S
CGM (Mining / Mine-IA)


Mathi K
CGM (Mechanical / NUPPL)


Anbuchelvan B
CGM (Mining / Talabira)

Chief General Managers

Syed Nazar Mohammed
CGM (HR) / Basingsar

Perumalsamy A
CGM (HR) / Mine-I

Dhabaseelan G
CGM (Mechanical / NUPPL)

Ranialli G
CGM (Contracts)

Franklin Jayakumar N
CGM (Technical Secretary to CMD)

Prasanna Kumar Acharya
CGM (Finance)

Nedungkeeran R
CGM (Mechanical) / NNTPS

Srinivas G
CGM (Civil) / Mine-IA

Prabhu Kishore K
CRM / Chennai

Satya Prasad K
CGM (Civil) / Talabira Project

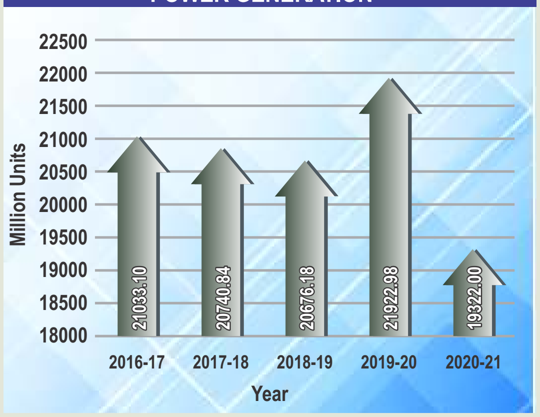
Santhosh C S
CGM (Mechanical) / NUPPL

Ambalavanan M P
CGM (CARD)

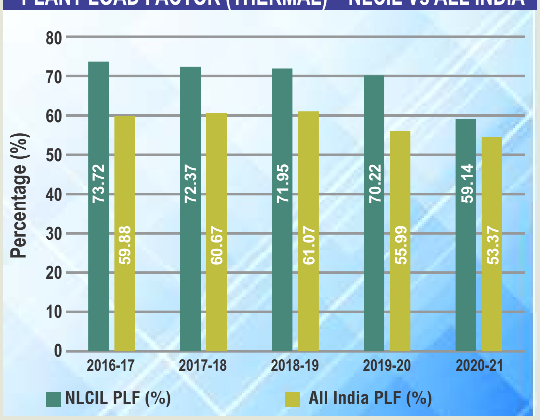
PHYSICAL AND FINANCIAL CHARTS

LIGNITE PRODUCTION

POWER GENERATION



PLANT LOAD FACTOR (THERMAL) – NLCIL Vs ALL INDIA



YEAR 2020-21 AT A GLANCE

PHYSICAL

Lignite production
192.62 LT

Coal production
10.13 LT

Power Generation (Gross)
19322 MU

Power Export
16723.92 MU

FINANCIAL

₹ in crore

Revenue from Operations
7249.63

Profit Before Tax
1753.40

Profit After Tax
1041.79

Dividend
25%*

Reserves & Surplus
12188.04

Net Worth
13473

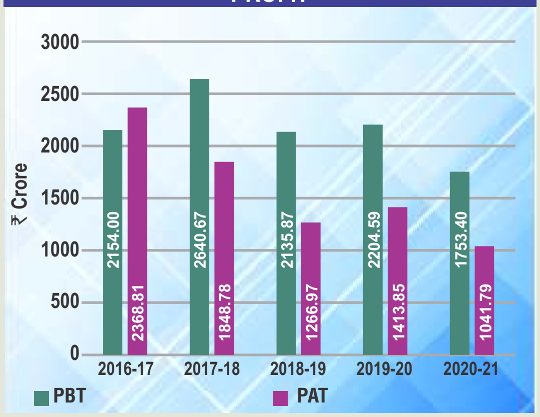
Value Added Per Employee (₹)
54,84,899

Book Value (₹)
97.16

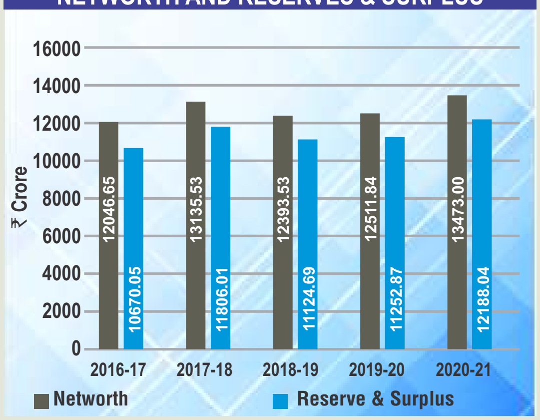
Earning Per Share (₹)
7.51

REVENUE FROM OPERATIONS

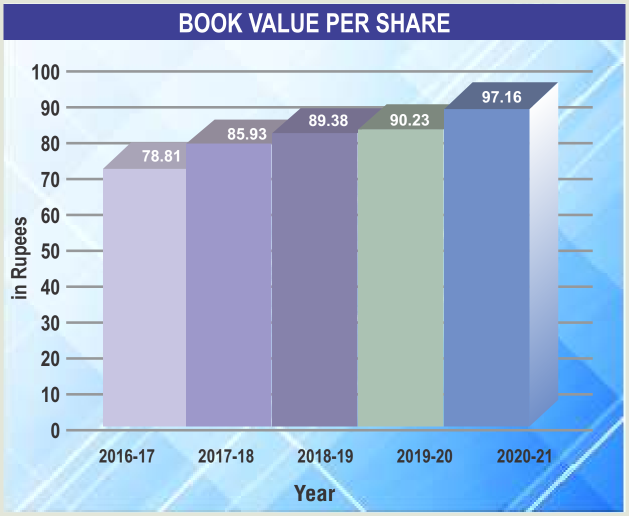
PROFIT

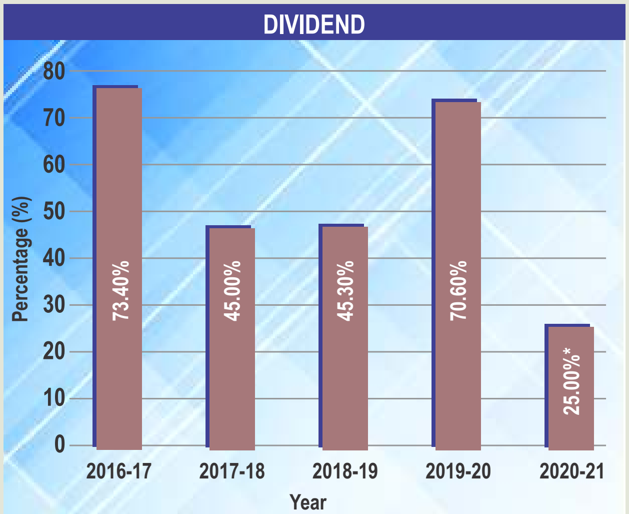


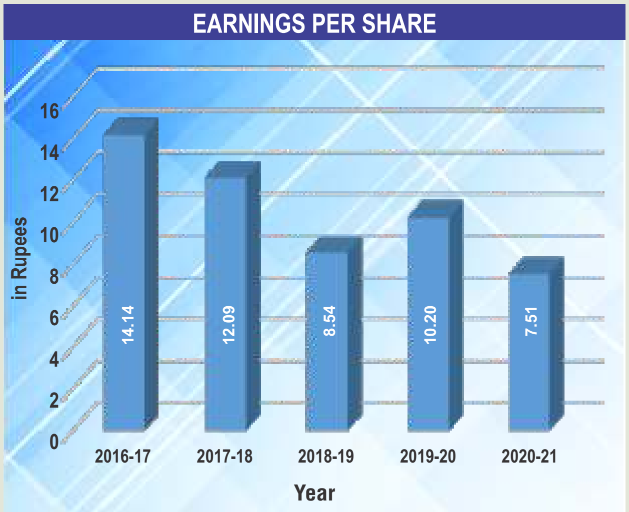
NETWORTH AND RESERVES & SURPLUS

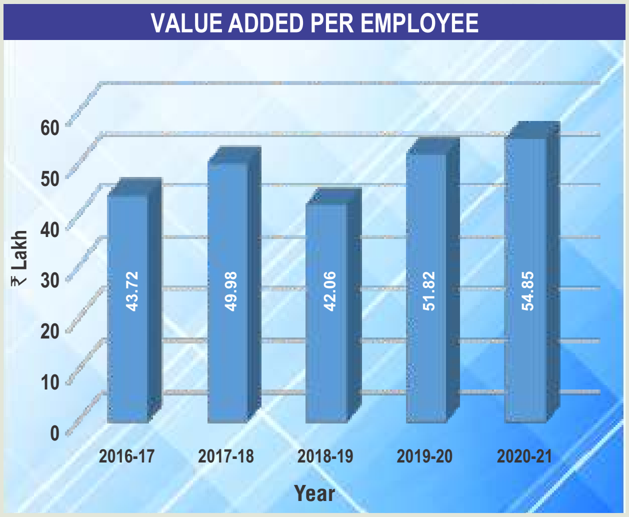


PHYSICAL AND FINANCIAL CHARTS









* Includes 15% Final dividend recommended by Board, which is subject to approval of Shareholders.

10 Years Performance at a glance - Financial

(₹ in crore)*

PARTICULARS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16 (Restated)	2015-16	2014-15	2013-14	2012-13	2011-12
INCOME STATEMENT											
Sales	**7,249.63**	7,916.30	7,145.92	8,496.20	8,652.59	6,652.05	6,669.05	6,087.68	5,967.23	5,590.07	4,866.85
Other Income	**1,716.88**	1,216.98	913.35	586.85	674.57	525.15	525.15	709.29	1,024.76	582.95	748.36
Total Income	**8,966.51**	9,133.28	8,059.27	9,083.05	9,327.16	7,177.20	7,194.20	6,796.97	6,991.99	6,173.02	5,615.21
Operating Expenses	**5,296.00**	5,142.07	5,611.79	5,386.66	5,267.38	4,462.90	4,452.35	4,162.53	4,011.03	3,581.01	3,129.75
Depreciation	**1,204.41**	958.39	745.72	861.15	683.07	641.49	599.23	440.62	517.28	512.31	430.18
Interest	**980.63**	820.38	390.09	204.98	169.06	188.36	188.36	156.06	181.58	193.39	149.54
Net Movement in Regulatory Deferral Account Balances	**(314.72)**	4.41	(859.41)	49.03	873.56	906.34	-	-	-	-	- -
Profit/(Loss) before Exceptional items and Tax	**1,800.19**	2,208.03	2,171.08	2,581.23	2,334.09	978.11	1,954.26	2,037.76	2,282.10	1,886.31	1,905.74
Exceptional Items	**(46.79)**	(3.44)	(35.21)	59.44	(180.08)	(28.38)	(28.38)	345.57	(72.97)	161.34	78.15
Profit Before Tax	**1,753.40**	2,204.59	2,135.87	2,640.67	2,154.00	949.73	1,925.88	2,383.33	2,209.13	2,047.65	1,983.89
Provision for Tax	**711.61**	790.74	868.90	791.89	(214.81)	721.73	721.73	803.65	707.25	587.90	572.56
Profit for the Year	**1,041.79**	1,413.85	1,266.97	1,848.78	2,368.81	228.00	1,204.15	1,579.68	1,501.88	1,459.75	1,411.33
Other Comprehensive Income	**32.04**	(125.36)	(34.20)	61.03	(26.61)	12.62	-	-	-	-	- -
Total Comprehensive Income	**1,073.83**	1,288.49	1,232.77	1,909.81	2,342.20	240.62	1,204.15	1,579.68	1,501.88	1,459.75	1,411.33
Earning Before Exceptional Item, Int., Deprn.& Tax (including Regulatory)	**3,985.23**	3,986.80	3,306.89	3,647.36	3,186.22	1,807.96	2,741.85	2,634.44	2,980.96	2,592.01	2,485.46
Dividend	**138.66**	978.97	669.42	646.58	1,121.97	503.32	503.32	469.76	469.76	469.76	469.76
Dividend - Tax	**-**	181.21	137.60	127.67	228.42	101.50	101.50	96.94	79.83	78.55	76.21
BALANCE SHEET											
Equity Capital	**1,386.64**	1,386.64	1,386.64	1,528.57	1,528.57	1,677.71	1,677.71	1,677.71	1,677.71	1,677.71	1,677.71
Reserves & Surplus	**12,188.04**	11,252.87	11,124.69	11,806.01	10,670.05	11,247.79	13,797.28	13,193.97	12,225.91	11,273.62	10,362.18
Free Reserves	**11,391.66**	10,512.41	10,287.62	10,961.57	9,934.79	10,678.02	13,233.78	12,686.63	11,799.24	10,929.02	10,048.29
Networth	**13,473.00**	12,511.84	12,393.53	13,135.53	12,046.65	12,721.06	15,270.55	14,772.45	13,881.07	12,925.15	11,989.57
Loans Outstanding	**14,917.69**	16,780.47	13,166.31	8,719.81	6,959.15	3,539.98	3,539.98	3,164.34	3,150.29	3,524.14	3,819.28
Net Fixed Assets	**20,781.20**	18,308.16	11,684.43	10,574.11	9,625.03	9,654.23	9,654.23	6,425.66	6,470.62	6,635.36	8,253.75
Investments	**3,621.99**	3519.40	2,823.58	2,421.37	2,421.37	1,949.12	1,949.12	1,934.06	1,616.89	1,432.40	1,197.05
Net Current Assets$	**5,154.67**	5,713.82	3,904.94	3,365.18	2,876.15	3,850.86	6,400.30	5,907.94	5,928.74	6,055.31	5,558.55
Capital Employed #	**25,818.91**	23,648.05	15,303.68	15,197.76	12,501.17	13,505.04	16,054.53	12,333.60	12,399.36	12,690.67	13,812.30
RATIOS											
Operating Margin(OPM)(%)	**26.95**	35.04	21.47	36.60	39.12	32.91	33.24	31.62	32.78	35.94	35.69
Return on Capital Employed (ROCE)(%)	**4.03**	5.98	8.28	12.16	18.95	1.69	7.50	12.81	12.11	11.50	10.22
Return on Networth (RONW)(%)	**7.73**	11.30	10.22	14.07	19.66	1.79	7.89	10.69	10.82	11.29	11.77
Debt Equity (%)	**110.72**	134.12	106.24	66.38	57.77	27.83	23.18	21.42	22.69	27.27	31.86
Current Ratio	**1.78**	1.83	1.57	1.39	1.41	1.70	3.19	3.55	3.44	3.78	3.17
Quick Ratio	**1.56**	1.63	1.35	1.20	1.15	1.47	2.75	3.16	3.16	3.46	2.97
Value added per employee (in ₹ lakh)	**54.85**	51.82	42.06	49.98	43.72	33.25	33.36	29.61	28.42	26.43	22.04
BOOK VALUE PER SHARE (in ₹)	**97.16**	90.23	89.38	85.93	78.81	75.82	91.02	88.05	82.74	77.04	71.46
EARNING PER SHARE (in ₹) after adjustment of net regulatory deferral balances	**7.51**	10.20	8.54	12.09	14.14	1.36	7.18	9.42	8.95	8.70	8.41
DIVIDEND - (%) **	**25.00**	70.60	48.00	42.30	73.40	30.00	30.00	28.00	28.00	28.00	28.00

* Except otherwise stated
$ For FY 2020-21 MAT Credit Entitlement is netted off with Deferred Tax Liability, hence it does not form part of Net Current Assets in FY 2020-21.
\# Total Assets excluding CWIP and Asset under Development Less Current and Regulatory Liability from FY 2017-18 onwards.
** Dividend (%) for FY 2018-19, includes 2.7% Final Dividend for FY 2017-18 paid in FY 2018-19. For FY 2020-21 Board has recommended 15% final dividend subject to approval at AGM.

10 Years Performance at a glance - Physical

PARTICULARS	UNIT		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
PRODUCTION :												
LIGNITE												
MINE-I		LT	**62.89**	79.76	74.02	81.53	94.01	91.01	90.55	90.03	79.60	77.34
MINE-IA		LT	**25.74**	29.70	29.97	27.46	27.80	28.17	29.15	30.01	29.40	28.77
MINE-II		LT	**91.62**	125.70	126.42	126.70	140.23	123.09	132.21	130.52	139.44	130.96
Barsingsar Mine		LT	**12.37**	13.48	12.08	15.84	14.13	12.24	13.52	15.53	13.79	8.83
TOTAL		**LT**	**192.62**	**248.64**	**242.49**	**251.53**	**276.17**	**254.51**	**265.43**	**266.09**	**262.23**	**245.90**
COAL												
Talabira-II & III Coal Block		LT	**10.13**	-	-	-	-	-	-	-	-	-
POWER												
TPS - I	GROSS	MU	**533.72**	2710.81	3105.78	3379.15	3696.70	3160.98	3631.05	4058.14	4035.43	3987.85
	NET	MU	**446.85**	2327.65	2691.04	2939.29	3256.99	2776.89	3192.95	3594.55	3569.44	3510.55
TPS - I EXPN.	GROSS	MU	**2785.51**	3328.58	2949.60	3247.15	3337.33	3268.16	3385.03	3292.10	3319.77	3042.68
	NET	MU	**2532.24**	3047.59	2707.32	2972.80	3055.32	3000.07	3107.27	3013.59	3035.58	2809.97
TPS - II	GROSS	MU	**6955.13**	10425.38	10745.08	10259.02	11052.17	10583.15	11131.33	11179.16	11238.09	11087.65
	NET	MU	**6270.82**	9392.09	9692.52	9245.40	9988.05	9546.47	10063.06	10104.37	10152.16	10018.96
Barsingsar Thermal	GROSS	MU	**1451.08**	1527.82	1357.97	1648.09	1463.49	1285.57	1380.71	1438.24	1280.85	617.68
	NET	MU	**1260.86**	1333.05	1179.76	1435.43	1275.20	1106.09	1255.79	1256.96	1118.40	514.29
TPS - II EXPN.	GROSS	MU	**2095.70**	1616.96	1932.71	2007.86	1375.25	851.46	199.57	21.01	28.20	53.58
	NET	MU	**1767.82**	1345.89	1639.31	1685.20	1130.16	660.77	125.38	14.00	19.81	39.34
NNTPS	GROSS	MU	**3439.17**	827.40	-	-	-	-	-	-	-	-
	NET	MU	**3176.32**	783.42	-	-	-	-	-	-	-	-
Wind Power	GROSS	MU	**96.91**	84.61	113.89	129.04	91.28	24.02	1.44	-	-	-
	NET	MU	**94.52**	81.18	103.68	123.90	88.11	23.72	1.44	-	-	-
Solar Power	GROSS	MU	**1964.78**	1401.42	471.14	70.52	16.88	8.87	-	-	-	-
	NET	MU	**1964.78**	1401.42	471.14	70.52	16.88	8.87	-	-	-	-
TOTAL POWER	**GROSS**	**MU**	**19322.00**	**21922.98**	**20676.18**	**20740.84**	**21033.10**	**19182.21**	**19729.13**	**19988.65**	**19902.34**	**18789.44**
TOTAL POWER	**NET**	**MU**	**17514.21**	**19712.29**	**18484.77**	**18472.55**	**18810.71**	**17122.88**	**17745.89**	**17983.47**	**17895.39**	**16893.11**
SALES :												
LIGNITE		LT	**16.75**	23.87	30.90	16.16	13.26	17.16	25.48	32.54	27.56	27.18
COAL		LT	**7.00**	-	-	-	-	-	-	-	-	-
POWER		MU	**16723.92**	18840.84	17505.30	17418.83	17719.46	16104.02	16671.23	16956.40	16841.51	15810.67

LT - Lakh Tonnes MU - Million Units

DIRECTORS' REPORT FOR THE YEAR 2020-21

Dear Members,

It is indeed my proud privilege on behalf of our Board of Directors to present the 65th Directors' Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2021 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 2020-21 has been a year of good achievements for your Company with all round performance despite the challenges posed by COVID-19 and two untoward fire incidents in TS-II units. The significant highlights of achievements during the year 2020-21 and during the current year to date are as follows:

- Dedication of Neyveli New Thermal Power Plant (NNTPP) & Tamil Nadu Solar 709 MW to the Nation by the Hon'ble Prime Minister of India on 25th February 2021 in the presence of then Hon'ble Chief Minister of Tamil Nadu & Hon'ble Minister of Coal, Mines & Parliamentary Affairs, Govt. of India.
- Commissioning of Unit 2 (500 MW) of Neyveli New Thermal Power Plant (NNTPP) and 17.5 MW Andaman Solar in the Renewable Energy front, the Company reached above 6000 MW of installed power generation capacity.
- The gross power generation from Renewable Energy was 2061.69 MU as against 1486.03 MU in the previous financial year 2019-20, registering a growth of 38.74%
- Commencement of Coal production from the Talabira Coal Mines in Odisha, since 26th April, 2020.
- Trading of 868.78 MU (Ex-bus) of power through Real Time Market (RTM) segment of IEX from 01.06.2020 and earning of gross revenue of ₹ 216.20 crore.
- The Company has won 150 MW capacity in the Wind-Solar hybrid tender floated by SECI at a Tarrif rate of ₹ 2.34 per kWhr.

Operational Performance

Power

Your Company has added 500 MW Thermal Power and 17.5 MW Renewable Power during 2020-21 and retired 350 MW of its installed capacity. The retirement of TPS I Units were completed in Sep-2020. With this addition and the retirement, the total installed capacity of the Company as on date is 6061.06 MW.

Power Generation – Thermal Power & Renewable Power


Aerial view of TPS-II

During the year, the total Power Generation (Gross) of 19322.00 Million Units (MU) and Power Export of 16723.92 MU have been achieved. The average Plant Load Factor (PLF) of the Thermal Power Plants of the Company during the year 2020-21 was 59.14% as against the National Average of 53.37%. During the year 2020-21, DISCOMS had surrendered 995.74 MU as against 1945.71 MU during 2019-20 and considering this power surrender the overall power generation would have been higher.

Mining – Lignite & Coal

BWEs in operation at Neyveli Mines

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 Coal Opencast 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.

The total overburden (OB) removal of 1501.62 lakh Cubic Metre (LM^3) from Lignite & Coal Mines, Lignite Production of 192.62 Lakh Tonne (LT) and coal production of 10.13 LT have been achieved during the year 2020-21.

Due to poor demand on account of pandemic situation and shutdown of few Units of TS-II for a substantial period due to untoward fire incidents, demand of lignite for Thermal Power Plants was less and Lignite production was restricted accordingly during the financial year 2020-21.

Productivity

The output per man-shift achieved during the year 2020-21 as compared with the previous years are given below:

Product	Unit	2020-21	2019-20
Lignite	Tonne	14.07	15.99
Power	KwHr	25054	29305

Financial Performance

During the year ended 31st March, 2021, your Company on a standalone basis had registered a revenue from operations of ₹ 7,249.63 crore as against ₹ 7,916.30 crore during the year 2019-20. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2020-21 were ₹ 1,753.40 crore and ₹ 1,041.79 crore respectively, as against ₹ 2,204.59 crore and ₹1,413.85 crore respectively during the previous year ended 31st March, 2020.

On a consolidated basis, the total revenue from operations for the year 2020-21 was ₹ 9,846.09 crore as against ₹10,320.56 crore in 2019-20. The PBT and PAT for the year 2020-21 were ₹ 2,254.40 crore and ₹ 1,345.44 crore respectively as against ₹2,345.11 crore and ₹1,452.98 crore respectively in the year 2019-20.

The details of profit earned for the financial year 2020-21 and appropriation of the same are as follows:

₹ in crore

	Standalone		Consolidated	
Particulars	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Revenue from operations	7,249.63	7,916.30	9,846.09	10,320.56
Profit Before Tax	1,753.40	2,204.59	2,254.40	2,345.11
Tax Provision	711.61	790.74	909.03	892.95
Profit /(Loss) for the Period (PAT)	**1,041.79**	**1,413.85**	**1,345.44**	**1,452.98**
Appropriation				
Transfer (to) / from Interest Differential Fund Reserve	(6.70)	(8.72)	(6.70)	(8.72)
Transfer to PRMA Reserve Fund	(7.18)	(10.03)	(7.18)	(10.03)
Transfer to Contingency Reserve	(10.00)	(10.00)	(10.00)	(10.00)
Dividend (Interim / Final)	(138.66)	(978.97)	(145.88)	(978.97)
Tax on Dividend	0.00	(181.21)	0.00	(201.23)
Ind AS – 116 Lease adjustment	0.00	(0.13)	0.00	(0.13)

Dividend

For the year 2020-21, the Board of Directors of your Company had paid an Interim Dividend of 10.00% (₹ 1.00 per equity share) and further, your Board has also recommended a final dividend of 15% (₹ 1.50 per equity share) subject to the approval of shareholders. The total dividend for the year 2020-21 including Interim Dividend already paid is 25% and the same works out to ₹ 346.66 crore.

Share holding of GoI

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

Capacity Addition

As stated earlier in this report, during the year under review, your company has successfully completed the Neyveli New Thermal Power Project (2 x 500 MW) and Solar Power Project in Andaman Islands and also commenced the production of Coal from Talabira Coal Mines (20 MTPA). This Mine is expected to achieve normative coal production by Jan.2027.

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, besides the above Expansion Project of Mine-IA Lignite Mines in Neyveli also is on hold.

Projects under implementation

The details of projects under implementation are as under:

Description	Capacity	Project Cost (₹ in crore)	Expected COD/Status
Power Sector (in MW)			
Neyveli Uttar Pradesh Power Ltd.	3 X 660 MW	17237.80 (NLCIL share: 8791.28)	Unit I:2021 Unit II&III: 2022
Mining Sector (in MTPA)			
Talabira II & III OCP (including CHP & railway siding)	20 MTPA	2401.07	2027
South Pachwara Coal Block	9 MTPA	1795.01 (NLCIL share: 915.46)	2024
Expansion of Mine 1 & 1A	4 MTPA	709.06	–

Projects under formulation

The details of projects under formulation are as under:

Description	Capacity	Project Cost (₹ in crore)	Expected COD/Status
Power Sector (in MW)			
Talabira Thermal Power Project in Talabira	3x800 MW	19,422.44	2027
Renewable Sector			
Solar Power Project (CLUVPL-JV of NLCIL & CIL)	1200 MW	4,800.00 (NLCIL share: 2400)	2024

Corporate Plan

Your Company is in the process of reviewing the Corporate Plan taking into account the current scenario of Power & Mining business.

Subsidiaries /Joint Venture (JV) Projects

NLC Tamil Nadu Power Limited (NTPL) – A Joint Venture between NLCIL and TANGEDCO - Tuticorin Power Project (1000 MW) in Tamil Nadu

NTPL, the Subsidiary Company is operating 2X500 MW Coal based Thermal Power Plant at Tuticorin in Tamil Nadu. During the year 2020-21, the power generation was 5,290.58 MU (excluding surrender of 2,742.18 MU) as against 4,844.40 MU in the year 2019-20 with a PLF of 60.39%. NTPL witnessed heavy power surrender and reserve shut down mainly due to poor demand on account of COVID pandemic.

During the year ended 31st March, 2021, NTPL registered a revenue from operations of ₹2,629.46 crore as against ₹2,434.72 crore registered in the year 2019-20. The Profit Before Tax & Profit After Tax for the year 2020-21 were ₹560.41 crore and ₹363.00 crore respectively as against ₹226.49 crore and ₹143.15 crore registered in the year 2019-20. NTPL Board has recommended a dividend of 10% for the FY 2020-21.

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 between NLC India Limited and UPRVUNL, 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 cost of ₹17,237.80 crore. The revised commissioning schedule of Unit-I, is 01.11.2021, while in respect of other two units, the revised commissioning schedules are 31.03.2022 & 31.07.2022 respectively. Mock light up of Unit 1 was done 26.03.2021. However, delay is expected in commissioning of Units due to ongoing COVID-19 pandemic.

NUPPL had 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.

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 ₹2260.10 crore in the year 2020-21. The cumulative expenditure incurred since inception up to 31st March 2021 is ₹11459.30 crore.

Pachwara South Coal Block (9.0 MTPA) in Jharkhand

NUPPL has been allotted with the Pachwara South Coal Block, 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 Forest Stage-I Clearance uploaded in MoEF& CC Portal while the Gazette notification u/s 9 (1) & 11 (1) of CBA (A & D) Act, 1957 has been issued by MoC. Draft EIA/EMP report submitted to Jharkhand State Pollution Control Board, Ranchi for conducting public hearing.

The Project has achieved a CAPEX of ₹ 5.90 crore in the year 2020-21. The cumulative expenditure incurred up to 31st March 2021 was ₹ 34.92 crore.

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

Your Company during the year under review 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 equity participation of 50% each. The JV Company "Coal Lignite Urja Vikas Private Ltd" has been incorporated on 10th Nov.2020. 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 received 'in-principle' approval from South Eastern Coalfields Limited (SECL) to render Project Management Consultancy (PMC) services for installation of its proposed 40 MW Solar Project. Formal order for taking up Pre-Project activities is also received in this regard.

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.

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.

Borrowings – Commercial Paper & Bonds

In order to optimise the finance cost, the Company has pre-closed the General Purpose Loan from SBI on 3rd Jun, 2020 amounting to ₹ 833.33 crore and term loan from HDFC amounting to ₹ 1,470.60 crore on 27th Jan, 2021. Similarly, your Company has pre-closed General Purpose Loan from MCL amounting to ₹ 458.33 crore on 19th Aug, 2021.

Bonds

During the Financial year 2020-21, your Company has issued Unsecured, Non-Cumulative, Non-convertible, Redeemable, Taxable Bonds (in the nature of Debentures) in two tranches, for a value of ₹ 500 crore & ₹ 1175 crore, at a coupon rate of 5.34% & 6.05% respectively and with a maturity date of 11th April 2025 and 12th February, 2026 respectively.

Credit Rating for Borrowings

During the year, your Company has obtained AAA rating for Long Term Borrowings including Issue of Bonds and A1+ for Issue of Commercial Papers from Credit Rating Agencies.

Commercial

Billing and Realisation from DISCOMS

- **Realisation of Outstanding dues:**

  Your Company has made significant improvement in realization of dues from DISCOMs during the FY 2020-21. During the year the company has raised invoices amounting to ₹ 7,568.90 crore (Thermal, Solar & Wind Bills) on DISCOMs and has realised an amount of ₹ 8,601.17 crore with a collection efficiency of 113.6%.

- **Payment Security Mechanism:**

  Your Company has in place a robust payment security mechanism in the form of Letters of Credit (LC). Apart from the LCs, payment is secured by the Tri-Partite Agreements (TPAs) signed amongst the State Governments, Government of India (GoI) and Reserve Bank of India (RBI). As per the TPAs, any default in payment by the State owned Discoms can be recovered directly from the account of the respective State Governments in association with Reverse Bank of India (RBI).

- **Bill Discounting:**

  Your Company has successfully realized the power dues through Bill Discounting to the tune of ₹1542 crore (for Tamil Nadu, Andhra Pradesh and Telangana) during the year.

- **Realisation through Atmanirbhar Scheme:**

  As per GoI directives, Discoms had availed Loans from REC/PFC under Atmanirbhar Bharat Liquidity Scheme against their outstanding as on 30.06.2020 and your company received ₹ 3,912 crore during the FY 2020-21.

  Total outstanding Power Dues (including March 2021 Unbilled power export) as on 31st March, 2021 is ₹ 6256.22 crore as against the Power Dues ₹ 7288.33 crore as on 31st March,2020.

- **Rebate Scheme:**

  In order to encourage early payment of dues by the beneficiary, your Company is having a rebate scheme whereby the maximum rebate of 1.75% is extended for early payment. A Rebate of 1.75% shall be allowed for amounts credited to the Company's accounts for any advance payments made on 1st day of the Billing Month which is further graded down based on number of days.

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 has been issued on 25th August, 2020. CERC (Terms and Conditions of Tariff) Second Amendment Regulations 2021 covering Input Price Regulations for Integrated Mines has been issued on 19th February, 2021 which will come into force from the date of notification of these Regulations in official Gazette.

Power Trading in Power Exchange

In line with CERC (IEGC) (5th Amendment) Regulations 2017, Your Company sold 1,422.60 million units of power from Thermal power stations in different market segments of the Power Exchange which made a revenue addition of ₹ 408.41 crore. The Company also traded 113.86 MU of URS Power from NTPL in Power Exchange for which ₹ 45.70 crore of revenue was realized. As per appropriate regulations, gains from the sale of URS Power were also shared with the beneficiaries.

Your Company participated in the Real Time Market (RTM) for electricity introduced by Central Electricity Regulatory Commission (CERC) from the first day of introduction as the 1st Seller from the Southern Region and stands as the top most seller in the country in this market for the FY 2020-21. Since the launching of RTM on 01.06.2020, near zero surrender for DISCOMs power was achieved in 110 days, which not only enabled the Company to utilise the generation capacity more efficiently but also monetized surrendered power during day of operation thereby increasing Capacity Utilization Factor of Mines. Your Company also traded 868.78 MU (Ex-bus) of power through RTM segment of IEX from 01.06.2020 earning a gross revenue of ₹ 216.20 crore.

After the implementation of RTM, the actual surrendered quantity during the period from 01.06.2020 to 31.03.2021 has considerably reduced to 568.96 MU in which the pre-dominant value of 243.75 MU (42.84%) was due to Reserves Regulation Ancillary Services which is a Grid security warrant. After implementation of Real Time Market, with appropriate strategy, URS power sale efficiency has increased despite no significant increase in power demand from beneficiaries.

Marketing of Raw Lignite and excess Coal

During the year under consideration, your Company had earned an aggregate Revenue from sale of Raw Lignite and Coal amounting to ₹ 430.25 crore which includes ₹ 78.87 crore through sale of Talabira Coal.

Strengthening Customer Relationship

Customer focus is one of the core values of your Company. In line with this, your Company maintains regular interactions with its Customers through meetings, correspondences. Periodical reconciliation exercises are carried out with the customers regarding issues related to Power Sales & Accounts in order to maintain cordial relationship with the customers and for smooth redressal of various disputes. Further regulatory mechanism which governs the Company gives equal opportunities to the stakeholders in all regulatory precepts, including voicing of difference of opinions and dispute resolution in a fair manner following due regulatory processes.

Your Company has conducted an Annual Customer Meet on 05.11.2020 during the Vigilance Awareness Week to interact and for getting feedbacks from the customers of Raw Lignite to conduct e-Auctions in a transparent manner. Your Company has been organizing Customer Meets continuously for the past 12 years.

Customer network for Coal based customers for Talabira Coal Mines and 6 new customers for Raw Lignite from Neyveli Mines were developed for widening the Sales network throughout India, during the FY 2020-21. Separate Marketing SOP's, strategy for Open Sale for Coal from Talabira Mines was developed in the FY 2020-21 with the help of service provider M-junction Services Limited. Sales promotional visits to customer plants were made to survey the latest marketing trends, prices, change in process / methodology etc., to maintain good relationship with Customers and to augment sale.

Environment Compliance Measures


Plantations for Slope Stabilisation

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

Mass tree plantations have been undertaken during the year. Slope stabilisation of the Mines Overburden dumps have been undertaken to convert the mine spoil into cultivable soil making it fit for habitation. The ambient air quality is being monitored regularly by TNPCB, IIT Madras & the Company in the surrounding villages and is well within the prescribed norms.

Consequent to the amendments to 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 order to comply with the applicable new environmental norms notified by MOEF & CC vide gazette notification dated 07.12.2015 pertaining to SO2, FGD system is required to be installed in the existing as well as under construction lignite /coal fired power plants. Your Company's 2X125 MW Barsingsar TPP and 2X250 MW TPSII Expansion TPP (Neyveli) units adopting Circulating Fluidized Bed Combustion (CFBC) Technology are built with in-situ lime addition facility along with main plant to control SOX emission. ESP modification for the 2X125 MW Barsingsar TPP was taken up for compliance of MoEF emission norms on SPM. Tendering for the FGDs adopting wet limestone based FGD technology for the pulverized lignite fired TPS I Expansion (2X210 MW), TPSII (7X210 MW) and Neyveli New Thermal Power Station (NNTPS-2X500 MW) Neyveli are in advanced stages. For these 210 MW Units, special measures are also being undertaken to reduce the specific water consumption and these Units comply with the revised NoX emission norms. Your Company is taking appropriate steps that are required to install emission control equipment as deemed fit to comply with the MoEF's revised emission norms.

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).

Rehabilitation & Re-settlement

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.

Land Acquisition Act

The Tamil Nadu Government has revived the “TN acquisition of land for Industrial Purposes Act, 1997” through the “Tamil Nadu Land Acquisition Laws (Revival of operation, Amendment and Validation) Act, 2019.” 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.

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 17025:2005.

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,
- 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 and introduction of real time monitoring facilities etc.
- CARD has successfully implemented three pilot studies viz., 1. Conversion of lignite to Diesel, 2. Separation of Iron particles from bottom slag, 3. Extraction of sand from mines overburden as a part of Business Diversification Plan - an innovation for sustainable development.

CARD has undertaken the formation of Innovation Incubation Centre (IIC) in collaboration with premier Institutions to promote innovation leading to start up / entrepreneurship.

The total R&D expenditure, incurred during the year 2020-21 was ₹ 21.70 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 gleam the in-house talents and espouse latest technological breed for the betterment of its business progression. During the year 2020-21, your Company conducted various in-house / deputation training programmes, webinars to boost the performance of the employees.

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 bi-partite 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 2020-21 are as below:

- Implementation of Bi-Partite Committee recommendations on pending issues as per MoU dated 05-12-2018.
- Signing of Contract Workmen settlement on 07-08-2020 under section 12 (3) of Industrial Disputes Act.
- Conduct of Secret Ballot Election 2020 to elect the collective bargaining agents among the registered Trade Unions.
- Regularisation of 750 Contract Workmen into the rolls of the Company as per the terms and conditions of settlement dated 07-08-2020 under section 12(3) of the ID Act.

In general, the industrial relations scenario of your Company remained peaceful and cordial during the year 2020-21.

Manpower

The total employee strength (including subsidiaries) stood at 11,379 as on 31st March, 2021 as against 12,486 as on 31st March 2020.

Your Company scrupulously follows the Reservation Policy applicable to Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Communities (OBCs) as prescribed in the presidential directives / GOI guidelines.

The group-wise Men-in-position (MIP) as on 31st March, 2021stood as follows:

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	3,428	724	311	527	21.12	9.07	15.37*
B	144	35	4	41	24.31	2.78	28.47
C	7,352	1,423	82	2,525	19.36	1.12	34.34
D	455	85	2	276	18.68	0.44	60.66
Total	**11,379**	**2,267**	**399**	**3,369**	**19.92**	**3.51**	**29.61**

*strength of OBCs on the rolls of the Company after reservation for OBCs came in to effect from 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 in the rolls of the Company.

Employees' Welfare and Social Security Schemes

Educational facilities

Your Company is presently running 9 Schools with student strength of 4,518 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

Your Company is on the fore front in aligning the vision of protection, preservation and promotion of health and wellbeing of its workforce with its business plan that support sustainable outcome of the company and drive higher values to the organization. Your Company's 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 empanelled Hospitals at different parts of the Country.

COVID Management

The COVID-19 pandemic and its outbreak has severely impacted the Nation, disrupting normal lives and the economy. Even as the country geared up to tackle this crisis through various control measures, your Company supplemented these efforts in all its areas of influence.

Your Company is engaged in Mining & Power generation and considering power as an essential service, your Company ensured uninterrupted power supply including the period of lockdown. In line with the directions of Ministry of Power your Company provided an one-time rebate of ₹ 46.65 crore to DISCOMs during the year. In addition to the above, NTPL, the Subsidiary Company has extended one time rebate of ₹ 24.03 crore to Discoms during the year.

The Management does not anticipate any material impact on the financial position of the Company. However, there may be delay in execution of various projects due to poor availability of migrant workforce. Your Company will continue to monitor the current situation and possible impact of the same in the business of the Company.

Ever since the Government of India started issuing various advisories to take precautionary steps to prevent spread of Corona virus, your Company implemented a slew of preventive actions and awareness campaigns through pamphlets, posters, hoardings and videos to imbibe and promote the habits of personal hygiene, workplace hygiene, wearing of face masks and for maintaining social distance. As part of containment of the pandemic, your Company through "Test, Track and Treat" approach and by establishing fever clinics / RT-PCR Test Centres provided in-patient treatment in the NLCI General Hospital to the affected persons. Your Company also provided infrastructural support to the District Administrations to enable them to contain the spread of Covid. Your Company besides providing relief materials to the needy persons in and around the project sites & also to the migrant workers, had also provided COVID support wages and thereby enabled the Contractor Employers to make payment to contract workmen during April 2020 to May 2020.

The Hospital undertook measures on a war footing to expand COVID bed capacity from 100 during 2020 to a whopping 577 during 2021 including Institutional Quarantine facility and for managing the second wave in an effective manner. Fever clinics were set up and In-patient treatment capacity exclusively for COVID patients was increased from 90 to 277 beds equipping 217 beds out of the total capacity with high flow oxygen lines. An Intensive Care Unit consisting of 20 Beds fitted with High-end Ventilators with Unique Laminar Air Flow Facility was also set up in the hospital premises.

Your Company also fast tracked clearance of projects to set up two oxygen plants of capacity 12 Nm3/Hr. each in Neyveli, one oxygen plant at PBM Government Hospital, Bikaner, Rajasthan of capacity 30 Nm3/Hr. and two oxygen plants of capacity 12 Nm3/Hr. each at Occupational Health Centre, NTPL, Tuticorin, and another at Government Hospital, Tuticorin. In addition, works are in progress for the supply of 500 Oxygen Concentrators of capacity 10 litres per minute each and 100 equipment each for Neyveli, Chennai, Rajasthan, Uttar Pradesh, Odisha and for other States.

Keeping in the National focus on vaccination, Centres were set up in Neyveli to vaccinate the entire workforce and the surrounding rural population. Special vaccination camps were held in Mines & Thermal Units in Neyveli and at present, nearly 55,368 persons have been vaccinated.

Your Company in concerted co-ordination with District Health Authorities has developed the needed infrastructure facilities to carry out various Covid containment programmes. Your Company has also hired 10 Ambulances and donated them to the Cuddalore District Administration for their use on round the clock basis. Similar support was also provided in other locations in Rajasthan, Odisha and Uttar Pradesh based on the request of concerned District Administrations.

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 takes all out 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.Your 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). The strength of PwDs as on 31st March 2021 stood at 197.

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.

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 2020-21 due to COVID-19 pandemic and restrictions imposed for physical meetings, your Company had organised Hindi Workshops through Webinars.

Women Empowerment

The strength of women employees in your Company as on 31st March, 2021 stood at 911 constituting 8.01% 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). During the year 2020-21, to mitigate the COVID-19 Pandemic, Doctors and a team of WIPS Forum of your Company had organised various public education and awareness programmes to contain the spread of the virus.

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 mines and thermal plants as given below:

- 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 its 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.

As was reported in the Directors' Report of the last year, your Company had witnessed two major fire incidents in the year under review. Subsequent to the above incidents, safety protocols across the Company were reviewed exhaustively and measures have been taken to strengthen the Safety Systems in order to avoid such mishaps in future.

Safety measures and action taken to avoid fire incidents in thermal plants are as follows:

- Testing and readiness of Fire Detection & Suppression System is done as per schedule.
- Checking is done once in a week for the healthiness of fire pump, hydrant pipeline and valves
- Fire crew- 24x7, fire tender and foam tender are available at site.

- To respond to fire emergency, Fire Mock Drill is conducted to cover all areas of plant in rotation , once in a month.
- During summer season exclusive team is constituted to inspect fire vulnerable areas in plant.
- All Hot Work, check list compliance is done in Lignite Handling System. On safety department authorisation Hot Works in LHS or in any other area is carried out.
- Fire safety campaign is jointly conducted with CISF fire crew once in a year. Hands on training is imparted to all employees and contract workmen in using portable fire extinguishers.
- In LHS areas farthest point and highest points fire hydrant header pressure joint inspection is done by CISF fire crew and LHS department weekly. Water pressure at farthest point 7 kg/cm^2 and at highest point 3 kg/cm^2 are ensured.
- Manual lignite dust cleaning workmen are engaged in all three shifts in LHS area.
- To avoid back fire during Mills change-over suitable instructions amended in SOP particularly in control of excess air.
- In Boiler and Mill area, fire monitoring crew are engaged in all the three shifts.
- Testing of emulsifier system in transformer is regularly done for checking its effectiveness.
- In Thermal Power Station - II Girders, all Man Holes Doors have been closed in Units - 4,5,6 & 7.

Safety measures and action taken to avoid the fire incidents in Mines are as follows:

- Fire safety Meeting is being conducted at Mines once in a month in coordination with all concerned functional department of Mines.
- Fire crew- 24x7, fire tender and foam tender are available at site.
- Fire Mock drill is being conducted once in a month.
- Regularly persons are being trained in handling of fire extinguishers by CISF fire wing at working site.
- Monthly fire extinguishers status are being updated by the concerned fire co-ordinators of the Divisions.
- SME machines are provided with overhead water tanks with fire fighting arrangements.
- Testing of emulsifier system in transformer is regularly done for checking its effectiveness.
- Along Lignite conveyor water hydrant lines are installed to suppress any fire.
- In lignite stock yard, high pressure jet rain guns are provided for fire suppression.
- Daily temperature monitoring of lignite stock is being done and recorded.
- Lignite dust accumulation in SME machines are being cleared regularly with the help of Industrial vacuum cleaner.
- Schedule/Regular washing of HEMM equipment & SME machines are being done.

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.

During the Vigilance Awareness Week 2020, a short film competition was held on the theme “Vigilant India, Prosperous India”.

As a part of Preventive Vigilance exercise, customized training programmes were conducted at Thermal Units, Mines, offices at Neyveli and Barsingsar 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 ₹ 1 crore and above are monitored. Structured meetings are held with the Independent External Monitors (IEMs) wherein procurement and contract related issues and complaints thereupon are taken up. During the year 2020-21, eight Vendor meetings, two Contractors meetings and four review meetings of 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 growth. Your Company had adopted a Corporate Social Responsibility Policy covering the various sectors for sustainable socio-economic development.

Your 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. The funds utilised for the CSR projects, programs and activities selected for implementation are as per the CSR Policy of the Company which is available in the website in the following link: https://www.nlcindia.in/new_website/csr_new/csr_policy_2021.pdf

During the year 2020-21, your Company had spent ₹46.74 crore which is 2% of the average net profits of the Company for the last three years. Details are provided in **Annexure-1.**

Awards & Recognition

In recognition of its various activities, your Company, has been conferred with the following awards during the year 2020-21:

- "Swachhata Hi Seva 2019 Award" from Ministry of Coal for making valuable contributions in the implementation of the Swachhata Hi Seva Programme.
- Runner up in 'AIOE National Award'(All India Organisation of Employers, an allied body of FCCI) for Outstanding Industrial Relations for 2018 – 19.
- Mine-I & II have bagged 'Apex India Green Leaf Environmental Champion Award-2019' by Apex India Foundation in recognition of decades of dedication and contribution in the area of Environmental Management.
- "Platinum Award-2019" by Apex India Foundation for outstanding achievement in CSR Management in Thermal Sector.
- 1st Place in Overall GeM Rankings of the Buyers and Sellers, among top 20 PSEs and also in timely payments to Vendors as per GeM portal Incentive Scheme.
- "Greentech Leading Innovative Safety Practices Award 2020" and "Greentech Environment Award 2020" for the outstanding achievements in Mining Sector, instituted by Greentech Foundation.
- "Exceed Occupational Health Safety and Security Award 2020" instituted by EK Kaam Ek Desh Foundation for the outstanding achievement in Mining Sector.
- "PRSI National Awards-2020" instituted by Public Relations Society of India for the best PSU implementing CSR (First Prize) ; Best PSU implementing RTI (First Prize) ; Excellence in COVID-19 Management in Public Enterprises (Third Prize).
- The Company has bagged 2 Five Stars rating for Neyveli Mine-I and Mine-II in the Star rating competition organised by MoC, out of 169 Opencast Mines in which only 4 Mines have been awarded 5 Stars rating, Mine-IA and Barsingsar Lignite Mine have bagged 4 Star rating.

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 2020-21, under the above Act, 411 applications containing 1359 queries were received and 408 applications covering 1341 queries have been replied.

The Company was awarded First Prize as Best PSU implementing RTI for the Year 2021. The said award was instituted by Public Relations Society of India (PRSI) and your Company has been receiving this award for the last four years continuously. The auditing of NLCIL Proactive Disclosure under RTI was done by a third party auditor- Indian Institute of Coal Management (IICM) for the first time after enactment of RTI Act,2005.

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 2020-21 was 44.13% 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 2020-21, your Company has procured goods & services from Government e-Marketplace (GeM) Portal for ₹ 53.69 crore as against the target of ₹ 205.00 crore. Efforts are being continuously made to maximize the procurement through 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 2020-21 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. 41 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, 2021, 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 the Report.

Sexual harassment of women at workplace

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, suitable mechanisms were put in place in your Company 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 2020-21, two complaints pertaining to the previous financial year were resolved and disposed of and no new complaint was received.

Auditors

Statutory Audit

M/s. PKKG. Balasubramaniam & Associates, Chartered Accountants, and R Subramanian and Company, LLP, Chartered Accountants, were appointed by the Comptroller and Auditor General of India(C&AG) as the Joint Statutory Auditors for the year 2020-21 under Section 139 of the Companies Act, 2013.The Board of Directors of your Company has fixed ₹ 35.00 lakh plus applicable taxes as the Statutory Audit fees for the year 2020-21, 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 2020-21 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 2020-21.

M/s. AASA & Associates, Chartered Accountants, has been appointed as the Branch Auditor for the year 2020-21 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 2020-21.

Secretarial Audit

M/s. Kumar Naresh Sinha & Associates, Practicing Company Secretaries, was appointed as the Secretarial Auditor for the year 2020-21. The Secretarial Audit report for the year 2020-21 and the reply to observations of the Secretarial Auditors are furnished in **Annexure-6**.

Cost Audit

M/s. Dhananjay V. Joshi & Associates, was appointed as the Cost Auditor for the year 2020-21 to conduct Cost Audit for Mines & Power Stations of the Company. The Cost Audit Report for the year 2019-20 was filed with Ministry of Corporate Affairs on 5th December 2020 against the due date of 31st December 2020.

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 Statement of the Company for the year ended 31st March 2021 under section 143/(6)(b) of the Companies Act, 2013 is furnished in **Annexure-7**.

Directors' Responsibility Statement as per Section 134(3) (c) 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 S K Prabakar, Principal Secretary to Government of Tamilnadu, Energy Department, was appointed as a Part-time Official Director w.e.f. 02.07.2020.

b. Shri Dharmendra Pratap Yadav, Principal Secretary to Government of Tamilnadu, Energy Department, was appointed as a Part-time Official Director w.e.f. 15.06.2021.

Cessation

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

a. Shri Indrajit Pal, Independent Director w.e.f. 06.09.2020 upon completion of tenure.

b. Shri A Karthik, Part-time Official Director w.e.f. 15.06.2020.

c. Shri Nadella Naga Maheswar Rao, Director (Planning & Projects) w.e.f . 01.06.2021 due to superannuation.

d. Shri S K Prabakar, Part-time Official Director w.e.f. 04.06.2021.

e. Shri Prabhakar Chowki, Director (Mines) w.e.f. 01.09.2021 due to superannuation.

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 Shaji John, 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 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

Rakesh Kumar

Chairman-cum-Managing Director

Place: Neyveli
Date: 06.09.2021

Annexure - 1

CSR REPORT FOR THE FINANCIAL YEAR 2020-21

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 sectors are:

Sl.No	CSR Focus Area
1	Promoting Healthcare including COVID-19 preventive measures
2	Providing Safe Drinking Water, Sanitation facilities
3	Promoting Education & Employment Enhancing Skills
4	Promoting Gender Equality, Empowering Women
5	Promoting Environmental Sustainability
6	Protection of national heritage, art and culture
7	Measures for the benefit of armed forces veterans
8	Promoting Rural Sports
9	Providing Infrastructure facilities for Rural Development including Water Resource Augmentation

- 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

Name of Director (Sarvashri)	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Indrajit Pal	Chairman / Independent Director (relinquished on 06.09.2020)	3	2
N.K. Narayanan Namboothiri	Chairman / Independent Director (w.e.f. 07.01.2021)		3
R.Vikraman	Member/Director		3
P. Vishnu Dev	Member/Independent Director		3
V. Muralidhar Goud	Member/Independent Director		3

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/csr_new/csr_policy_2021.pdf

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).**

   No Impact Assessment Study has been carried out in FY 2020-21 as required under 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): ₹ 2336.77 crore.**

7. **a)** Two percent of average net profit of the Company as per section 135 (5): ₹ **46.74 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): ₹ **46.74 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
₹ 46.74 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	Promoting Healthcare initiatives like, Conducting Blood Donation camps in the peripheral villages, Emergency/ life saving treatment, Comprehensive medical care treatment to contract workmen (Non-ESI covered) and their family members, OP Treatment to common residents and patients from surrounding villages in NLCIL Hospital, Neyveli		Yes	Tamil Nadu	Cuddalore	275.72	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
2	Distribution of baby kits to new born babies under Beti Bachao scheme		Yes	Rajasthan	Bikaner	2.40	Yes		
3	Construction of following infrastructure facilities i) Compound wall for Govt. Primary Health Center (PHC) at Gangaikondan, ii) Septic tank for Govt.PHC at Kammapuram iii) Renovation of existing toilet block for PHC at Sethiathope iv) Patient waiting hall & toilet blocks in Panruti Govt. Hospital, PHC at Palakollai & Iruppu Govt. Hospital v) Installation and commissioning of Diesel Generator Set at various Govt. Primary Health Centers		Yes	Tamil Nadu	Cuddalore	52.55	Yes		
4	Financial Contribution to support to Salt Hospital, Jaipur		No	Rajasthan	Jaipur	4.95	Yes		
5	Purchase of 50 Tons of rice for distributing to the needy families affected by Cyclones Nivar and Burevi in Chidambaram		Yes	Tamil Nadu	Cuddalore	16.28	Yes	-	-
6	Providing Ambulance for the use of General Public at Primary Health Center (PHC) in Narikudi Village.		No	Tamil Nadu	Virudhnagar	13.96	Yes	-	-
7	Construction of Compound Wall & Providing Certain Items for 8 Anganwadi Centers at Mandapam & Kamuthi areas in the Aspirational District of Ramanathapuram		No	Tamil Nadu	Ramanathapuram	56.18	Yes		
8	Measures taken towards prevention of COVID-19		Yes	Tamil Nadu	Cuddalore	270.36	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
9	Purchase of COVID 19 Vaccination Cold Chain Equipment		No	Andaman & Nicobar Is.	Andaman & Nicobar Is.	8.74	Yes	-	-
10	Financial Support towards Awareness Campaign on COVID 19 related Social Behaviour Norms in Aspirational Districts of Tamil Nadu		No	Tamil Nadu	Virudhnagar & Ramanathapuram	10.96	Yes	-	-
B	**Providing Safe Drinking Water**	**Item No. I**							
11	Providing AMC for R.O, Borewell, Tree Plantation, Battery Cars		Yes	Tamil Nadu	Cuddalore	23.07	Yes	-	-
12	Construction of RCC OH Tanks, providing Borewells and Installation of submersible pumps at following locations i) Vadalur ii) Melakuppam iii) Kaikalakuppam iv) Keezhur v) Govt. school in Ivathukudi vi) Govt. PHC at Vadalur vii) Venkatakuppam		Yes	Tamil Nadu	Cuddalore	82.16	Yes	-	-
13	Supplying and laying drinking water pipeline from Mine-II to Old Neyveli village for length about 400M		Yes	Tamil Nadu	Cuddalore	9.94	Yes	-	-
14	Construction of Bore-Wells to the Primary Health Centre in Malayapatti village and to the Govt. Hr.Sec.school in Peraiyur Village in the Aspirational District of Virudhunagar & Ramanathapuram.		No	Tamil Nadu	Virudhnagar & Ramanathapuram	24.44	Yes	-	-
C	**Promoting Sanitation**	**Item No. I**							
15	Sanitation services in Neyveli schools & its establishments along with Installation & Commissioning of 14 Nos of Incinerators for the benefit of students		Yes	Tamil Nadu	Cuddalore	51.59	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
16	Construction of Rest rooms and providing RO Purified drinking Water at (a) Govt. Girls HSS & GHSS, Nallur (b) GHSS, Karuveppilankurichi		Yes	Tamil Nadu	Cuddalore	34.25	Yes	-	-
17	Construction of toilet blocks at i) Govt.Hr.Sec.School, Kadampuliyur ii) Govt.High School, Nadiyapattu, iii) Primary Union School,Thoppilikuppam iv) St.Teresa High School at Kattukunankurichi, v) Govt. High School, Meenatchi Pettai vi) Veludayanpattu Kovil, Neyveli. vii) Venkatankuppam village		Yes	Tamil Nadu	Cuddalore	55.32	Yes	-	-
18	Construction of Toilets, compound wall, New Stage, renovation of class rooms and Borewell in Primary Union School (PUMS), Vairapuram, Olakkur Block in Villupuram District		No	Tamil Nadu	Villupuram	27.15	Yes	-	-
19	Conducting Swachh Pakhwada Fortnights and Swachta programs in the peripheral villages of Neyveli		Yes	Tamil Nadu	Cuddalore	7.60	Yes	-	-
20	Construction of Toilet blocks in the circulating regions of Railway stations		Yes	Tamil Nadu	Cuddalore	200.00	No	M/s RITES	-
			No	Tamil Nadu	Various Districts of TN	1163.19	No	M/s RITES	
D	**Promoting Education**	**Item No. II**							
21	Conducting various awareness/ motivation programmes/ NEET Coaching for the benefit of Rural poor student Population in Neyveli Schools		Yes	Tamil Nadu	Cuddalore	10.92	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
22	Distribution of school kits to 1st standard girl student under "Beti Padhao" scheme		Yes	Rajasthan	Bikaner	1.34	Yes	-	-
23	Contribution of Tuition fees for SC & ST & OBC Students of Jawahar Science College, Neyveli		Yes	Tamil Nadu	Cuddalore	446.00	Yes	-	-
24	Contributing Educational Assistance to wards of Contract Workmen		Yes	Tamil Nadu	Cuddalore	42.48	Yes	-	-
25	Financial Assistance for Running expenditure of Kendriya Vidyalaya School, Neyveli		Yes	Tamil Nadu	Cuddalore	292.00	Yes	-	-
26	Construction and providing infrastructures like i) Library building at Vadalur, ii) Additional classroom building at Sacred Heart Hr. Sec. school at Iruppukrichi village iii) Class room Building for Govt. Hr. Sec. School at Periyakattupalayam, Panruti Union iv) Additional Classrooms for Model Hr. Sec. School at Bhuvanagiri, Chidambaram v) Classroom Building & formation of play ground at Govt. school at Venkatampettai vi) Compound wall & preparation of playground for Govt. Girls Hr. Sec. School, Chidambaram vii) Preparation of school ground in Govt. Hr. Sec. School, Venkatampettai. viii) Classrooms, toilets and compound wall for Govt. Middle school, U.Adhanoor village ix) Open Multipurpose hall, Smart class setup for 20 class rooms and Strengthening of Compound wall at NLC School x) School Lab equipment for science education xi) High Mast light to Boys Hr. Sec. school, Neyveli xii) Public address system in NLC Schools xiii) Classroom building for Primary School at Pulavankuppam village		Yes	Tamil Nadu	Cuddalore	439.53	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
27	Purchase of furniture and other amenities including desktop computers, air conditioners, LCD projector with accessories, CCTV facilities etc. for Skill Development Centre at Annamalai University Chidambaram		Yes	Tamil Nadu	Cuddalore	14.11	Yes	-	-
28	Providing Printer for a computer system and books for Library to Keyes High School for Girls, Secunderabad		No	Telangana	Secunderabad	1.00	Yes	-	-
29	Financial assistance towards integrated rural development initiatives like providing Smart class rooms for Dharwad Region, Karnataka		No	Karnataka	Dharwad	53.10	No	Gram Vikas Society	-
30	Setting up of Mini Science Centre in Eleven Govt. Schools in the Aspirational District of Virudhunagar & Ramanathapuram.		No	Tamil Nadu	Virudhnagar & Ramanathapuram	8.14	Yes	-	-
31	Construction of infrastructure for the Aspirational District of Virudhunagar I Compound Wall for the Govt. High School, K.Chettikulam Village ii) Classroom Building for the Govt. Hr. Sec.school at Thummuchinnampatti Village iii) Certain Improvement works to Floors, Walls etc.in the Govt. High School, Uluthamadai Village iv) Paving with paver Blocks including Construction of Dias with Roofing for Govt.Hr.Sec.School, Reddiapatti Village		No	Tamil Nadu	Virudhnagar	67.99	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
32	Construction of infrastructure for the Aspirational District of Ramanathapuram i) Classroom Building for the Govt. High School, Elanchembur Village ii) Computers with Printers & Scanners for Establishing Common Service Centre		No	Tamil Nadu	Ramanathapuram	78.05	Yes	-	-
E	**Promoting Employment Enhancing Skills**	**Item No. II**							
33	Construction of Centre of excellence, Skill Development Centre at Bal Grah, Bikaner		Yes	Rajasthan	Bikaner	6.20	Yes	-	-
34	Conducting following Skill Development & Employment enhancing Programmes for rural youth from the peripheral villages i) Tailoring, Beautician, Gem & Jewellery, Language Command, etc ii) LMV, HMV, EME, Geriatic care, house-keeping etc.		Yes	Tamil Nadu	Cuddalore	68.77	Yes	-	-
35	Financial support to Paddy Festival in Cuddalore District		Yes	Tamil Nadu	Cuddalore	1.00	No	M/s CREATE Trust	-
F	**Promoting Gender Equality, Empowering Women**	**Item No. II**							
36	Financial assistance towards Rakshin Project – a youth led Pan India movement towards a social tipping point, where NSS Volunteers speak up against Child Sexual Abuse and Build a culture of accountability by SAKSHI organisation.		No	Tamil Nadu	Chennai	2.05	No	M/s Sakshi Org.	-

(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
37	Financial assistance for construction of Skill Development Centre for women & downtrodden empowerment at Kottayam District, Kerala		No	Kerala	Kottayam	10.00	No	Sri Valavoor Mahadeva Kshetra Navakarana Kalasa Committee	
G	**Promoting Environmental Sustainability**	**Item No. IV**							
38	Plantation of Palm trees at De-silted Lakes		Yes	Tamil Nadu	Cuddalore	3.04	Yes	-	-
39	Providing Battery operated Cars		Yes	Tamil Nadu	Cuddalore	11.94	Yes	-	-
40	Installation & Commissioning of Roof top Solar plant at Old age home, Neyveli		Yes	Tamil Nadu	Cuddalore	8.72	Yes	-	-
H	**Protection of national heritage, art and culture**	**Item No. V**							
41	Forming Bund and walk way work for Swamy Sahajanantha Mani mandabam at Chidambaram		Yes	Tamil Nadu	Cuddalore	13.55	Yes	-	-
42	Restoration of community pond near Ilamaiakkinar Kovil at Chidambaram		Yes	Tamil Nadu	Cuddalore	19.67	Yes	-	-
43	Financial support to GURU institute, Hubli towards construction of Auditorium at Cultural Complex in Hubli		No	Karnataka	Dharwad	95.00	No	GURU Institute	-
I	**Measures for the benefit of armed forces veterans, war widows and their dependents.**	**Item No. VI**							
44	Benefit of armed forces veterans		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
J	**Promoting Rural Sports**	**Item No. VII**							
45	Conducting of Sports Events, Providing Sports items etc.to students of NLCIL Schools		Yes	Tamil Nadu	Cuddalore	2.27	Yes	-	-
46	Construction of Basket Ball Courts in KV School & NLCIL Hr. Sec. School		Yes	Tamil Nadu	Cuddalore	15.67	Yes	-	-
K	**Rural Development Projects like Providing Infrastructure, Roads and Access, community halls etc.**	**Item No. X**							
47	Construction & Providing of following Infrastructure facilities for rural developement. i) Laying of roads in Basi-Barsingsar phase-II. ii) Public waiting room at Police Station, Deshnok		Yes	Rajasthan	Bikaner	45.93	Yes	-	-
48	Construction & Providing of following Infrastructure facilities for rural development. I) RCC slab culvert in Kolliruppu village ii) Community hall for nomadic Tribals at Venkatakuppam iii) Community hall at Nadukuppam, U.Mangalam Village Laterite road from Gangaikondan ward no.II to Mine-II approach road/ Mine-I		Yes	Tamil Nadu	Cuddalore	60.89	Yes	-	-
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	2.47	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
L	**Water Resource Augmentation**	**Item No. X**							
50	De-silting of i) Putteri Eri in Kumudimoolai, ii) Thangal tank in Nathamedu, iii) Periyamadhuvu tank in Chokkankollai iv) Periya eri in Ko-Kothanur v) Sengal Odai and Middle Paravanar		Yes	Tamil Nadu	Cuddalore	133.82	Yes	-	-
51	Restoration of Kothavacheri Tank through De-silting, repairing sluices, surplus weir etc works in Cuddalore District		Yes	Tamil Nadu	Cuddalore	19.85	Yes	-	-
52	Deepening & De-silting including providing inlet pipe culverts, bathing ghats etc in i) Cholan eri at Keezhur village, ii) Kutankulam pond, iii) Silambankeni pond, iv) Adiyankulam pond, v) Devan Pond in Kollirupu		Yes	Tamil Nadu	Cuddalore	19.40	Yes	-	-
53	De-silting and formation of Bund from 9 vent culvert to wallajah tank		Yes	Tamil Nadu	Cuddalore	252.00	Yes	-	-
	Total					**4,642.71**			

8. d) Amount spent in Administrative Overheads: ₹ 31.76 lakh.
   e) Amount Spent on Impact Assessment, if applicable: ₹ 0.00
   f) Total Amount spent for the Financial Year (8b+8c+8d+8e): ₹ 46.74 crore
   g) Excess amount for set off, if any

₹ in crore

Sl.No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	**46.74**
(ii)	Total amount spent for the Financial Year	**46.74**
(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 (in ₹)	Date of transfer	
1.	2017-18	0.00	0.00	-	0.00	-	0.00
2.	2018-19	0.00	0.00	-	0.00	-	0.00
3.	2019-20	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):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	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

Sl. 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

Sd/-
(Chairman cum Managing Director)

Sd/-
(Chairman / CSR Committee)

Annexure - 2

A. Conservation of Energy

i. The steps taken or impact on conservation of energy

a. Energy Conservation Committees formed in 14 Industrial/Service Units to identify and implement the energy conservation measures periodically and wherever possible, energy conservation is being achieved through regular maintenance, replacements, using energy efficient equipment's 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 the financial year 2020-21,16 meetings/training programmes were organized with the aim of promotion of energy conservation and about 710 employees were inculcated and imbibed the concept of energy conservation.

d. The conventional lights are being replaced with contemporary energy saving LED lights.

e. Usage and procurement of conventional lights is dispensed with to promote energy conservation.

f. Capacitor banks are being introduced in phased manners in motors of Conveyors, Special Mining Equipment and Transformers to improve power factor thereby reducing reactive power energy losses.

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

h. Measures taken to reduce the consumption of diesel in various sectors (surface transport, Mining Equipment, Cranes etc.)

i. 22 Nos of 20 Watt Solar Street light have been installed in the peripheral areas of the CARD campus.

j. During the Financial Year 2020-21, by adopting energy conservation measures, about 111 Million Units of energy were conserved.

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

Measures are being taken to utilize alternate source of energy wherever permissible, to minimize the consumption of energy. The following measures were implemented in various Industrial/Service units and Township.

a. Solar panels have been erected and commissioned in Library, TPS-IE, Mine-II etc.

b. Solar Heaters are used in General Hospital and Guest Houses.

c. 51 MW Wind Mills have been setup in Tirunelveli District, Tamil Nadu.

d. 10 MW & 130 MW Solar Power Plants have been setup in Neyveli Township and synchronized with Grid.

e. 500 MW Solar Power Plants have been setup in Southern Districts of Tamil Nadu.

f. 20 MW Solar Power Plants were installed and commissioned in Andaman & Nicobar Islands.

g. 709 MW of Solar Power Plants were installed and commissioned in the State of Tamil Nadu.

h. 1.06 MW Solar Roof PV Panels have been setup in the roofs of Non-Residential Buildings in Neyveli Township.

i. 4x5 KW Micro Hydel project at TPS-II was commissioned as pilot project.

j. 200 KW floating Solar Power Panels were erected and commissioned in NNTPS Lake.

k. 30KW Roof Top Solar Power Panels were installed and commissioned in CARD complex.

l. Your Company and CIL have signed MoU for JV project to erect and commission 5000 MW which includes Solar Power Projects.

m. Setting up of 2000 MW Ultra Mega Solar Power project is under active consideration.

n. Tender floated for 10 MW Neyveli Solar Project in Neyveli Township.

o. The Company has won 150 MW capacity in the Wind-Solar hybrid tender floated by SECI

iii. **The capital investment on energy conservation equipment**

During the Financial Year 2020-21, for implementing various energy conservation measures, the company has invested ₹ 3.24 crore in the Industrial and Service Units.

B. Technology Absorption

Research and Development (R&D)

(i) The efforts made towards technology absorption:

a. Solar Lignite Drying

Lignite contains about 50-55% moisture which is a constraint for transport to longer distance utilization. R&D initiative has been taken up by your Company with Institute for Energy Studies (IES)/Anna University for solar drying of Lignite. Based on the outcome of preliminary study, a pilot scale study with a capacity of 1 ton/ day was taken up to study the feasibility. A solar drying process has been developed in a pilot plant scale and trials have been carried out. As a result of Solar Drying of Lignite, its calorific value has got increased from about 2700 Kcal/Kg to around 4600 Kcal/Kg. Project completed.

b. 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.

c. 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 your Company 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. Further sampling and trials are in progress.

d. Floating Solar PV plant at Thermal Lake, Neyveli

Your Company's Mines & Thermal plants are having lakes to store the ground water for industrial purposes. A floating solar system has been installed to generate electricity to run the pump for drawing water from lake and for lighting applications. Installation of 200 KW floating solar Pilot project at NNTPS has been completed.

e. 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 replication of the above project in other Mines is in progress.

f. 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.

g. Lignite to Diesel

Your Company has intended to take up diversification studies on lignite to develop clean coal technology for value added product. The main objective of the project is to explore the possibility of producing diesel from lignite and also to develop a suitable technology for alternate use of Lignite which requires proven technologies. In this connection, a global EOI has been floated to identify the proven technology and sources. Work has been awarded to LEMAR Industries, USA for feasibility study. Lignite samples were sent to USA for testing at pilot facility. The firm has submitted the report after completing the testing. Evaluation is under progress.

h. 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 Andhra Pradesh, Telangana, Karnataka, Odisha, Uttar Pradesh and Maharashtra on various crops. Field trials conducted during kharif season 2020-21 in around 150 locations of Odisha which recorded increase in yield. Further field trials at farmer's field are in progress.

i. Innovation –Incubation Centre

The Government of India has setup the Atal Innovation Mission (AIM) under NITI Aayog. The overarching purpose of this Mission is to promote a culture of innovation and entrepreneurship in India. Under the Mission, all CPSEs have to form Incubation Centers. Your Company 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. Development of Proof of Concept (POC), demonstration by Innovators completed in March, 21 and the selected projects will be taken up for prototype.

j. 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 by modifying the existing Polyhouse to accommodate smart agriculture" at Mine-IA with IoT enabled to capture the live data and use for monitoring the growth of the plant. In this regard, a Consultancy R&D project has been taken up in association with Indian Institute of Science (IISc), Bangalore to develop value added crops with green house facility through hydroponics/aeroponics system. 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.

h. Lignite to Methanol

Your Company is aiming at Multiple Business Portfolio for sustained growth. As part of diversification, a new project "Lignite gasification and conversion to Methanol" has been initiated aiming for use of lignite in clean coal technologies and also to utilize large reserves of lignite available in environment friendly manner. The envisaged Methanol project is proposed to have a target of producing 1200 Metric Tonnes of Methanol per day. The Detailed Feasibility Report for the Project has been prepared and financial evaluation is under progress.

(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) Neyveli Mines & Thermal are having lakes around 150 hectares to store the groundwater for industrial purposes. Floating solar paves the way for double benefits of water conservation by 30% and minimum land use in green energy generation.

c) The benefits of Micro Hydel Pilot Project is generation of clean renewable energy by utilizing the perennial water resource available in the premises of your Company. Till date around 2,07,500 kWhr energy has been generated by the installed system.

d) The benefits of the solar drying of Lignite project is to decrease energy consumption, pollutants and greenhouse gas emissions of low rank coals during the utilization process, efficient and appropriate drying and for transportation.

e) Electronification of GWC pumps and Conveyor System benefits the productivity, real time monitoring & safety in Mines.

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

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

h) 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.

i) In the R&D outcome 2 patents have been granted during the year 2020-21.

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

(iv) The expenditure incurred on Research and Development for the year 2020-21 is ₹ 21.70 crore.

C. Foreign exchange earnings and outgo

Foreign Exchange Inflow : Nil

Foreign exchange Outflow : ₹ 35.79 crore

For and on behalf of the Board of Directors

Rakesh Kumar
Chairman-cum-Managing Director

Place: Neyveli
Date: 06.09.2021

Annexure - 3

Management Discussion and Analysis Report

Power Industry - an outlook

The power sector outlook for the year 2021 looks bright despite COVID-19 disruptions. The sector is currently on the path to recovery with a steady improvement in power demand and recovery in economic activities. The year 2020 witnessed a slew of powerful measures such as the announcement of privatization of DISCOMs in the Union Territories, the special liquidity infusion of ₹ 90,000 crore into the distribution utilities and the increased focus on consumer rights that set the stage for greater structural reforms in the power. While the situation is yet to be normal, there are obvious green shoots that indicate a more than expected economy rebound in the near future. With the slow but steady unlocking of the business activities and the economic revival set back in motion, there has been commensurate positive impact on the electricity demand.

The electricity generation target of Conventional Sources for the year 2021-22 has been fixed at 1356 Billion Units (BU) i.e. growth of around 9.83% over the actual conventional generation of 1234.608 BU for the previous year (2020-21). This target comprises of 1155.200 BU Thermal; 149.544 BU Hydro; 43.020 BU Nuclear; and 8.236 BU Import from Bhutan.

Capacity addition

The overall power capacity addition to conventional as well as renewable power generation during the financial year 2020-21 has taken a hit due to the COVID-19 pandemic. The net conventional power capacity addition stood at about 5.4 GW as against 7.065 GW YoY, while the renewable energy power addition was at 7.04 GW as against 9.39 GW in the previous fiscal. The private sector generates 47.3% of India's thermal power whereas States and Central Sector generates 27.2% and 25.5% respectively. The lower capacity addition was due to supply-side disruptions (which slowed movement of inputs and led to an increase in their prices), labour shortages and the constrained finances and liquidity pressures faced by the developers triggered by the lockdown. Import restriction on the inputs aggravated the problems for solar power developers.

However, growth is set to rebound and renewable expansion is expected to set a new record by the year 2022, driven by the commissioning of delayed projects. However, the current surge in Covid-19 cases in India due to 2nd wave has created short-term uncertainty for this year.

The contribution of the State, Central and Private Sector were as under:

Sector	Total capacity (MW)	% to Total
Central Sector	97,507	25.50
State Sector	1,03,870	27.20
Private Sector	1,80,774	47.30
Total	**3,82,151**	**100.00**

The installed capacity from different sources of energy were as under:

Source	Total capacity (MW)	% to Total
Thermal	2,34,728	61.42
Hydro(renewable)	46,209	12.09
Nuclear	6,780	1.77
RES(MNRE)	94,434	24.72
Total	**3,82,151**	**100.00**

(Source: Central Electricity Authority)

RES (Renewable Energy Sources) includes Small Hydro Projects, Biomass Gasifier, Biomass Power, Urban & Industrial Waste Power, Solar and Wind Energy.

Impact of COVID Pandemic

The growth momentum of Indian power sector has been hindered by the onset of the pandemic and the ensuing lockdown measures. The shutdown of industrial activities as an effect of the lockdown announced on 24th March 2020, led to a sharp fall in power consumption in the industrial and commercial sectors.

The steep decline in demand, coupled with a liquidity crunch, has crippled the financials of power generating and power distribution companies. To address the immediate impacts of the crisis, Government provided temporary relief measures allowing DISCOMs to deposit letters of credit for only 50% of the cost of power they want to schedule, lowering their credit requirements and rebate on capacity charges during pandemic period. Government also came with the power sector reforms, notably the draft Electricity (Amendment) Bill 2020 and financial support through a recovery package worth USD 12 billion (₹ 90,000 crore) to mitigate the harsh impacts of Covid-19 on the sector's solvency.

Coal and Lignite

Fossil fuels remain the dominant source of energy powering the global economy, providing around 60% of the growth in energy. Coal, Oil and Gas are the primary commercial energy sources with coal being the largest source of energy in India because of its abundant presence.

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 01.04.2020, the total estimated reserves of Coal in India was 344.021 Billion Tonnes (BT) out of which the proved category accounted for 163.471 BT.

The details of Coal Resources as on 01.04.2020 are as follows:

(Resources in Million Tonnes)

State	Measured	Indicated	Inferred	Total	%
Arunachal Pradesh	31.23	40.11	18.89	90.23	0.03
Assam	464.78	57.21	3.02	525.01	0.16
Bihar	309.53	2,430.58	11.30	2,751.41	0.80
Chhattisgarh	24,984.86	42,367.83	2,079.14	69,431.83	20.18
Jharkhand	49,468.59	30,283.80	5,849.71	85,602.10	24.87
Madhya Pradesh	12,597.25	12,888.39	3,799.31	29,284.95	8.51
Maharashtra	7,623.74	3,257.37	1,846.59	12,727.70	3.70
Meghalaya	89.04	16.51	470.93	576.48	0.17
Nagaland	8.76	21.83	415.83	446.42	0.13
Odisha	40,871.77	36,067.17	7,713.12	84,652.06	24.61
Sikkim	0	58.25	42.98	101.23	0.03
Uttar Pradesh	884.04	177.76	0	1,061.80	0.31
Andhra Pradesh	97.12	1,078.44	431.65	1,607.21	0.47
West Bengal	15,199.49	13,121.95	4,615.85	32,937.29	9.57
Telangana	10,840.88	8,521.40	2,862.84	22,225.12	6.46
Total	**1,63,471.08**	**1,50,388.60**	**30,161.16**	**3,44,020.84**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2020 by GSI).

Lignite

Lignite reserves

In India, lignite deposits are mostly confined in the States of Tamil Nadu, Gujarat, Rajasthan and Puducherry. 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 01.04.2020 are as follows:

(Resources in Million Tonnes)

State /Union Territory	Measured	Indicated	Inferred	Total	%
Pondicherry	0.00	405.61	11.00	416.61	0.91
Tamil Nadu	4,521.92	22,315.06	9,652.62	36,489.60	79.29
Rajasthan	1,168.53	3,029.77	2,150.77	6,349.07	13.79
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	**6,969.10**	**26,055.53**	**12,993.84**	**46,018.47**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2020 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

Strength

- Diversified energy portfolio of Fossil Fuel Mining, Thermal Power Generation & Renewable Power.
- Expertise in lignite & coal fired power station.
- Expertise in renewable power generation and power trading.
- Experienced Management team with committed and experienced work force.
- Having Pit Head Power Stations.
- Availability of lignite, coal and water for power generation.
- Expertise in open-cast lignite mining with SME technology.
- 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.

Threats

- Delay in realization of dues from beneficiaries.
- 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 land owners for acquisition, demand for enhanced compensation, demand for employment.
- 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.

Segment-wise performance

Covered in the main report.

Company Outlook

Your Company is presently operating lignite mines with a total installed capacity of 30.60 MTPA and considering the other Projects under formulation / implementation, the total lignite mining capacity will be increased to 62.15 MTPA by the year 2025.

Your Company has also started Coal mining operations from Talabira II & III Opencast Mines at Odisha from 26th April 2020 with a mining capacity of 20.0 MTPA thereby increasing the total mining capacity to 50.60 MTPA. Coal production to the mining capacity is expected to reach in 2027-28. The Pachwara South Coal Block with a capacity of 9.0 MTPA has been allotted to NUPPL, the Subsidiary Company and with the commencement of the said Coal Block by end of the year 2025, the total coal mining capacity of the Group would be 29.0 MTPA.

Your Company has added 500 MW Thermal Power and 17.5 MW Renewable Power during 2020-21 and retired 350 MW (of TPS I) of its installed capacity. With this addition and retirement, the total installed capacity has become 6061.06 MW.

Your Company has formed a JV with CIL named "Coal Lignite Urja Vikas Pvt. Ltd." which was incorporated on 10.11.2020 with equity participation of 50:50 for establishing Thermal and Solar Projects and to undertake Project Management Consultancy (PMC) and the said JV is also proposed to participate in the tenders for Renewable Energy Projects.

Details of Projects under construction / implementation / formulation

Covered in the main report.

Risks and Concerns

A brief on the major risks faced by the Company are given below:

Operational risks

- Delay in realisation of Power dues.
- Power surrender by the 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.
- Compliance to the stringent New Environmental Emission norms for Thermal Power Stations.
- Competition consequent to de-regulation in Indian Power Sector.
- Resistance from land owners against land acquisition and its restricted availability impacting the operations.
- Stringent norms prescribed by Regulatory Authority 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:

- pertain to 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 authorisations of management and directors of the Company; and
- 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 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.

Discussion on financial performance with respect to operational performance

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 2020-21 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, Intangible Assets and Assets under development (Note-2 to Note-6)

The PPE, Intangible assets, Capital work-in-progress and Intangible assets under development of the Company are detailed as under:

(₹ crore)

Particulars	As at March 31		%
	2021	2020	Change
Gross Block of PPE (Note-2)	25764.29	22094.84	17
Net Block of PPE (Note-2)	20753.04	18298.74	13
Net Block - RoU Assets (Note-3)	3.66	3.06	20
Net Block of Intangible assets (Note-4)	24.50	6.36	285
Capital work-in-progress (Note-5)	1019.71	4083.58	(75)
Assets under development (Note-6)	101.68	127.67	(20)

During the year, total gross block of PPE increased by ₹ 3669.45 crore over the previous year i.e. by 17%. This was mainly on account of declaration of commercial operation of Unit # 2 (500 MW of 1000 MW) capacity of NNTPP and 17.5 MW of Solar Power Plant of 20 MW Solar Plant at Andaman & Nicobar Islands, correspondingly Net block of PPE also increased by ₹ 2454.30 crore i.e., 13% and reduction of CWIP by ₹ 3063.87 crore i.e., 75%.

Increase in Intangible assets by ₹ 20.98 crore is mainly on account of implementation and capitalization of various modules of SAP in Phase-II implementation process.

Reduction of Assets under development by ₹ 25.99 crore i.e., 20% is mainly due to transfer of related expenses of Talabira II & III mines to CWIP.

2 Financial Assets (Note-7) & 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:

(₹ crore)

Particulars	As at March 31	
	2021	2020
Investment in Subsidiaries	3609.21	3506.63
Investment in Joint ventures	0.01	-
Investment in Associates	12.77	12.77
Total	**3621.99**	**3519.40**

The movement in investment in subsidiary is mainly on account of additional equity contribution of ₹ 102.58 crore to NUPPL. Investment in Joint venture is the token equity contribution of ₹ 0.01 crore to newly formed JV Company with Coal India Limited i.e., Coal Lignite Urja Vikas Pvt Ltd.

(b) Loan (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:

(₹ crore)

Particulars	As at March 31	
	2021	**2020**
Loans to Employees	28.91	30.88

(c) Other Non-Current Assets (Note-8)

(₹ crore)

Particulars	As at March 31	
	2021	**2020**
Capital Advance	390.66	450.59
Other Assets	148.86	148.84
Total	**539.52**	**599.43**

The reduction in Capital advance is mainly due to completion of major project activity of NNTPP, 17.50 MW Andaman Solar and balance activities of 709 MW Solar. Other assets is in the nature of payment to contractors against LDBG.

3 Current Assets (Note-9 to Note-12)

The current assets as at 31st March 2021 and 31st March 2020 and the changes therein are as follows

(₹ crore)

Particulars	As at March 31		YoY	%
	2021	**2020**	**Change**	**Change**
Inventories (Note-9)	1416.95	1324.55	92.40	7
Trade receivables (Note-10 a)	5611.18	6691.83	(1,080.65)	(16)
Cash & Cash equivalents (Note-10 b)	152.36	12.97	139.39	1075
Bank Balances other than Cash and Cash equivalents (Note-10 c)	465.04	360.30	104.74	29
Loans (Note-10 d)	29.17	37.98	(8.81)	(23)
Other financial assets (Note-10 e)	59.33	65.13	(5.80)	(9)
Income Tax Assets (Net) (Note-11)	786.83	832.28	(45.45)	(5)
Other Current Assets (Note-12)	1482.35	1226.70	255.65	21
Total current assets	**10,003.21**	**10,551.74**	**(548.53)**	**(5)**

Note 9. Increase in inventories by ₹ 92.40 crore i.e., 7% is mainly due to increase in stock of stores and spares by ₹ 35.41 crore, and change (increase) of lignite stock Rs.54.47 crore

Note 10 a. Reduction of trade receivables by ₹ 1080.65 crore is mainly due to realization of dues under “Atmanirbhar Bharat Scheme” and Bill Discounting of various DISCOMS.

Note 10 b. Increase in Cash and Cash equivalent is mainly due to short term deposit (7 days) of PRMA fund of ₹ 80 crore and increase in current account balance due to realization of dues on the last day of the year.

Note 10 c. Increase in bank balance other than cash and cash equivalent is on account of additional deposit towards “Mine Closure” by ₹ 94.31 crore.

Note 10 d. Loan to Employees has been reduced by ₹ 8.81 crore due to repayment/ settlement of loan amount by the employees.

Note 11. Income Tax movement of (₹ 45.45) crore is the net movement of Advance Tax after adjustment towards provision for tax for both the periods.

Note 12. Increase in Other current asset by ₹ 255.65 crore is mainly on account of increase in prepaid expenses by ₹ 85 crore, increase in unbilled revenue by ₹ 105.05 crore and deposit of ₹ 56.21 crore with Sales Tax authorities for filing appeal against VAT demand.

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.

Revision of pay scales of employees of the Company has been implemented w.e.f. 1 January 2017 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 employees of CPSEs. The impact of wage revision has been considered as regulatory asset. Accordingly, an amount of ₹ 612.67 crore as at 31st March 2021 (31st March 2020: ₹ 612.67 crore) has been accounted for as ‘Regulatory deferral account debit balance’.

Further, Gratuity ceiling has been changed to ₹ 20 lakh from the existing ceiling of ₹ 10 lakh. 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 the CERC. The increase in gratuity limit from ₹ 10 lakh to ₹ 20 lakh falls under the category of Change in Law and a Regulatory Asset has been created. Accordingly, an amount of ₹ 170.98 crore as at 31st March 2021 (31st March 2020: ₹ 170.98 crore) has been accounted for as ‘Regulatory deferral account debit balance’.

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 on an undiscounted basis 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.

Based on petition filed with CERC for NNTPP (2 X 500 MW), the differential amount of ₹ 52.11 crore considered under Regulatory Deferral Account Debit Balance.

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 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 under Regulatory Deferral Account Debit Balances pending filing of the claim with "Coal Controller".

Further, Security Expenses, Water Charges and O&M expenses as per the new Tariff guidelines 2019-24 has been considered under "Regulatory deferral account debit balance".

5 Total equity (Note-14 and 15)

The total equity of the Company at the end of financial year 2020-21 increased to ₹ 13574.68 crore from ₹ 12639.51 crore in the previous year, an increase of 7.40%. Major reasons for the same are tabulated below:

(₹ crore)

Particulars	Total Equity (₹ crore)	Value per Share (₹)
Opening balance as on 1st April 2020	12639.51	91.15
Profit for the year	1041.79	7.51
Other comprehensive income and other adjustments to reserves	32.04	0.23
Dividend & dividend tax	(138.66)	(1.00)
Balance as on 31st March 2021	13574.68	97.90

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(c) (a)):

Total Non-current financial liabilities as at 31st March 2021 were ₹ 9697.90 crore in comparison to ₹ 11370.16 crore as at 31st March 2020. Current maturities out of long-term borrowings have been shown under current liabilities. Details of the total borrowings are as under:

(₹ crore)

Particulars	As at March 31	
	2021	2020
Borrowings in Non-current financial liabilities-Borrowings (Note-16 (a))	9697.90	11370.16
Current maturities of non-current borrowings included in current liabilities- Other financial liabilities (Note-19 (c)(a))	1519.79	1768.89
Total borrowings	**11,217.69**	**13139.05**

Reduction of long term borrowing by ₹ 1921.36 crore is mainly on account of repayment and pre closure of term loans availed for various projects.

The total debt to equity ratio (in times) at the end of financial year 2020-21of the Company stands at 1.11 compared to 1.34. The Debt Service Coverage Ratio (DSCR) and Interest Service Coverage Ratio (ISCR) for financial year 2020-21 are 1.25 and 4.02 compared to 1.81 and 4.86 respectively.

b. Non-current liabilities -Deferred tax liabilities (net) (Note-17):

Deferred tax liabilities (net) has increased from ₹ 2118.89 crore as at 31st March 2020 to ₹ 2573.52 crore as at 31st March 2021.

The increase in deferred tax liability during the year is mainly on account of capitalisation of new units during the year 2020-21. Net increase in deferred tax liability during the year amounting to ₹ 454.63 crore has been debited to the Statement of profit and loss.

c. Non-current liabilities- "others" (Note-18)

Non-current liabilities (for capital purchase) have decreased from ₹ 701.84 crore as (2019-20) to ₹ 609.58 crore (2020-21). Mine closure liability has increased from ₹ 267.18 crore (2019-20) to ₹ 361.57 crore (2020-21) and other deferred income increased from ₹ 97.37 crore (2019-20) to ₹ 119.03 crore (2020-21).

d. Current liabilities (Note-19):

The current liabilities as at 31st March 2021 were ₹ 8134.10 crore as against ₹ 8694.74 crore as at the end of previous year. The break-up of current liabilities is as under.

(₹ crore)

Particulars	As at March 31		YoY	%
	2021	2020	Change	Change
Borrowings (Note- 19 a)	3700.00	3641.42	58.58	2
Trade payables (Note-19 b)	1512.18	1830.89	(318.71)	(17)
Other financial liabilities (Note-19 c)	1,787.59	1,886.53	(98.94)	(5)
Other current liabilities (Note-20)	670.30	587.64	82.66	14
Provisions (Note- 21)	464.03	748.26	(284.23)	(38)
Total	**8134.10**	**8694.74**	**(560.64)**	**(6)**

Note 19 a. Borrowings has been increased by ₹ 58.58 crore mainly due to issue of commercial paper on substitution of working capital demand loan.

Note 19 b. Trade payables has been reduced by ₹ 318.71 crore mainly due to timely settlement of payment to various vendors.

Note 19 c. Reduction of ₹ 98.94 crore in Other Financial liability is mainly on account of repayment / prepayment of loans availed for various projects.

Note 21. Reduction on provision by ₹ 284.23 crore is mainly on account of reduction on liability towards Gratuity and other employee benefit by ₹ 253.05 crore

7. Regulatory Deferral Account Credit Balances (Note-22)

The Company has filed appeals before the appellate authority against the following CERC Orders which are pending for Disposal:

a) Thermal Power Station-II (Neyveli) – Disallowance of decapitalisation of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14

b) Lignite Truing up – Disallowance of O & M escalations at 11.50% p.a as per MoC guidelines considering FY 2008-09 as the base year

c) 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 appropriately considered under Regulatory Deferral balances in the respective financial years.

In this regards an amount of ₹ 1972.23 crore as at 31st March 2021 (31st March 2020: ₹ 1870.46 crore) has been accounted for as 'Regulatory deferral account credit balance'.

Further Truing up petitions for lignite transfer price for tariff period 2014-19 has been filed with CERC in FY 2019-20. Pending order from CERC, regulatory liability created for lignite transfer price amounting to ₹ 544.37 crore as at 31st March 2021 (31st March 2020: ₹ 544.37 crore) has been maintained as 'Regulatory deferral account credit balance'.

In respect of Renewable energy tariff differential which is subject to regulatory orders have been recognised to the tune of ₹ 41.23 crore as at 31st March 2021 (31st March 2020: ₹ 34.49 crore) has been accounted for as 'Regulatory deferral account credit balance'.

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 ₹ 30.57 crore as at 31st March 2021 has been accounted for as 'Regulatory deferral account credit balance' (31st March 2020: ₹ 34.26 crore).

8. Results from operations

Total Income (Note-23 & Note-24)

(₹ crore)

Sl.No.	Particulars	FY 2020-21	FY 2019-20	Change
	Revenue			
1	Sale of Power	6837.46	7355.15	(517.69)
2	Sale of Lignite / Coal	430.25	517.46	(87.21)
3	Sale of by-products	38.83	26.87	11.96
4	Consultancy & other services	33.36	30.65	2.71
	Less: Transfer to CWIP & Rebate	90.27	13.83	76.44
5	**Revenue from Operations**	**7249.63**	**7916.30**	**(666.67)**
	Other Income			
6	Interest on deposits/ loan to subsidiary and loan to employees	110.28	166.85	(56.57)
7	Provisions written back	112.34	0.05	112.29
8	Dividend from subsidiary	58.42	97.37	(38.95)
9	Surcharge	1236.53	840.41	396.12
10	Others (Net off transfer to CWIP and Mine closure liabilities)	199.31	112.30	87.01
	Total Income	**8966.51**	**9133.28**	**(166.77)**

The power generation in 2020-21 has been lower by 2600.98 MU (19,322 MU in FY 2020-21 against 21,922.98 MU in FY 2019-20) i.e.,12% mainly due to unexpected fire incident in TS-II units. Due to fire incident and consequent shut down of the affected units for safety audit and statutory clearances the revenue on power sale got impacted in 2020-21. Revenue from operations reduced by ₹ 666.67 crore i.e, 8% over the previous year. Power sale includes sale of power through power trading ₹ 408.41 crore (PY ₹ 1129.43 crore).

The Sale of Lignite also reduced due to availability of cheaper alternative fuel in the open market. The increase in surcharge income is due to delay in realization of payment from DISCOMS. The provision written back is mainly due to receipt of arbitration order in favour of the company for which provision was created in the books in previous years.

9. Expenses (Note Nos. – 25 to 31)

Details of various expenses and movement with previous year are as follows:

Particulars	2020-21	2019-20	Inc/(dec)	% of Inc/(dec)
Change in Inventories	(54.47)	81.99	(136.46)	(166.43)
Employee Benefit Expenses	2,688.36	2,804.70	(116.34)	(4.15)
Finance Cost	980.63	820.38	160.25	19.53
Depreciation & Amortization	1204.41	958.39	246.02	25.67
Other Expenses	2662.11	2255.38	406.73	18.03
Total Expenses	7,481.04	6,920.84	560.20	8.09
Net Movement in regulatory deferral account balances income/(expenses)	314.72	(4.41)	319.13	
Exceptional items	46.79	3.44	43.35	1260.17

The total expenses have increased mainly due to the followings reasons:-

a. Inventory :

Increase in level of closing stock of lignite compared to opening stock resulting in positive movement of change in inventory in the current financial year.

b. Employee Benefit Expenses :

Employee Benefit Expenses has also been decreased mainly due to reduction in employee strength from 12,097 Nos in 2019-20 to 10,975 nos in 2020-21. Corresponding decrease in provision towards employee benefits recognised based on actuarial valuation and freezing of DA for executives from July, 2020.

c. Finance Cost :

Increase in Finance Cost is mainly due to commissioning of NNTPS Unit-II, Andaman (17.5 MW) in current year and full year operation of NNTPS Unit-I & Solar 709 MW which was partly offset by availing low cost short term borrowings viz, Commercial Paper and Bonds.

d. Depreciation :

Increase in Depreciation compare with previous year mainly on account of Unit-I of NNTPS (in Dec-2019) and Solar 709 MW (in Oct-2020) project were commissioned in the previous year hence depreciation was charged only for part of the period in the previous financial year and commissioning of Unit # II of NNTPS in Feb'2021 contributed for increase in depreciation in 2020-21.

e. Other Expenses :

Increase in Other Expenses mainly due to recognition of provision towards loss allowances on outstanding power debtors, insurance premium towards mega insurance policy and provision towards non-moving stores and spares.

f. Net movement in regulatory deferral account balances income/expenses:

Net movement in regulatory income/expenses has shown a positive movement mainly due to recognition of mine closure recovery for the 5 year period 2016-17 to 2020-21 and income on account of tariff petition filed before CERC for NNTPS based on actual capitalization value.

g. Exceptional Items

Exceptional Items is mainly towards one time rebate to DISCOMS based on the directives of Ministry of Power on capacity charges and surcharge during the lockdown period on account of COVID19.

Environmental Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation

Covered in the main report.

Material developments in Human Resources/Industrial Relations front, including number of people employed

Covered in the main report.

Details of Significant Changes in Key Financial Ratios

Ratio Description	2020-21	2019-20	Reasons for variation beyond 25%
Debtor Turnover Ratio	1.15	1.36	-
Inventory Turnover Ratio	5.27	4.97	-
Interest coverage Ratio	4.02	4.86	-
Debt Equity Ratio	1.11	1.34	-
Operating Profit Margin (%)	26.95	35.04	-
Net Profit Margin (%)	11.62	15.48	-
Current Ratio	1.78	1.83	-

Details of any change in Return on Networth as compared to the immediately previous financial year along with a detailed explanation thereof

The Net Worth of the Company has increased from ₹12511.84 crore to ₹ 13473 crore. The accretion to the Networth was mainly on account of profit for the FY 2020-21 after appropriation of dividend declared. The profit for the FY 2020-21 has decreased from ₹ 1413.85 crore to ₹ 1041.79 crore, due to decrease in revenue from operations by ₹666.67 crore mainly on account of shutdown of TS-II Units for a substantial period after two consecutive fire incidents and shutdown of TS-I Expansion Units for substantial period due to some technical failure in Turbine Generator and decommissioning of TPS-I in a phased manner. Increase in other income for FY 2020-21 by ₹ 499.90 crore was mainly due to increase in surcharge income .

The above change in revenue from operations and other income was partly offset by increase in the Finance Cost by ₹160.25 crore and depreciation & amortisation by ₹ 246.02 crore mainly on account of commissioning of Unit II of NNTPS & 17.5 MW of Andaman Solar in FY 2020-21 and full year of operation of 709 MW Solar Project & 500 MW of Unit I of NNTPS.

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 2020-21:

(a) Increase in Net movement in regulatory Income by ₹319.13 crore.

(b) Decrease in Changes in inventory by ₹ 136.46 crore.

(c) Decrease in Employee benefit expenses by ₹ 116.34 crore.

(d) Increase in other expenses by ₹ 406.73 crore.

Corporate Social Responsibility

Covered in the main report

Cautionary Statement

Statement in the Management Discussion & Analysis Report and 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

Rakesh Kumar

Chairman-cum-Managing Director

Place: Neyveli
Date: 06.09.2021

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, 2021, the Board of Directors of your Company comprised an Executive Chairman, five Executive Directors, two Non-executive Directors and three Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2021 and the details of other Directorships & Membership/Chairmanship of Committees of Board as on that date are furnished below:

Sl. No.	Name (Sarvashri)	Designation	Other Directorships held	Directorship in Listed Entity	Other Committee * Memberships held	
					As Member	As Chairman
Executive Directors						
1.	Rakesh Kumar	Chairman-cum-Managing Director	3	-	-	-
2.	R.Vikraman	Director(Human Resource)	1	-	-	-
3.	Nadella Naga Maheswar Rao	Director(Planning & Projects)	2	-	1	1
4.	Prabhakar Chowki	Director(Mines)	-	-	-	-
5.	Shaji John	Director(Power)	2	-	1	-
6.	Jaikumar Srinivasan	Director(Finance)	3	-	2	-
Non-executive Directors						
7.	Vinod Kumar Tiwari	Additional Secretary to Government of India, Ministry of Coal - Part-time Official Director	1	Coal India Limited – (Non-Executive Director)	-	-
8.	S.K. Prabakar	Principal Secretary to the Government of Tamil Nadu, Energy Department, Part-time Official Director	7	-	-	-
Independent Directors						
9.	P. Vishnu Dev	Part-time Non-official Director	-	-	2	2
10.	V. Muralidhar Goud	Part-time Non-official Director	-	-	1	-
11.	N.K. Narayanan Namboothiri	Part-time Non-official Director	-	-	2	-

*Membership of only Audit Committee and Stakeholders Relationship Committee have been considered

Dates of Board Meetings & Directors' Attendance

During the financial year 2020-21, 6 meetings of the Board of Directors were held on the following dates:

23rd June, 2020; 4th September, 2020; 29th September, 2020; 13th November, 2020; 7th January, 2021 and 10th February, 2021.

The details of attendance of Directors at the Board Meetings held during the financial year 2020-21 and their attendance in last AGM are as under:

Name (Sarvashri)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Whether Attended last AGM held on 29/09/2020	Remarks
Rakesh Kumar	6	6	Yes	
Vinod Kumar Tiwari	6	6	Yes	
S.K. Prabakar	5	3	No	Appointed w.e.f. 02.07.2020
A. Karthik	-	-	-	Relinquished w.e.f 15.06.2020
R.Vikraman	6	6	Yes	
Nadella Naga Maheswar Rao	6	6	Yes	
Prabhakar Chowki	6	6	Yes	
Shaji John	6	6	Yes	
Jaikumar Srinivasan	6	6	Yes	
Indrajit Pal	2	2	-	Relinquished w.e.f 06.09.2020
P. Vishnu Dev	6	6	Yes	
V. Muralidhar Goud	6	6	Yes	
N.K. Narayanan Namboothiri	6	6	Yes	

Disclosures- Relationship between Directors inter-se

None of the Directors / Key Managerial Personnel of the Company were inter-se related as on 31.03.2021.

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.

Apart from CMD, the Board consists of 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, the 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 Tamilnadu, are generally senior officers at the level of Additional Secretary and Principal Secretary to the Government 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 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 10th February 2021, wherein the Independent Directors assessed the performance of Non-Independent Directors and the Board of Directors as a whole, reviewed the performance of the Chairman of the Company and 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 Chairman:**

The Committee as on 31.03.2021 comprised of three Independent Directors viz., Dr P Vishnu Dev, as the Chairman, Dr V Muralidhar Goud and Shri N K Narayanan Namboothiri as its Members.

(iii) **Meetings and Attendance:**

During the financial year 2020-21, 7 meetings of the Audit Committee were held on the following dates:

23rd June, 2020; 4th September, 2020; 7th November, 2020; 13th November, 2020; 7th January, 2021; 10th February, 2021 and 31st March, 2021

The details of number of meetings and attendance of members for the Audit Committee meetings held during the year 2020-21 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Indrajit Pal	2	2
P. Vishnu Dev	7	7
V. Muralidhar Goud	7	7
N.K. Narayanan Namboothiri	7	7

Nomination and Remuneration Committee

(I) Terms of reference:

The appointment of Executive Directors including the Chairman-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 and only Sitting fees are paid to Independent Directors for attending the meetings of Board and Committees thereof. However, for finalising the Performance Related Pay (PRP) for Executive Directors, Executives and Non-unionised Supervisors, as required under the DPE guidelines, the Board has constituted the “Nomination and Remuneration Committee” in terms of the provisions of the Companies Act, 2013 and SEBI LODR Regulations with the terms of reference limited to below Board Level employees only and as per DPE Guidelines for payment of PRP.

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, Names of Members and Chairman:

The Committee as on 31.03.2021 comprised three Independent Directors viz.,Shri N K Narayanan Namboothiri as the Chairman, Dr. P Vishnu Dev and Dr. V Muralidhar Goud as its Members with Director(HR) and Director(Finance) as Permanent Invitees.

(iii) Meeting and Attendance:

During the financial year 2020-21, one meeting of the Nomination and Remuneration Committee was held on 31st August, 2020 and all the Members attended the Meeting.

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.

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 @ ₹ 35000/- for attending the meetings of the Board and ₹25000/- for the meetings of the Committees thereof.

Remuneration Details

The details of remuneration paid to the following Executive Directors during the year 2020-21 are as under:

Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits (₹)	Performance Related Pay* (₹)
Rakesh Kumar	52,16,485.00	9,04,195.00	8,83,636.00
R.Vikraman	44,56,234.00	7,69,125.00	7,12,196.00
Nadella Naga Maheswar Rao	37,88,441.00	7,33,759.00	6,37,024.00
Prabhakar Chowki	50,18,779.00	7,38,551.00	3,35,883.00
Shaji John	37,45,131.00	7,27,887.00	4,63,713.00
Jaikumar Srinivasan	34,38,445.00	6,64,329.00	-- #

* PRP for 2018-19 & PRP advance for 2019-20.

- assumed office on 05.02.2020, 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 2020-21, 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 2020-21 are as under:

Name of the Director (Sarvashri)	Sitting fee paid for (₹)	
	Board Meetings	Committee Meetings
Indrajit Pal	70,000	1,75,000
P. Vishnu Dev	2,10,000	4,00,000
V Muralidhar Goud	2,10,000	3,75,000
N K Narayanan Namboothiri	2,10,000	3,25,000

Stakeholders Relationship Committee

The Committee as on 31.03.2021 comprised of Dr. P. Vishnu Dev, Non-executive Independent Director as its Chairman, Shri. Jaikumar Srinivasan and Shri. N K Narayanan Namboothiri, Directors as its Members, to look into the redressal of Stakeholders/Investors grievances 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. The activities of the STA & DR are under the supervision of the Compliance Officer. The complaints received from share holders are monitored regularly and redressal action is taken immediately.

During the year 2020-21, 23 complaints were received from the shareholders / investors, generally pertaining to non-receipt of dividend & Annual Report. As per the report received from the Share Transfer Agent, there was one complaint pending for redressal as on 31.03.2021 which was since resolved.

Risk Management Committee

The Committee as on 31.03.2021 comprised of Shri. Nadella Naga Maheswar Rao, Director as its Chairman, Shri.R.Vikraman, Shri. Jaikumar Srinivasan, Shri. Prabhakar Chowki and Shri. Shaji John, Directors as its Members to review the report on the Risk Assessment and Minimisation Procedure, every six months as decided by the Board of Directors and as prescribed under the DPE Guidelines on Corporate Governance & SEBI (LODR) Regulations.

Meeting and Attendance:

During the financial year 2020-21, two meetings of the Risk Management Committee were held on 31st August, 2020 and 9th February, 2021 and all the Directors attended the Meeting.

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 31.03.2021 comprised of three Independent Directors & one Executive Director viz., Shri.N K Narayanan Namboothiri, Director as the Chairman, Dr.P.Vishnu Dev, Dr. V Muralidhar Goud and Shri.R.Vikraman, Directors, as Members.

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 2017-18	30.07.2018 14.00 Hrs.	Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai-600 018.
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

Special Resolutions

No special resolution was passed in the previous three Annual General Meetings.

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during the FY 2020-21.

Details of special resolution proposed to be conducted through postal ballot:

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 ballet 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 Line / Business Standard / New Indian Express 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, 2021, Wednesday 03.00 P.M. 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 AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment / re-appointment at the ensuing AGM are given in the Annexure to the Notice of AGM.

Financial Calendar for the year 2021-22

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 Board of Directors had declared an Interim Dividend of ₹ 1.00/- per equity share (10.00%) on February10, 2021and the same was paid on March 8, 2021. The Final Dividend, if declared at the AGM, would be paid to the shareholders within 30 days from the date of AGM.

Unclaimed Dividend Account Details

The unclaimed Dividend Account details as on 31st March, 2021 are as under:

Sl. No.	Account for the Year	Balance Amount as on 31.03.2021 (in ₹)	Due date for transfer to IEPF Authority
1.	2013-2014 (Interim)	7,18,694.00	19.05.2021 *
2.	2013-2014 (Final)	10,91,781.60	29.10.2021
3.	2014-2015 (Interim)	11,57,299.60	17.03.2022
4.	2014-2015 (Final)	6,57,960.00	21.10.2022
5.	2015-2016 (1st Interim)	12,24,210.00	28.02.2023
6.	2015-2016 (2nd Interim)	2,76,384.90	27.03.2023
7.	2015-2016 (Final)	10,18,506.40	19.10.2023
8.	2016-2017 (Interim)	58,97,814.94	19.04.2024
9.	2017-2018 (Interim)	27,38,378.69	17.04.2025
10.	2017-2018 (Final)	2,38,172.23	30.08.2025
11.	2018-2019 (Interim)	29,28,803.85	23.04.2026
12.	2019-2020 (Interim)	55,08,508.96	01.04.2027
13.	2020-2021 (Interim)	11,61,676.00	16.04.2028
	Total	**2,46,18,191.17**	

* - Transferred to IEPF on 11.05.2021

Details of unclaimed Dividend amount and Shares transferred to IEPF

During the Financial Year ended 2020-21 , the following shares and dividends were transferred to IEPF:

Dividend Account	Unclaimed Dividend amount (₹)	Unclaimed Shares
Interim 2012-13	6,63,883.00	14,784
Final 2012-13	10,80,843.00	17,137

Listing on Stock Exchanges and payment of Listing fees

The Equity Shares and the Bonds of the Company are presently listed with the BSE Ltd and the National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges up to the year 2021-22. Commercial Papers issued by the Company from time to time are also listed with BSE Ltd.

Stock code

Name of the Stock Exchange	Stock Code	
	Equity	Debentures
BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	513683	958806, 959237, 959834 & 960476
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

Stock Market Data

The monthly high and low market price of the Company's shares during each month in 2020 -21 as quoted at the BSE & NSE 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 2020	47.95	42.80	47.90	42.75	33887.25	27500.79	9889.05	8055.80
May 2020	45.40	40.20	45.95	40.15	32845.48	29968.45	9598.85	8806.75
June 2020	51.90	41.90	51.85	42.00	35706.55	32348.10	10553.15	9544.35
July 2020	48.80	44.20	49.00	44.10	38617.03	34927.20	11341.40	10299.60
August 2020	57.25	47.35	57.30	47.40	40010.17	36911.23	11794.25	10882.25
September 2020	55.70	48.20	55.80	48.15	39359.51	36495.98	11618.10	10790.20
October 2020	54.10	47.10	54.25	47.50	41048.05	38410.20	12025.45	11347.05
November 2020	52.05	48.15	52.10	48.30	44825.37	39334.92	13145.85	11557.40
December 2020	58.30	51.00	58.40	51.05	47896.97	44118.10	14024.85	12962.80
January 2021	57.50	50.50	57.70	50.65	50184.01	46160.46	14753.55	13596.75
February 2021	59.75	50.70	59.80	50.85	52516.76	46433.65	15431.75	13661.75
March 2021	57.45	48.30	57.45	48.60	51821.84	48236.35	15336.30	14264.40

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 - 600 017.

Tel.No.:044-28140801-03 | Fax No.: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, 2021 is as under:

Category	No. of Shares	% to Total
President of India	109,82,21,224	79.20
Financial Institution-State Government	5,97,01,260	4.30
Banks	13,94,890	0.01
Clearing Member	13,91,934	0.10
Employee	5,68,400	0.04
Foreign National	2,000	0.00
Foreign Portfolio Investors Corporate 1 & 2	54,80,414	0.40
IEPF	3,01,032	0.02
Insurance Companies	4,72,72,969	3.41
Limited Liability Partnership	6,63,150	0.05
Mutual Fund	8,31,95,802	6.00
NBFCs	650	0.00
NRI	51,46,370	0.37
Private Corporate Bodies	51,16,057	0.37
Resident Indian	7,92,79,745	5.72
Trust	1,56,113	0.01
Total	**138,66,36,609**	**100.00**

Distribution of Shareholding as on 31.03.2021

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of shareholding
1 - 500	1,14,360	83.44	1,58,17,610	1.14
501-1000	10,629	7.76	89,65,819	0.65
1001 – 2000	5,739	4.19	91,23,676	0.66
2001 – 3000	2,043	1.49	52,88,977	0.38
3001- 4000	944	0.69	34,48,259	0.25
4001- 5000	970	0.71	46,61,185	0.34
5001 -10000	1,324	0.97	99,21,623	0.72
10000 and above	1,032	0.75	132,94,09,460	95.86
Total	**1,37,041**	**100.00**	**138,66,36,609**	**100.00**

Dematerialisation of shares and liquidity

The equity shares of the Company numbering to 1,384,558,170 (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 2020-21, 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. Andaman Solar Plant with Battery Energy Storage System (BESS) in Andaman & Nicobar Island. Talabira-II & III Coal Open Cast Mines is 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. 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 either to the Registered Office at EVR Periyar High Road, Kilpauk, Chennai – 600 010 (Tel. No. 044 - 28360027) or to the Corporate Office, Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu. Shareholders may also send their communication electronically to investors@nlcindia.in, the exclusive e-mail-id provided.

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

Sl.No.	Rating Agency / Particulars	Rating Assigned
1	**ICRA**	
	Rating for MCL Borrowing for ₹ 2000 crore	ICRA"AAA/Negative"
	Rating for NLCIL Bonds for ₹ 2000 crore	ICRA"AAA/Negative"
2	**CRISIL**	
	Rating for Working Capital Loan for ₹ 5000 crore	CRISIL "AAA/Stable"
	Rating for MCL Borrowing for ₹ 2000 crore	CRISIL "AAA/Stable"
	Rating for Bonds for ₹ 3000 crore	CRISIL "AAA/Stable"
3	**Brickwork Ratings**	
	Rating for NNTPS - RTL ₹ 3000 crore	BWR "AAA/Stable"
	Rating for Talabira Mine - RTL ₹ 1680.75 crore	BWR "AAA/Stable"
	Rating for Bonds - ₹ 3000 crore	BWR "AAA/Stable"
4	**CARE Ratings**	
	Rating for Borrowing for ₹ 481 crore (Solar 130 MW)	CARE "AAA/Negative"
	Rating for Borrowing for ₹ 1406 crore (Solar 500 MW)	CARE "AAA/Negative"
	Rating for Commercial Paper - ₹ 6000 crore	CARE A1+
5	**India Rating (Fitch Group)**	
	Rating for Borrowing for ₹ 2552 crore (Solar 709 MW)	IND AAA/Stable
	Rating for NLCIL Bonds - ₹ 2000 crore	IND AAA/Stable
	Rating for Commercial Paper - ₹ 6000 crore	IND A 1 +

Other Disclosures

(i) The policies on related party transactions and 'material subsidiaries' are available at https://www.nlcindia.in/new_website/finance.php?page=fin-17-transaction and https://www.nlcindia.in/new_website/finance.php?page=fin-16-policy

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 15.06.2020 to 01.07.2020 and between 06.09.2020 to 31.03.2021. The Board of Directors did not comprise a Woman Director/ an Independent Woman Director during the year. The number of Independent Directors on the Board was less than 50% of the total strength. 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, BSE has waived the fine imposed for the quarters Sep 2020 and Dec 2020. 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**

The policy is framed broadly in line with the provisions of Companies Act, 2013 and also taking into consideration. The guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by the 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 aspects:

- 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 web-link:
https://www.nlcindia.in/investor/dividenddistributionpolicy_15042017.pdf

(iv) The Company has formulated Whistle Blower Policy. 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 2020-21, 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 Woman at work place:

During the year 2020-21, two complaints pertaining to the previous year were resolved and disposed off and no new complaints were received.

(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

M/s. Kumar Naresh Sinha & Associates, Company Secretaries, 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 by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority from being appointed or continuing as Director of Companies. 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 Auditors and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

(₹in crore)

Type of service	FY 2020-21	FY 2019-20
Audit fees	0.65	0.43
Tax fees	0.06	0.06
Others	0.30	1.01
Total	1.01	1.50

(x) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the year.

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".

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 & 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 2020-21 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 as the major shareholder 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.

For and on Behalf of the Board of Directors

Rakesh Kumar
Chairman-cum-Managing Director

Place: Neyveli
Date: 06.09.2021

Annexure - 5

M/s. PKKG Balasubramaniam & Associates
Chartered Accountants,
Door No. 10/2, Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606 602.

M/s. R Subramanian and Company LLP,
Chartered Accountants,
New No.6 (Old. No. 36),
Krishna Swamy Avenue,
Luz, Mylapore, Chennai – 600 004

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,
M/s. NLC INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by NLC India Limited for the year ended 31st March, 2021 as per Regulations 17-27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises ('DPE Guidelines').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Listing Regulations and DPE Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in above mentioned Listing Regulations, as applicable and in DPE Guidelines on Corporate Governance except for the following:

1. The number of Non-Executive Directors on the Board was less than 50% of the total strength during the period 15.06.2020 to 01.07.2020 and 06.09.2020 to 31.03.2021 as prescribed under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 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) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of SEBI (LODR) Regulations, 2015.
3. The number of Independent Directors on the Board was less than 50% of the total strength as required under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance.
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 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 M/s. PKKG Balasubramaniam & Associates
Chartered Accountants
Firm Regn. No. 001547S

R.H.S.Ramakrishnan
Partner
M No. 021651
UDIN: 21021651AAAAAV2118

For R.Subramanian and Company LLP
Chartered Accountants
Firm Regn. No. 004137S/S20041

R. Subramanian
Partner
M No. 008460
UDIN: 21008460AAAABE6461

Place : Chennai.
Date : 10th August, 2021

Annexure - 6

Kumar Naresh Sinha & Associates
Company Secretaries

121, Vinayak Apartment, Plot No.: C-58/19,
Sector-62, Noida-201309 (U.P)
Email: kumarnareshsinha@gmail.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

[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 - 600 010.

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 – 600 010**. 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, **31st March, 2021**, 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 **31st March, 2021**, 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) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- 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, 2009 **(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 15.06.2020 to 01.07.2020 and 06.09.2020 to 31.03.2021 as prescribed under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 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) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of SEBI (LODR) Regulations, 2015.***
3. ***The number of Independent Directors on the Board was less than 50% of the total strength as required under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance.***
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 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 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 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 5000 Nos. of Unsecured Non-Cumulative Non-convertible Redeemable Taxable Bonds (NLCIL Bonds 2020-Series II) in the nature of debentures on 31.07.2020 at a coupon rate of 5.34% per annum and

(ii) issued and allotted 11750 Nos. of Unsecured Non-Cumulative Non-convertible Redeemable Taxable Bonds (Series 1 of 2020) in the nature of Debentures on 12.02.2021 at a coupon rate of 6.05% per annum.

(iii) issued and allotted Commercial Papers in various tranches aggregating to ₹ 15,200 crore and the same was listed with BSE.

(iv) declared an Interim Dividend of ₹ 1 (one) per equity share i.e. @ 10% (amounting to ₹ 138.66 crore) on February 10, 2021 and the same was paid on March 8, 2021 to the members of the company.

(v) made equity contribution of ₹ 1 lakh to Coal Lignite Urja Vikas Private Limited, Joint Venture Company of NLC India Limited & Coal India Limited and Equity contribution of ₹ 102.58 crore to Neyveli Uttar Pradesh Power Limited, Subsidiary Company, during the year 2020-21 .

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: 09.08.2021

For Kumar Naresh Sinha & Associates
Company Secretaries
CS Naresh Kumar Sinha (Proprietor)
FCS: 1807; C P No.: 14984; PR: 610/2019
UDIN: F001807C000755681

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

Kumar Naresh Sinha & Associates
Company Secretaries

121, Vinayak Apartment, Plot No.: C-58/19,
Sector-62, Noida-201309 (U.P)
Email: kumarnareshsinha@gmail.com

To,

The Members,
NLC INDIA LIMITED
CIN: L93090TN1956GOI003507
No.135, EVR Periyar High Road
Kilpauk, Chennai, Tamilnadu - 600 010.

Our Secretarial Audit Report for the financial year ended 31st March, 2021 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. Where ever 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.
7. In view of the situation of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended 31st March 2021 and the documents/information required by us were provided through electronic Mode.

Place: Noida
Date: 09.08.2021

For Kumar Naresh Sinha & Associates
Company Secretaries
CS Naresh Kumar Sinha (Proprietor)
FCS: 1807; C P No.: 14984; PR: 610/2019
UDIN: F001807C000755681

Reply to the Observations of Secretarial Auditor

<table>
<tr><th>Sl.No.</th><th>Secretarial Auditor's Observations (as per Sl.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 15.06.2020 to 01.07.2020 and 06.09.2020 to 31.03.2021 as prescribed under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 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) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of SEBI (LODR) Regulations, 2015.</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) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance.</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: 06.09.2021

Rakesh Kumar
Chairman-cum-Managing Director

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 L93090TN1956GOI003507and having registered office at No.135, EVR Periyar High Road, Kilpauk, Chennai Tamilnadu - 600 010 (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 31st March 2021 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:

Sl. No	Name of Director	DIN	Date of Appointment in Company	Date of Cessation
1.	Shri. Rakesh Kumar	02865335	23-05-2012	Continuing
2.	Shri. R. Vikraman	07601778	09-12-2016	Continuing
3.	Shri. Nadella Naga Maheswar Rao	08148117	29-06-2018	Continuing
4.	Shri. Prabhakar Chowki	08199813	28-11-2018	Continuing
5.	Shri. Shaji John	08418401	17-04-2019	Continuing
6.	Shri. Jaikumar Srinivasan	01220828	05-02-2020	Continuing
7.	Shri. Indrajit Pal	00163967	06-09-2017	06-09-2020
8.	Dr. P Vishnu Dev	08308279	19-12-2018	Continuing
9.	Dr. V Muralidhar Goud	03595033	17-07-2019	Continuing
10.	Shri. N K Narayanan Namboothiri	08527157	02-08-2019	Continuing
11.	Shri. Vinod Kumar Tiwari	03575641	03-05-2019	Continuing
12.	Shri. A Karthik	03601436	02-03-2020	15-06-2020
13.	Shri S K Prabakar	01238040	02-07-2020	Continuing

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: 02.08.2021

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

सत्यमेव जयते

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai.

No. DGCA/CA-III/R-II/NLCIL/4-27/2021-22/59 **Date: 01.09.2021**

To

The Chairman cum Managing Director
NLC India Limited,
Corporate Office,
Block No 1, Neyveli
Cuddalore District 603 701

Sir,

Sub :- Comments of the Comptroller and Auditor General of India on the Financial Statements of NLC India Limited under section 143(6)(b) of the Companies Act, 2013, for the year ended 31st March 2021.

******

I am to forward herewith the Comments of the Comptroller and Auditor General of India on the Financial Statements of NLC India Limited under Section 143(6)(b) of the Companies Act, 2013, for the year ended 31st March 2021.

Five copies of printed Annual Report of your Company may be arranged to be forwarded to this Office.

Receipt of this letter may be acknowledged.

Yours faithfully,

Sd/-
(DEVIKA NAYAR)
Director General of Commercial Audit, Chennai.

Encl : Audit Certificate

इंडियन आईल 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: 044-28330142/145 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 31ST MARCH, 2021

The preparation of financial statements of NLC India Ltd for the year ended 31st March 2021 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 28.06.2021.

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 31st March 2021 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(DEVIKA NAYAR)
Director General of Commercial Audit, Chennai

Place : Chennai
Date : 01.09.2021

सत्यमेव जयते

भारतीय लेखापरीक्षा एवं लेखा वभिाग
कर्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai.

No. DGCA/CA-III/R-II/NLCIL/4-27/2021-22/61 **Date: 01.09.2021**

To

The Chairman cum Managing Director
NLC India Limited,
Corporate Office,
Block No 1, Neyveli
Cuddalore District 603 701

Sir,

Sub :- Comments of the Comptroller and Auditor General of India on the Consolidated Financial Statements of NLC India Limited under section 143(6)(b) of the Companies Act, 2013, for the year ended 31st March 2021.

******

I am to forward herewith the Comments of the Comptroller and Auditor General of India on the Consolidated Financial Statements of NLC India Limited under Section 143(6)(b) of the Companies Act, 2013, for the year ended 31st March 2021.

Receipt of this letter may be acknowledged.

Yours faithfully,

Sd/-
(DEVIKA NAYAR)
Director General of Commercial Audit, Chennai.

Encl : Audit Certificate

इंडियन आईल 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: 044-28330142/145 e-mail : pdcachennai@cag.gov.in

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 31st MARCH 2021

The preparation of consolidated financial statements of NLC India Limited for the year ended 31st March 2021 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 28.06.2021.

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 31st March 2021 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 Tamilnadu Power Limited and Neyveli Uttar Pradesh Power Limited, but did not conduct supplementary audit of the financial statements of MNH Shakti Limited and Coal Lignite Urja Vikas Private 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(DEVIKA NAYAR)
Director General of Commercial Audit, Chennai

Place : Chennai
Date : 01.09.2021

M/s.PKKG Balasubramaniam & Associates,
Chartered Accountants,
Door No. 10/2,
Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606 602.

M/s. R Subramanian and Company LLP,
Chartered Accountants,
New No.6 (Old. No. 36),
Krishna Swamy Avenue,
Luz, Mylapore, Chennai - 600 004.

INDEPENDENT AUDITORS' REPORT

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 Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information 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, 2021, 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 Auditor's Responsibilities for the Audit of the 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

Without qualifying our opinion:

1. Attention is invited to Note 10a (c) of the Standalone Financial Statements wherein management has estimated and considered a sum of ₹322.76 crore as provision towards loss allowance on outstanding trade receivables for the period ended March 31, 2021, pending completion of exercise of reconciliation of balances arising out of counter claims, appropriation of remittances, disputed dues and consequential re-assessment of overall provision required.

2. Attention is drawn to Note 11 of the Standalone Financial Statements relating to Vivad Se Viswas Scheme (VSVS), regarding the settlement of income tax disputes, the company has submitted the relevant details with income tax department during January 2021 and remitted a sum of ₹840.59 crore over the period, which are in the process of scrutiny and approval by the Income Tax department. Out of the disputed income tax paid, the Company is also eligible to prefer claim with its customers in accordance with the CERC tariff regulations. Pending requisite acceptance and approval in this regard from the income tax department and also preferring claim with the customers the amount paid as above has been carried forward.

3. Attention is invited to Note 13b of the Standalone Financial Statements in respect of the true up petition filed with CERC in the third quarter of FY 2019-20 for the Tariff period 2014-19, any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

4. Attention is drawn to Note 13d of the Standalone Financial Statements wherein an amount of ₹165.78 crore being 50% of the mine closure deposit including interest for the five-year period 2016-17 to 2020-21 has been considered on a provisional basis under regulatory income pending filing of claim with coal controller.

5. Attention is drawn Note 23b of the Standalone Financial Statements regarding non-recognition of income of Deferred Tax Liability materialised for the period ended March 31, 2020 and March 31, 2021 pending reconciliation and confirmation from beneficiaries and the amount is not presently quantifiable.

6. Attention is drawn to Note 24f of the relating to fire accidents mentioned therein, including provisional settlements of ₹50 crore by Insurance Company which is reckoned as income during the year ended March 31, 2021.

7. Attention is drawn to Note 58c of the Standalone Financial Statements wherein CERC has raised substantive issues relating to the implementation of the impugned guidelines relating to existing lignite transfer pricing and consequential adjustments if any, that may arise are unascertainable at this stage.

8. Attention is drawn to Note 60 of the Standalone Financial Statements regarding material impact on the business of the Company due to the COVID-19 pandemic.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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:

Sl. No.	Key Audit Matters	Auditor's Response
1.	**Revenue recognition on Accounting of Surcharge on Renewable Energy** NLCIL is supplying renewable power to TANGEDCO from various Solar plants situated at different places in Tamilnadu. Separate PPA's have been signed with TANGEDCO in line with the guidelines available in this regard. Renewable power supply has started with 10 MW Solar at Neyveli since 2015-16 and subsequently other renewable plants were commissioned by NLCIL. In accordance with MoP guidelines issued with respect to appropriation of payments and also in accordance with PPA signed with TANGEDCO, NLCIL has considered an amount of ₹148.49 crore (Previous year : Nil) as renewable surcharge in the books of accounts. The above amount of ₹148.49 crore is disclosed under the head "Surcharge on sale of Power" in Note 24 to the Standalone financial statements.	Our procedures included but were not limited to: - Evaluating the design and implementation and testing the operating effectiveness of the relevant controls over recognition of revenue as per the terms of the agreements and ongoing assessment of possible outcome in case of disputes. - Evaluating the Management's assessment with respect to realisation/certainty of realisation and test check of underlying regulation and agreements on a sample basis. Assessing adequacy and appropriateness of the disclosures in the standalone financial statements.
2.	**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 judgement 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 ₹11,531.93 crore have been considered by the Company towards contingent liability and commitments representing claims of third parties. Refer Note 52 of the Standalone Financial Statements. Included in the above, is a sum of ₹ 2,420.95 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.	In view of the significance of the matter, we applied 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 deployed our tax specialists, considered third party advice received by the Company, wherever applicable, the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgemental positions taken in tax returns and developments in the tax environment. - Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the Standalone Financial Statements in accordance with IND AS 37.

Sl. No.	Key Audit Matters	Auditor's Response
	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 ₹439.34 crore vide Note 7(b) to Companies (Auditor's Report) Order, 2016.	
3.	**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 judgement 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 ₹ 422.18 crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold	Branch Auditors comments are reproduced below: We obtained the details of project activities of Bithnok and BTPSE project from the management. We noted that as on 31-03-2021 Company has incurred capital expenditure of ₹319.25 crore and ₹102.93 crore for Bithnok and BTPSE projects respectively which includes payment towards land of ₹176.92 crore and Capital Advances of ₹166.47 crore. Management of the Company has replied that discussions with Government of Rajasthan and M/s Reliance Infrastructure Ltd., by NLCIL's top level management for revival of the project are under process. However, based on the decision of management since the project is on hold since June 2017, no revenue expenses has been capitalised to the project cost during F.Y. 2020-21. In the FY 2020-21 expenses incurred in relation to these projects have been charged to the Profit & Loss Account of Barsingsar Project. Simultaneously Incomes/ Foreign Currency Exchange Gain/Loss on Encashment of Bank Guarantee received against Capital Advances has been recognised in the Profit and Loss Account of Barsingsar Project.

Information other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors is responsible for the other information in the Annual Report, comprising of the Director's report and its annexures, but does not include the Standalone Financial Statements and our auditor's report thereon. The Director's report 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 any form 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.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

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 Indian Accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's 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 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Companies Act, 2013, 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 auditor's 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 auditor's 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 Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 auditor's 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 which reflected total assets of ₹2,789.68 crore as at March 31, 2021 total revenues of ₹ 465.76 crore for the year ended on that date and a net profit before tax of ₹128.32 crore for the year ended on that date. The financial statements of those Branches have been audited by the Branch auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of this Branches, is based solely on the report of such Branch Auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (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 Section143(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 accounts of the Branch Office of the Company audited under Sec 143(8) of the Act by the Branch Auditor 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), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

e. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

f. As per Notification No: G.S.R 463(E) dated June 05, 2015, subsection (2) of Sec 164 of the Companies Act, 2013 is not applicable to Government Companies.

g. With respect to adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, we give our report in Annexure-II. With reference to the Standalone Financial Statements our report expresses an unmodified opinion on the effectiveness of the Company's internal financial controls over financial reporting.

h. As per Notification No. GSR 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.

i. With respect to the other matters to be included in the Auditor's 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 52 to Standalone Financial Statements.

    ii. The Company has long term contracts for coal mining, power sale, project execution etc. However as at March 31, 2021 there were no material foreseeable losses on those contracts. The Company did not have any derivative contracts as at March 31, 2021.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

3. As required by Sec 143(5) of the Companies Act, 2013, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India is given in Annexure III.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No. 001547S

R H S Ramakrishnan
Partner
M No. 021651
UDIN: 21021651AAAAAS9109

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 21008460AAAABB2251

Place: Neyveli
Date: June 28, 2021

Annexure-I to Independent Auditors' Report

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of section 143

The Annexure referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date:

1. Fixed Assets

a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets along with original cost, accumulated depreciation, net value of assets acquired under 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.

b) The Company has a program for physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, as per the information and explanations furnished to us, physical verification of Fixed assets has been conducted by the Management in the year 2018-19 for the block period of 2017-18 to 2018-19 and in 2020-21 for the block period 2019-20 to 2020-21 and adjustments towards the differences between book records and physical assets identified on such verification are provided in the books.

c) The Company is in possession of Title deeds/Assignment deeds/GOs in respect of immovable properties. However due to enormous volume of documents held by the Company for the acquisition of Land, all title deeds could not be verified by us. As per expert legal opinion, the ownership of the land acquired between the incorporation of the Company to the year 1977 and between the years 1997 to 2001 is subject to conditions attached by Government of Tamilnadu to the respective assignment deeds.

d) Immovable properties of Land, whose title deeds have been pledged with banks as security for term loans are held in the name of the Company based on the Mortgage deed executed between the bank and the Company for which confirmations have been obtained from the bankers.

2. Inventory

According to the information and explanation given to us, the Physical verification of inventory have been conducted at reasonable intervals by the Stock Verification Cell under Perpetual Inventory System on continuous basis. It has been certified by the management that no material discrepancies were noticed on physical verification of inventories when compared with books of accounts. Wherever the discrepancies were noticed, the same are dealt with in the books of account after due reconciliation, confirmation and with the approval of the competent authority.

3. Transactions of loans with parties covered by register referred to in section 189

According to the information and explanations given to us, we are of the opinion, that the terms and conditions on which the unsecured loans have been granted to the Subsidiary Company and Directors listed in the register maintained under Section 189 of the Act were, prima facie, not prejudicial to the interest of the Company.

a) The schedule of repayment of principal and payment of interest has been stipulated while granting loan and repayments / receipts of principal amounts and interest have been regular as per stipulations.

b) There are no amounts outstanding against loans granted to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

4. **Compliance with section 185 & 186 in respect of Loans and Investments**

According to the information and explanations furnished to us, the Company has not granted any loans, nor made any investments or given any guarantees or securities during the year to any of the parties in contravention of Sections 185 and/or 186 of the Companies Act, 2013

5. **Public Deposits**

According to the information and explanations furnished to us the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 or any other relevant provisions and the Rules framed thereunder. Accordingly, the provisions of Clause 3 (v) of the Order are not applicable to the Company.

6. **Maintenance of Cost Records**

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, (as amended) prescribed by the Central Government under Section 148(1) of the Companies Act, 2013, in respect of Generation of Electricity and Mining of Lignite / Coal and are of the opinion that prima facie, the specified/prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. **Statutory dues**

a) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing Provident Fund dues of its Employees and also the, undisputed statutory dues, Income-tax, Goods & Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, the Company has laid down system and procedures regarding deposit of Provident Fund and Employees State Insurance dues relating to Contract workers and also there are no undisputed amounts payable in respect of Provident fund, Income tax, Goods and service tax, customs Duty and any other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Service tax or Duty of Customs or Duty of Excise or Value Added Tax, Cess and Goods and Service Tax which have not been deposited as on March 31, 2021 on account of any dispute except as reported below:

Name of the Statute	Nature of Dues	Demand Amount (₹ lakh)	Amount Deposited under Protest (₹ lakh)	Period to which the amount relates	Forum where dispute is pending
Customs Act,1969	Customs Duty	2,685.00	983.00	-	CESTAT
Tamilnadu VAT Act, 2006	Sales tax	22,485.44	5621.36	FY 2011-12 to FY 2015-16	High court
Income Tax Act	Income Tax	50.72	-	FY 2007-08	Assessing officer
		7.71	-	FY 2008-09	Assessing officer
		3.95	-	FY 2009-10	Assessing officer
		41.17	-	FY 2010-11	Assessing officer
		85.21	-	FY 2011-12	Assessing officer
		1.33	0.27	FY 2011-12	CIT(A)
		2.18	-	FY 2012-13	Assessing officer
		2.66	0.53	FY 2012-13	CIT(A)
		0.07	-	FY 2013-14	Assessing officer
		2.54	0.51	FY 2013-14	CIT(A)
		0.33	-	FY 2014-15	Assessing officer
		2.04	0.41	FY 2014-15	CIT(A)
		0.02	-	FY 2015-16	Assessing officer
		1.41	0.28	FY 2015-16	CIT(A)
		1.65	0.33	FY 2016-17	CIT(A)
		0.01	-	FY 2019-20	Assessing officer
		0.08	-	FY 2020-21	Assessing officer
Finance Act, 1994	Service Tax	89.56	6.72	Apr 2009 to Jun 2012	CESTAT
		51.34	7.00	Jul 2012 to Mar 2014	CESTAT
		852.59	63.94	Jul 2012 to Mar 2015	CESTAT
		366.59	27.49	Jul 2012 to Mar 2014	CESTAT
		25.54	2.55	Apr 2014 to Mar 2015	CESTAT
		9.24	0.92	Apr 2014 to Mar 2015	CESTAT
		121.37	12.14	Apr 2014 to Mar 2015	CESTAT
		205.63	-	Jun 2008 to Mar 2012	CESTAT
		72.83	7.00	Apr 2015 to Jun 2017	CESTAT
		1,417.27	106.30	Apr 2015 to Jun 2017	CESTAT
		8.05	0.80	Apr 2015 to Jun 2017	CESTAT
		3,855.13	-	FY 2020-21	Additional Director General DGGI (Adjudication), Mumbai
Central Excise Act 1944	Clean Environment Cess and Excise Duty	17,900.46	-	As on 30-06-2017	Writ petition filed before High Court
Rajasthan Finance Act, 2006	Land Tax	57.53	28.76	2008-09	Land Tax Assessing Officer
Rajasthan Finance Act, 2006	Land Tax	173.73	63.28	2009-10	Land Tax Assessing Officer
Rajasthan Finance Act, 2006	Land Tax	173.73	86.86	2010-11	Land Tax Assessing Officer
Rajasthan Finance Act, 2006	Land Tax	199.92	99.96	2011-12	Land Tax Assessing Officer
Rajasthan Finance Act, 2006	Land Tax	199.92	99.96	2012-13	Land Tax Assessing Officer

Note: The Company has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and has submitted the relevant details with Income Tax department during January 2021 and remitted a sum of ₹840.59 crore over the period. Necessary adjustment will be carried out on completion of necessary acceptance and approval.

8. Repayment of Loans

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or from debenture holders during the relevant Financial Year.

9. Raising of monies through Public Offer and/or Term Loans

According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer during the year. Based on our audit procedures and according to the information and explanations given to us, in our opinion, the Term loans availed by the company and the monies raised by way of debt Instruments were, prima facie, applied for the purpose for which they were obtained.

10. Frauds

According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration

In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to Government Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

12. Compliance with Net Owned Funds Ratio & unencumbered term deposits

The Company is not a Nidhi Company and hence the provisions of para 3(xii) of the order referred to in Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act do not apply to the Company.

13. Transaction with Related Parties

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 Company being a government company, transactions with other government companies are exempt for the 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. Details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

14. Preferential Allotment or Private Placement

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. Non-cash transactions

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 Companies Act, 2013 are not applicable.

16. Registration with Reserve Bank of India

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 001547S

R H S Ramakrishnan
Partner
M No. 021651
UDIN: 21021651AAAAAS9109

For **M/s. R SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 21008460AAAABB2251

Place: Neyveli
Date: June 28, 2021

Annexure-II to Independent Auditors' Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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, 2021 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, 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 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.

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, 2021, 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 auditor’s reports of the respective branch auditors. Our opinion is not modified in respect of this matter.

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 001547S

R H S Ramakrishnan
Partner
M No. 021651
UDIN: 21021651AAAAAS9109

For **M/s. R SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 21008460AAAABB2251

Place: Neyveli
Date: June 28, 2021

Annexure-III to Independent Auditors' Report

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	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	The Company has implemented SAP ERP system for recording of its financial transactions other than Inventory management and Payroll processing. During the year the Company continued to use the Material Management software for recording Inventory and Payroll Accounting software for employee salary. For integration of the entire system, the Company is in the process of implementing Material Management, Payroll Accounting, Production Planning, Project systems, Sales and Distribution and Plant Maintenance 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 recognised ₹25.74 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 ₹8.66 crore towards teachers salary grant received from Tamil Nadu State Government. As per practice in various states, salary of the school teachers are being paid by 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 is no separate bank accounts operated by those schools. Hence, the regular salary payment of school teachers is not considered as a grant.	NA

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 001547S

R H S Ramakrishnan
Partner
M No. 021651
UDIN: 21021651AAAAAS9109

For **M/s. R SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460
UDIN: 21008460AAAABB2251

Place: Neyveli
Date: June 28, 2021

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in crore)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	**20,753.04**	18,298.74
(b) Right-of-Use Asset	3	**3.66**	3.06
(c) Intangible Asset	4	**24.50**	6.36
(d) Capital Work-in Progress	5	**1,019.71**	4,083.58
(e) Asset Under Development	6	**101.68**	127.67
(f) Financial Assets	7		
i) Investments	a	**3,621.99**	3,519.40
ii) Loans	b	**28.91**	30.88
(g) Other Non-Current Assets	8	**539.52**	599.43
		26,093.01	26,669.12
(2) Current Assets			
(a) Inventories	9	**1,416.95**	1,324.55
(b) Financial Assets	10		
i) Trade Receivables	a	**5,611.18**	6,691.83
ii) Cash and Cash Equivalents	b	**152.36**	12.97
iii) Bank Balances Other than Cash and Cash equivalent	c	**465.04**	360.30
iv) Loans	d	**29.17**	37.98
v) Other Financial Assets	e	**59.33**	65.13
(c) Income Tax Asset (Net)	11	**786.83**	832.28
(d) Other Current Assets	12	**1,482.35**	1,226.70
		10,003.21	10,551.74
(3) Regulatory Deferral Account Debit Balances	13	**1,599.80**	1,237.18
Total Assets and Regulatory Deferral Account Debit Balance		**37,696.02**	38,458.04
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	**1,386.64**	1,386.64
(b) Other Equity	15		
i) Retained Earnings	a	**9,854.18**	8,942.89
ii) Other Reserves	b	**2,333.86**	2,309.98
		13,574.68	12,639.51
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	16		
(i) Borrowings	a	**9,697.90**	11,370.16
(ii) Lease liability of Right-of-Use Assets	b	**4.02**	3.30
(b) Deferred Tax Liabilities (Net)	17	**2,573.52**	2,118.89
(c) Other Non-Current Liabilities	18	**1,090.18**	1,066.39
		13,365.62	14,558.74
(2) Current Liabilities			
(a) Financial Liabilities	19		
(i) Borrowings	a	**3,700.00**	3,641.42
(ii) Trade Payables	b		
-Total outstanding dues of Micro and Small enterprises		**14.10**	11.54
-Total outstanding dues of creditors other than Micro and Small enterprises		**1,498.08**	1,819.35
(iii) Other Financial Liabilities	c	**1,787.59**	1,886.53
(b) Other Current Liabilities	20	**670.30**	587.64
(c) Provisions	21	**464.03**	748.26
		8,134.10	8,694.74
(3) Regulatory Deferral Account Credit Balances	22	**2,621.62**	2,565.05
Total Equity & Liabilities and Regulatory Deferral Account Credit Balance		**37,696.02**	38,458.04

Significant Accounting Policies 1

The accompanying Notes 1 to 60 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 Balance Sheet referred to in our report of even date.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S RAMAKRISHNAN
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Sl. No.	Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
	INCOME			
I	**Revenue from Operations**	23	**7,249.63**	7,916.30
II	**Other Income**	24	**1,716.88**	1,216.98
III	**Total Income (I+II)**		**8,966.51**	9,133.28
IV	**EXPENSES**			
	Changes in Inventories	25	(54.47)	81.99
	Employee Benefit Expenses	26	2,688.36	2,804.70
	Finance Costs	27	980.63	820.38
	Depreciation and Amortization Expenses	28	1,204.41	958.39
	Other Expenses	29	2,662.11	2,255.38
	Total Expenses (IV)		**7,481.04**	6,920.84
V	**Profit / (Loss) before Exceptional, Tax & Rate Regulatory Activity (III-IV)**		**1,485.47**	2,212.44
VI	**Net Movement in Regulatory Deferral Account Balances Income /(Expenses)**	30	**314.72**	(4.41)
VII	**Profit / (Loss) before Exceptional Item and Tax (V+VI)**		**1,800.19**	2,208.03
VIII	**Exceptional Items**	31	**46.79**	3.44
IX	**Profit / (loss) before Tax (VII-VIII)**		**1,753.40**	2,204.59
X	**Tax Expense:**			
	(1) Current Tax	53		
	- Current Year Tax		**202.03**	309.93
	- Previous Year Tax		**(40.15)**	(3.27)
	- Tax Expenses/(Savings) on Rate Regulated Account		**56.54**	(1.54)
	(2) Deferred tax		**493.19**	485.62
	Total Tax Expenses (X)		**711.61**	790.74
XI	**Profit / (Loss) for the year (IX-X)**		**1,041.79**	1,413.85
XII	**Other Comprehensive Income**			
	Items not reclassified to Profit or Loss:	32		
	- Net Actuarial Gains/(Losses) on defined benefit plans		**39.06**	(192.69)
	- Income Tax expenses/(savings) on net Actuarial Gains/(Losses) on defined benefit plans		**7.02**	(67.33)
	Total other comprehensive income for the year-net of income tax (XII)		**32.04**	(125.36)
XIII	**Total Comprehensive Income for the year (XI+XII) (Comprising profit or (loss) and other comprehensive income)**		**1,073.83**	1,288.49
XIV	**Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balance):**			
	(1) Basic (in ₹)	33	**5.65**	10.22
	(2) Diluted (in ₹)		**5.65**	10.22
XV	**Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balance):**			
	(1) Basic (in ₹)	33	**7.51**	10.20
	(2) Diluted (in ₹)		**7.51**	10.20

The accompanying Notes 1 to 60 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 Statement of Profit and Loss referred to in our report of even date.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S RAMAKRISHNAN
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

STANDALONE FINANCIAL STATEMENTS

(₹in crore)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital	No. of Shares	Amount
Balance as at 1st April, 2020	138,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2021	**138,66,36,609**	**1,386.64**
Balance as at 1st April, 2019	138,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2020	**138,66,36,609**	**1,386.64**

B. Other Equity

Particulars	Retained Earnings and Other Reserves						
	KfW Interest Differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Total
Balance as at 01.04.2020	351.30	110.00	1,457.00	291.07	100.61	8,942.89	11,252.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,041.79	1,041.79
Other comprehensive income	-	-	-	-	-	32.04	32.04
Total Comprehensive Income	-	-	-	-	-	1,073.83	1,073.83
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**	**9,854.18**	**12,188.04**

Particulars	Retained Earnings and Other Reserves						
	KfW Interest Differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Total
Balance as at 01.04.2019	342.58	100.00	1,457.00	291.07	90.58	8,843.46	11,124.69
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year							
Profit or Loss	-	-	-	-	-	1,413.85	1,413.85
Other Comprehensive Income	-	-	-	-	-	(125.36)	(125.36)
Total Comprehensive Income	-	-	-	-	-	1,288.49	1,288.49
Dividend and Dividend Taxes paid							
- Interim dividend						(978.97)	(978.97)
- Tax on interim dividend						(181.21)	(181.21)
Appropriations- Transfer from / (to) Retained Earnings	8.72	10.00	-	-	10.03	(28.75)	-
Other changes :							
- Ind AS 16 Adjustments						(0.13)	(0.13)
Balance as at 31.03 2020	**351.30**	**110.00**	**1,457.00**	**291.07**	**100.61**	**8,942.89**	**11,252.87**

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 of Equity referred to in our report of even date.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S RAMAKRISHNAN
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		1,753.40		2,204.59
Adjustments for:				
Less:				
Profit on Disposal of Asset	3.60		2.65	
Dividend from NTPL	58.42		97.37	
Interest Income	110.28		166.85	
	172.30		266.87	
Add:				
Depreciation	1,204.41		958.39	
Other non cash items	(7.46)		61.12	
Provision for loss on asset	7.85		0.02	
Loss on Disposal of assets	0.71		2.65	
Interest expense	980.63		820.38	
	2,186.14	2,013.84	1,842.56	1,575.69
Operating Profit before working capital changes		3,767.24		3,780.28
Adjustments for :				
Trade receivables		856.00		(2,096.59)
Loans & advances		(11.43)		(87.63)
Inventories & other current assets		(810.04)		40.73
Trade payables & other current liabilities		446.92		(93.01)
Cash Flow generated from Operations		4,248.69		1,543.78
Direct Taxes paid		(218.54)		(378.30)
Cash Flow Before Extraordinary Items		4,030.15		1,165.48
Grants received		21.42		2.61
Net Cash from Operating Activities		4,051.57		1,168.09
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment / preliminary expenses		(880.59)		(2,699.66)
Sale of property, plant and equipment / Projects from continuing operations		(2.51)		2.11
Sale/Purchase of Investments		(102.59)		(695.82)
Dividend Received from Subsidiary		58.42		97.37
Interest Received		116.08		150.43
Net Cash used in Investing Activities		(811.19)		(3,145.57)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings (Net)		58.58		(26.58)
Long Term Borrowings (Net)		(1,921.36)		3,640.74
Loans to subsidiary		-		680.00
Interest paid		(1,099.01)		(1,157.37)
Dividend (including Dividend Tax)		(139.20)		(1,160.16)
Net Cash used/received in financing activities		(3,100.99)		1,976.63
Net increase, decrease (-) Cash and Cash equivalents		139.39		(0.85)
Cash and cash equivalents as at the beginning of the year		12.97		13.82
Cash and cash equivalents as at the end of the year		152.36		12.97

NOTE : (-) INDICATES CASH OUTFLOW.

DETAILS OF CASH AND CASH EQUIVALENTS	As at March 31, 2021	As at March 31, 2020
Cash In Hand	0.07	0.01
Cash at Bank in Current Accounts	61.88	2.71
Cash at Bank in Deposit Accounts	90.41	10.25
Total	152.36	12.97

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 Flow referred to in our report of even date.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S RAMAKRISHNAN
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

Note No. 1

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended March 31, 2021
(Expressed in ₹ crore, unless otherwise stated)

Reporting entity

NLC India Limited (formerly “Neyveli Lignite Corporation 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. NLC 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 recognised in the financial year in which the results are known or materialised.

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 realised 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 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 capitalised 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. Indirect 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 Capitalisation

Subsequent expenditure incurred on the existing assets are recognised 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 capitalised, 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 recognised 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss account as incurred.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalisation 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 capitalised 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 capitalised. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capitalisation 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/changes made by respective State Govt. from period to period. The cost of the said land is capitalised 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 capitalised 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.

Capitalisation

a) Specialised 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 Specialised Mining Equipment System viz., Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalisation 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 capitalised 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 capitalised 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 capitalised 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 latter 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 capitalised when they are available for the use as intended by the management.

Depreciation / Amortisation

Depreciation is provided on cost of the property, plant and equipment net of estimated residual values over their estimated useful lives and is recognised in the Statement of Profit and Loss. Freehold land is not depreciated.

The cost of the land taken on lease is amortised 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.

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 (b) Wind Turbine Generator (WTG) and Solar Power Plants. (c) Life Extension Programme ('LEP') Assets.	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. 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. 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. Specialised Mining Equipment :	At technically assessed life
v. Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalised 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

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 recognised from the month of capitalisation.

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

Amortisation of Mine Development Cost

Overburden 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 are capitalised as a 'Mining Development Cost'.

For the mines which are directly linked to feeding Thermal Power Plants, Such "Mine Development Cost" are amortised 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 amortised over the life estimated by the Management from the declaration of commercial operation.

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 recognised in the Statement of Profit and Loss.

II. **Intangible Assets**

Recognition and measurement

The Company 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 recognised 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 capitalised 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

Gains or losses arising from derecognition of an intangible asset are recognised 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 realisable 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 recognised 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 amortised cost:

A financial asset is subsequently measured at amortised 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 exist 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 where by 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 derecognised 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 recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised 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 amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method.Gains and losses are recognized in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 derecognised 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 recognised 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 recognised amounts; and
- Intends either to settle on a net basis, or to realise 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 recognised 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 recognising 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises 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 comprises 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 service 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 recognised 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 recognised immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognised 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 recognised immediately in the Statement of Profit and Loss. The Company recognises 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 are 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 recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised 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 balance sheet date

Events of material nature occurring after the balance sheet 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,(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 recognised 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 recognised 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

Sale of Lignite, by e-auction sales has been reckoned to the extent of amount received. Sale of Lignite other than by e-auction is recognised in accordance with the agreement entered into with the respective parties.

Consultancy, Technical and Management Services

Revenue from consultancy, technical and management services is recognised 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 recognised 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 recognised 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 amortised 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 recognised in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognised 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 recognised based on agreement with beneficiaries. On renewable power the same is recognised based on realisation / certainty of realisation.

Dividend Income

Dividend income is recognised 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 recognised 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 recognising in the Statement of Profit and Loss the exchange difference arising on translation of long term foreign currency monetary items recognised in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalise the same.

XVII. Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised 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 recognised 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 recognised 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 recognised 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised 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 capitalised 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 capitalisation 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 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 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 amortised 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 in 'loans and borrowings' in the balance sheet.

Short-term leases and leases of low-value assets

The Company 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 Company 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 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 recognises lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

Transition to Ind AS 116

The Company applied Ind AS 116 with a date of initial application of 1st April 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognised in opening retained earnings at 1st April 2019 and accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17.

On transition, the Company elected to apply the practical expedient and grandfathered the assessment of which transactions are leases. Accordingly, it applied Ind AS 116 only on those contracts that were previously assessed and identified as leases under Ind AS 17 without any further assessment under Ind AS 116. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into on or after 1st April 2019.

XX. Provisions and Contingent Liability

Recognition and measurement

A provision is recognised 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 recognised 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 common expenses allocated on a reasonable basis are considered as segment expenses.

XXIV. Dividend

Dividends and interim dividends payable to Company's shareholders are recognised 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 recognised in the statement of profit and loss to the extent recoverable from/payable to the beneficiaries in the subsequent periods as per CERC tariff regulations are recognised 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 statement of profit and 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 derecognised.

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.

For **PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn. No. 001547S

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Partner
M No. 021651

For M/s. **R SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
Firm Regn. No. 004137S/S200041

R. Subramanian
Partner
M No. 008460

Place : Neyveli
Date : 28-06-2021

Notes to Standalone Financial Statements

NON-CURRENT ASSETS

Property, Plant and Equipment (₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
		As at 01.04.2020	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2021	As at 01.04.2020	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
2	Land:										
	Freehold Land	976.85	15.06	-	991.91	-	-		-	991.91	976.85
	Lease hold Mining Land	-	349.46	-	349.46	-	-	10.28	10.28	339.18	-
	Roads	111.09	5.37	-	116.46	65.61	-	11.27	76.88	39.58	45.48
	Buildings	459.55	41.21	-	500.76	51.36	-	12.58	63.94	436.82	408.19
	Electrical Installations	200.09	15.26	0.06	215.29	113.11	-	14.54	127.65	87.64	86.98
	Water Supply & Drainage	109.91	8.44	0.86	117.49	59.14	0.76	10.72	69.10	48.39	50.77
	Plant & Machinery	19,350.85	3,221.30	2.53	22,569.62	3,173.49	1.00	1,096.47	4,268.96	18,300.66	16,177.36
	Furniture & Equipment	72.26	16.39	0.34	88.31	23.49	0.07	10.58	34.00	54.31	48.77
	Vehicles	54.55	1.49	0.95	55.09	25.69	0.57	5.13	30.25	24.84	28.86
	Assets costing ₹ 5000 and below	1.62	0.21	-	1.83	1.62	-	0.21	1.83	-	-
	Mine Development										
	Mine-I	206.97	-	-	206.97	101.98	-	15.00	116.98	89.99	104.99
	Mine-IA	91.74	-	-	91.74	31.43	-	8.61	40.04	51.70	60.31
	Mine-II	348.51	-	-	348.51	124.58	-	16.00	140.58	207.93	223.93
	Barsingsar Mine	110.85	-	-	110.85	24.60	-	6.16	30.76	80.09	86.25
	Total	**22,094.84**	**3,674.19**	**4.74**	**25,764.29**	**3,796.10**	**2.40**	**1,217.55**	**5,011.25**	**20,753.04**	**18,298.74**
	Previous Year	14,517.99	7,583.56	6.71	22,094.84	2,839.81	3.27	959.56	3,796.10	18,298.74	

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) 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 has been retired from operation subsequent to 30.09.2020. The Ind AS Gross Block, Ind AS accumulated depreciation and Ind AS Net block of TPS-I as on 31.03.2021 amounting to ₹60.52 crore, ₹ 06.54 crore and ₹53.98 crore respectively 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 useful life 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) Addition in current year Includes capitalisation of 2nd unit of 2 X 500 MW Neyveli New Thermal Power Project at Neyveli and capitalisation of 17.5 MW of Solar Project at various locations of Andaman .

j) Lease hold land represents land acquired for Talabira II & III open cast Coal Mine at Odisha under Coal Bearing Act 1957.

k) Based on physical verification of assets (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.

Right-of-Use Assets (₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2020	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2021	As at 01.04.2020	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
3	Land	0.22	-	-	0.22	-	-	0.01	0.01	0.21	0.22
	Building	1.24	0.71	-	1.95	0.49	-	0.56	1.05	0.90	0.75
	Vehicle	2.27	0.99	-	3.26	0.18	-	0.53	0.71	2.55	2.09
	Total	**3.73**	**1.70**	**-**	**5.43**	**0.67**	**-**	**1.10**	**1.77**	**3.66**	**3.06**
Previous Year		1.12	2.61	-	3.73	0.00	0.00	0.67	0.67	3.06	

Notes to Standalone Financial Statements

Intangible Assets

(₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2020	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2021	As at 01.04.2020	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
4	Software	12.16	20.98		33.14	5.80		2.84	8.64	24.50	6.36
	Total	**12.16**	**20.98**	**-**	**33.14**	**5.80**	**-**	**2.84**	**8.64**	**24.50**	**6.36**
	Previous Year	9.75	2.41	-	12.16	3.50	-	2.30	5.80	6.36	

(a) Intangible Asset addition during the year includes capitalisation of SAP on its declaration of "Go Live".
(b) 'There is no impairment loss identified for the assets during the year.

Note No.	Particulars				(₹ in crore)
5	**Capital Work-in-Progress**	**As at March 31, 2021**		As at March 31, 2020	
	Plan Expenditure				
	i) TPS-II Expansion				
	Supply and Erection	**0.15**		2.36	
	Expenditure during Construction	**-**	**0.15**	-	2.36
	ii) Neyveli New Thermal Plant				
	Supply and Erection	**61.05**		2,217.22	
	Expenditure during Construction	**0.10**	61.15	529.05	2,746.27
	iii) Solar Power Project				
	Supply and Erection	**-**		102.85	
	Expenditure during Construction	**-**	-	5.05	107.90
	iv) Bithnok Project *				
	Supply and Erection	**29.29**		29.20	
	Expenditure during Construction	**20.53**	**49.82**	20.53	49.73
	v) Barsingsar Extension & Hadla Mines *				
	Supply and Erection	**9.11**		9.04	
	Expenditure during Construction	**17.19**	**26.30**	17.18	26.22
	vi) Mine-IA Expansion				
	Supply and Erection	**45.85**		34.40	
	Expenditure during Construction	**361.52**	**407.37**	352.76	387.16
	vii) Talabira II & III Mine				
	Expenditure on Land acquisition	**252.10**		584.95	
	Expenditure during development	**111.54**	**363.64**	108.20	693.15
	viii) Odisha Thermal Power Project				
	Expenditure on Land Acquisition	**30.99**		-	
	Expenditure during Development	**3.14**	34.13	-	-
	Non- Plan Expenditure				
	Supply and Erection	58.97		48.60	
	Capital Goods in Stock & Transit	18.18	77.15	22.19	70.79
	TOTAL		**1,019.71**		4,083.58

* Project on Hold. Discussions are underway with stakeholders for revival of the project.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)	As at March 31, 2021	As at March 31, 2020
6	**Assets under Development**	**As at March 31, 2021**	As at March 31, 2020
	Preliminary Project Expenditure	**135.35**	161.31
	Less: Provisions	**33.67**	33.64
		101.68	127.67
	Provision includes the expenditure incurred for various projects which has not been taken up for further development, pending formalities for write off.		
7	**Financial Assets**		
a.	**Investments**	**As at March 31, 2021**	As at March 31, 2020
	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 (31.03.2020- 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 1,66,18,51,728 (31.03.2020- 155,92,68,288) no. of equity shares @ ₹10 per share	**1,661.85**	1,559.27
	(ii) Joint Venture		
	- Coal Lignite Urja Vikas Private Limited (CLUVPL) - 50% Stake fully paid up 10,000 (31.03.2020- Nil) no. of equity shares @ ₹10 per share	**0.01**	-
	(iii) Associates		
	- MNH Shakti Limited - 15% Stake fully paid up 1,27,65,000 (31.03.2020 - 1,27,65,000) no. of equity shares @ ₹10 per share	**12.77**	12.77
		3,621.99	3,519.40

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 2020-21 NLCIL has subscribed to additional equity shares of 10,25,83,440 @ ₹ 10/- each of NUPPL (PY 69,58,19,520 @ ₹ 10/- each) through rights issue thereby increasing the investment from ₹ 1559.27 crore to ₹ 1661.85 crore without changing the percentage of holding which remained at 51%.

c) In respect of MNH Shakti Limited approval of NCLT is awaited for reduction of equity capital of MNH Shakti Limited from ₹85.10 crore to ₹35.10 crore. NLCIL's stake in the Company is 15%.

d) During the FY 2020-21 NLCIL has subscribed 10,000 no's of equity shares @ ₹10/- each of CLUVPL (PY- Nil) a newly formed JV Company with Coal India Limited with holding of 50% in the Company.

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
b.	**Loans**		
	Loans to Employees		
	Secured	**24.12**	28.02
	Unsecured, considered good	**4.79**	2.86
		28.91	30.88

a) The secured loans and unsecured loans to Employees include house building loan, car 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 loans to employees includes ₹ 0.05 crore (PY ₹. 0.04 crore) due from Key Management Personnel's. The details of transactions with Key Management Personnel's are mentioned in note no. 41.

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
8	**Other Non-Current Assets**		
	Secured considered good		
	Capital Advances	**390.66**	450.59
	Others	**148.86**	148.84
		539.52	599.43

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
	Current Assets		
9	**Inventories**	**As at March 31, 2021**	As at March 31, 2020
	Raw Materials- Lignite	**882.89**	828.42
	Raw Materials- Coal	**20.60**	-
	Solid/Hollow/Fly Ash Bricks	**2.07**	2.67
	Goods-in-transit	**14.55**	19.00
	Stores and Spares	**517.77**	482.36
	Less: Provision for obsolete/unserviceable stores and spares	**20.93**	7.90
		1,416.95	1,324.55

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 no. 19 (a) for information on inventory pledged as security by the Company.

Note No.	Particulars		
10	**Financial Assets**		
a.	**Trade receivables**	**As at March 31, 2021**	As at March 31, 2020
	i) Secured	**529.92**	406.57
	ii) Unsecured		
	-considered good	**5,081.26**	6,285.26
	- considered doubtful	**366.52**	141.87
		5,977.70	6,833.70
	Less: Loss allowances on debtors	**366.52**	141.87
		5,611.18	6,691.83

a) Based on arrangements among NLCIL, Federal bank, ICICI bank and DISCOMs' i.e. TANGEDCO, TG Power and AP-Discom certain bills which are due from the above three DISCOMs' have been discounted during the FY 2020-21. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 1542.00 crore (31st March 2020 ₹ 637.24 crore).

b) Trade receivable for FY 2020-21 includes ₹30.33 crore (previous year ₹15.19 crore) and ₹ 1.76 crore (previous year ₹4.34 crore) receivable from NTPL and NUPPL respectively.

c) The Company has reviewed its outstanding debtors balance in March'2021. Taking into account, period of outstanding, collections and the trend of realization subsequent to intervention of Ministry of Power (MoP) and Ministry of Coal (MoC) and pending completion of the reconciliation of balances and resolving various issues, in respect of which action has been initiated, on estimated basis, a provision of ₹322.76 crore (Q4 of 2020-21 ₹80.69 crore) has been considered in 2020-21 towards loss allowances on outstanding debtors balance as on March 31, 2020.

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.

Note No.	Particulars		
b.	**Cash and cash equivalents**	**As at March 31, 2021**	As at March 31, 2020
	i) **Bank Balance**		
	- Current Account	**61.88**	2.71
	- Short Term Deposits	**90.41**	10.25
	ii) **Cash and Stamp on hand**	**0.07**	0.01
		152.36	12.97

Stamps on hand as on 31.03.2021 - ₹ 55,644 /- (31.03.2020 - ₹ 55,350/-)

Short term deposit includes an amount of ₹ 80 crore invested in bank term deposits @ 2.90% for the period of 7 days from 31.03.2021 to 06.04.2021.

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
c	**Bank balances other than cash and cash equivalent**	**As at March 31, 2021**	As at March 31, 2020
	Unpaid Dividend Account Balance	**2.46**	3.00
	Earmarked deposits with Banks :-		
	i. Staff Security Deposit	**0.01**	0.01
	ii. Endowment fund in the name of NLC Schools	**0.44**	0.39
	iii. Mine Closure Deposit*	**358.59**	264.28
	iv. PRMA Deposit #	**101.50**	90.58
	v. Security for Bank Guarantee	**2.04**	2.04
		465.04	360.30
	* In the name of "Coal Controller Escrow Account NLC Ltd. Mine"		
	# Deposit Matured and renewed in 2nd April, 2021.		
d	**Loans**	**As at March 31, 2021**	As at March 31, 2020
	a) Secured		
	Loan to employees	**15.54**	22.30
	b) Unsecured		
	i. Considered good		
	- Related Party	**-**	-
	- Employees	**13.63**	15.68
		29.17	37.98
	a) The secured loans and unsecured loans to Employees include house building loan, car 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.		
		As at March 31, 2021	As at March 31, 2020
	(i) Due by Officers (including interest)	**0.02**	0.01
	(ii) Maximum amount due at any time during the year (including interest)	**0.02**	0.03
	(i) Due by Directors (including interest)	**0.02**	0.03
	(ii) Maximum amount due at any time during the year (including interest)	**0.03**	0.06
	(i) Due from Subsidiary Companies -		
	(a) NTPL Loan ₹ Nil (previous year ₹ Nil)	**-**	-
	(b) NUPPL Loan ₹ Nil (previous year ₹ Nil)	**-**	-
	(ii) Maximum amount due at any time during the year	**1030.00**	1860.00
e	**Other Financial Assets**	**As at March 31, 2021**	As at March 31, 2020
	Interest Accrued	**40.31**	47.01
	Discount on Commercial Paper	**19.02**	18.12
		59.33	65.13
	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) Commercial Paper to the tune of ₹ 3550 crore is outstanding as on 31.03.2021 drawn at a coupon rate ranging from 3.35% to 3.68% p.a. These are unsecured loans repayable on respective due dates. The discount attributable to current year has been charged as finance cost in Profit and Loss Account.		
11	**Income Tax Assets (Net)**	**As at March 31, 2021**	As at March 31, 2020
	Advance Income Tax	**2,111.25**	1,892.71
	Less : Provision for Tax	**1,324.42**	1,060.43
		786.83	832.28
	The Company has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and has submitted the relevant forms with income tax department and remitted a sum of ₹840.59 crore over the period, which are in the process of scrutiny and approval by the Income Tax department. Out of the disputed income tax paid the company is also eligible to prefer claim with its customers in accordance with the CERC tariff regulations. Pending requisite acceptance and approval in this regard from the income tax department and also preferring claim with the customers the amount paid as above has been carried forward.		

Notes to Standalone Financial Statements

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
		(₹ in crore)	
12	**Other Current Assets**	**As at March 31, 2021**	As at March 31, 2020
	Disposable / Dismantled Assets & Spares	**3.81**	3.92
	Prepaid Expenses	**151.93**	66.93
	Advances other than capital advances (unsecured)		-
	i. Considered good		-
	- Related Party	**72.57**	47.39
	- Staff Advances	**202.24**	182.78
	- Others	**42.92**	65.35
	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	**-**	20.66
	- Towards Royalty	**12.07**	10.63
	- Towards Advance TDS	**0.28**	0.39
	- Port Trust and Customs authorities	**12.09**	12.09
	- VAT Appeal	**56.21**	-
	Unbilled Revenue	**914.78**	809.73
	GST Receivable (Input Tax Credit)	**12.77**	4.77
	TCS Receivable	**0.22**	-
	Others	**0.46**	2.06
		1,482.35	1,226.70

a) Unbilled Revenue includes ₹ 665.28 crore of billing done after March 31, for Sale of Power related to March 2021 (PY - ₹ 696.19 crore).
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.
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 No.	Particulars	As at March 31, 2021	As at March 31, 2020
13	**Regulatory Deferral Account Debit Balances**	**As at March 31, 2021**	As at March 31, 2020
	Deferred Foreign Currency Fluctuation	**132.17**	124.55
	Gratuity	**170.98**	170.98
	Wage Revision	**612.67**	612.67
	Other items recoverable as per CERC Order/Regulations	**467.67**	328.98
	Others	**216.31**	-
		1,599.80	1,237.18

a) The regulatory deferral accounts balances has been accounted in line with the company's accounting policy. Refer note no 47 for detailed disclosures.

b) The Company has filed truing up petition for the Tariff period 2014-19 both for its Thermal Stations and Mines. Any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

c) Based on petition filed with CERC for NNTPP (2x500 MW), the differential amount of ₹52.11 crore considered under regulatory deferral account debit balance.

d) 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 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 under regulatory income pending filing of the claim with Coal Controller.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
14	**Equity Share Capital**	**As at March 31, 2021**	As at March 31, 2020
	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 2020)	**2000.00**	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 2020)	**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, 2021**	As at March 31, 2020
	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)	**Dividends**	**As at March 31, 2021**	As at March 31, 2020
	i) Dividends paid and recognised during the year		
	- Final dividend for the year ended 31st March 2020 of ₹ NIL (31st March 2019 ₹ Nil) per fully paid equity share	**-**	-
	- Interim dividend for the year ended 31st March 2021 of ₹1.00 (31st March 2020 ₹ 7.06) per fully paid equity share	**138.66**	978.97
	ii) Dividends not recognised during the year In addition to above dividends, the Directors have recommended the Final dividend @15% i.e. ₹ 1.5 per share for FY 2020-21 per fully paid equity shares subject to approval of Shareholders	**-**	
d)	**Movement in Equity Shares Last Five Years preceding 01.04.2021**		**Equity Shares**
	Number of Shares as on 01.04.2015		**1,67,77,09,600**
	Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2015-16, FY 2016-17 & FY 2017-18, FY 2018-19 & FY 2019-20.		**Nil**
	Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2015-16, FY 2016-17 & FY 2017-18, FY 2018-19 & FY 2019-20.		**Nil**
	Aggregate number and class of shares bought back FY 2015-16, FY 2016-17 & FY 2017-18, FY 2018-19 & FY 2019-20.		**29,10,72,991**
	Number of Shares as on 31.03.2020		**1,38,66,36,609**
	Shares bought back 14,91,41,173 nos. & 14,19,31,818 no's. during the FY 2016-17 & FY 2018-19 respectively.		

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
15	**Other Equity**	**As at March 31, 2021**	As at March 31, 2020
	i) Retained Earnings	**9,934.66**	9,055.41
	ii) Other Comprehensive Income		
	Remeasurement of actuarial gains/ (losses) and interest cost	**(80.48)**	(112.52)
	a) Total Retained Earnings (i + ii)	**9,854.18**	8,942.89
	b) Other Reserves		
	KfW Interest Differential Reserve	**358.00**	351.30
	General Reserve	**1,457.00**	1,457.00
	Contingency Reserve	**120.00**	110.00
	Capital Redemption Reserve	**291.07**	291.07
	PRMA Reserve Fund	**107.79**	100.61
	Total other reserves (b)	**2,333.86**	2,309.98
		12,188.04	11,252.87
a)	**Retained Earnings**	**As at March 31, 2021**	As at March 31, 2020
	Opening Balance	**9,055.41**	8,830.62
	Addition during the year	**1,073.83**	1,288.49
	i) Retained Earning available for Appropriation	**10,129.24**	10,119.11
	Less: Appropriations		
	Transfer to / (from) Interest Differential Fund Reserve	**6.70**	8.72
	Transfer to Contingency Reserve	**10.00**	10.00
	Transfer to PRMA Reserve Fund	**7.18**	10.03
	Interim Dividend	**138.66**	978.97
	Tax on interim Dividend	**-**	181.21
	Ind AS 116 Lease Adjustments	**-**	0.13
	ii) Other Comprehensive Income		
	Remeasurement of Actuarial Gain/(loss)	**32.04**	(125.36)
	Closing Balance	**9,934.66**	9,055.41
b)	**Other Reserves**		
	KfW Interest Differential Reserve	**As at March 31, 2021**	As at March 31, 2020
	Opening Balance	**351.30**	342.58
	Transfer from Retained Earnings	**28.98**	28.05
	Less : Withdrawal / Adjustment during the year	**22.28**	19.33
	Closing Balance	**358.00**	351.30
	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.		
	General Reserve	**As at March 31, 2021**	As at March 31, 2020
	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, 2021**	As at March 31, 2020
	Opening Balance	**110.00**	100.00
	Transfer from Retained Earnings	**10.00**	10.00
	Less : Withdrawal / Adjustment during the year	**-**	-
	Closing Balance	**120.00**	110.00
	₹ 10 crore is apportioned from profit every year to secure the contingency payments in the future periods.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	Capital Redemption Reserve	**As at March 31, 2021**	As at March 31, 2020
	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, 2021**	As at March 31, 2020
	Opening Balance	**100.61**	90.58
	Transfer from Retained Earnings	**7.18**	10.03
	Less : Withdrawal / Adjustment during the year	**-**	-
	Closing Balance	**107.79**	100.61
	Represents reserve towards Post Retirement Medical Assistance (PRMA) benefits provided to retired employees and their spouse.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
16	**NON-CURRENT LIABILITIES** **Financial Liabilities**		
a)	**Borrowings**	**As at March 31, 2021**	As at March 31, 2020
	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	**3,219.10**	5,754.65
	- Power Finance Corporation Ltd	**2,250.00**	2,550.00
	B) Unsecured Loans		
	(i) NLCIL Bonds		
	- Series-II-2020	**500.00**	-
	- Series-I-2021	**1,175.00**	-
	(ii) Inter Corporate Loan :		
	- Loan from Mahanadi Coalfields Limited (MCL)	**125.00**	625.00
	(iii) Foreign Currency loan from KfW-Germany ##		
	- '6.80 Million Euro (7.24 Million Euro) - I	**54.80**	56.49
	- '46.24 Million Euro (49.04 Million Euro)-II	**374.00**	384.02
	## Guaranteed by the Government of India.		
		9,697.90	11,370.16

Details of Terms of Repayment, Rate of Interest and Security :

i. To meet the General Funding arrangement, two Bonds were issued for an amount of ₹ 1,475 crore and ₹ 525 crore which carries interest @ 8.09% p.a & 7.36% p.a respectively. The bonds were secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (2 X 250 MW) (including Land) to the extent of the facility. The Bonds are repayable through bullet payment on 29-05-2029 & 25-01-2030.

ii. To meet the General Funding arrangement, an unsecured Bond i.e NLCIL Bond 2020 Series-II carrying an interest rate of 5.34% p.a. was issued for ₹ 500 crore on 31.07.2020 which is repayable through bullet payment on 11.04.2025.

iii. To meet the fund requirement of Neyveli New Thermal Projects (2 X 500 MW) :

a) Loan of ₹ 3000 crore @ 6.56% p.a. (on the basis of 3 year AAA Reuter rate i.e 5.71% p.a plus fixed spread 0.85%) from M/s. Power Finance Corporation Ltd., amount drawn is ₹ 3000 Crore & outstanding amount is ₹ 2550 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.

b) RTL of ₹ 1135 crore @ 6.37% p.a. (on the basis of 5 year G-Sec rate i.e. 5.51% plus 0.86% fixed spread) from HDFC Bank, amount drawn is ₹ 1135 crore. Outstanding Loan of ₹ 1021.50 crore was pre-closed on 27.01.2021. Outstanding amount as on 31.03.2021 is Nil.

c) RTL of ₹ 821 crore @ 5.91% p.a. (on the basis of 1 year G-Sec rate i.e 5.30% plus 0.61% fixed spread) from HDFC Bank, out of this facility, amount of loan drawn is ₹ 499 crore. Outstanding Loan of ₹ 449.10 crore was pre-closed on 27.01.2021. Outstanding amount as on 31.03.2021 is Nil.

d) 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.

iv. 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 @ 6.62% p.a (on the basis of 5 year G-Sec Rate i.e 5.99% plus 0.63% fixed spread). Repayment for the same started from October 2018, amount drawn is ₹ 481 crore and outstanding amount is ₹ 192.40 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, the last installment falls due on March 2023.

v. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with

a) Axis Bank Ltd. for an amount of ₹ 500 crore @7.41% p.a (on the basis of 5 Year G-Sec rate i.e. 6.19% plus 1.22% fixed spread). Repayment for the loan has commenced from September' 2019 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2021 is ₹ 300 crore.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

b) Axis Bank Ltd. for an amount of ₹ 450 crore @ 7.39% p.a (On the basis of 5 Year G-Sec Rate i.e. 6.19% plus 1.20% fixed spread). Repayment for the loan starts from March' 2020 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2021 is ₹ 315 crore.

c) Federal bank Ltd. for an amount of ₹ 456 crore @ 7.27% p.a. (on the basis of 5 Year G-Sec rate i.e. 6.07% plus 1.20% fixed spread). Repayment for the loan starts from March' 2020 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2021 is ₹ 319.20 crore.

The loans are secured by pari-passu charge on the project assets to the extent of the facility.

vi. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with State Bank of India for an amount of ₹ 2552 crore @ 6.95% p.a (on the basis of 6 months MCLR rate @ 6.95%) repayable in 20 equal half- yearly installments of ₹ 127.60 crore each. The first repayment has made on 31.12.2020. Out of total facility, ₹ 2319 crore has been drawn and the outstanding amount as on 31.03.2021 is ₹ 2191.40 crore. The loan is secured by a pari-passu charge on the project assets to the extent of the facility.

vii. 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 @ 6.95% p.a (on the basis of 6 Month MCLR rate) repayable in 20 equal half- yearly instalments of ₹ 84.0375 crore stating from 30.09.2021. Out of the facility, ₹ 593 crore is drawn. The loans is secured by pari-passu charge on the project assets to the extent of the facility.

viii. To meet the general funding arrangement, an unsecured inter corporate borrowing agreement was tied up with Mahanadi Coalfields Limited for ₹ 2000/- crore. This is unsecured loan repayable in 48 equal monthly installments commencing from July' 2018. Out of the total drawal of ₹ 2000 crore amount outstanding as at 31.03.2021 is ₹ 625 crore. This loan carries a Fixed Interest at 7% p.a.

ix. Bi- annual equal repayment (€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany @ 0.75% p.a, commenced from 30-12-2001, ending on 30-06-2036.

x. Bi-annual equal repayment (€ 1.401 Million each) of Foreign Currency loan -II from KfW Germany, @ 0.75% p.a, commenced from 30-06-2002, ending on 30-06-2037.

xi. A portion of KfW Germany loan which was used for renovation of TPS-I, has not been repaid in full. The balance outstanding as on 31.03.2020 is ₹21.25 crore for all the units of TPS-I. Petition has been filed for recovery of balance outstanding loan from TANGEDCO. Pending order from CERC, the outstanding loan balance has been carried forward.

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
.b	**Lease Liability of Right-of-Use Assets**	**As at March 31, 2021**	As at March 31, 2020
	Lease Liability on		
	- Land	**0.36**	0.39
	- Building	**0.97**	0.79
	- Vehicle	**2.69**	2.12
		4.02	3.30
	Due to variable nature of payment for overburden removal, the right to use asset and lease liability under Ind AS 116 is not ascertainable.		
17	**Deferred Tax Liabilities (Net)**	**As at March 31, 2021**	As at March 31, 2020
	Deferred Tax Liabilities		
	on Depreciation	**3,962.95**	2,889.92
	Deferred Tax Assets		
	Deferred tax asset on tax losses/provisions	**431.52**	109.98
	MAT Credit entitlement	**957.91**	661.05
	Deferred Tax Liabilities (Net)	**2,573.52**	**2,118.89**
18	**Other Non-Current Liabilities**	**As at March 31, 2021**	As at March 31, 2020
	Capital purchase, Capital works-in-progress and other liabilities	**609.58**	701.84
	Mine Closure Liability	**361.57**	267.18
	Deferred Income	**119.03**	97.37
		1,090.18	1,066.39

a) 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.

b) Deferred income includes capital grant of ₹ 95.73 crore and ₹ 32.52 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 location 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 Profit and Loss account each year.

STANDALONE FINANCIAL STATEMENTS

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
	Current Liabilities		
19	**Financial Liabilities**		
a	**Borrowings**	**As at March 31, 2021**	As at March 31, 2020
	Loans Repayable on Demand		
	(A) **Secured :**		
	- Cash Credit facility from Bank	**-**	241.42
	- Working Capital Demand Loan (WCDL)	**-**	2,400.00
	- Treasury Bill linked WCL	**150.00**	-
	(B) **Unsecured :**		
	- Commercial Paper	**3,550.00**	1,000.00
			-
		3,700.00	3,641.42

a) The Company has taken a Cash credit facility from SBI with maximum cap of ₹ 4000 crore with a rate of interest @ 6.95% p.a. Interest Rate are based on 6 months MCLR rate. The Cash Credit Facility is secured by entire Current Assets of the Company. Out of this facility as at 31.03.2021 ₹. 150 crore has been linked to Treasury bill. The undrawn borrowing as on 31.03.2021 is ₹ 3850 crore.

b) Working Capital loan with SBI ₹ 150 crore 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. T-Bill based WCL is a part of SBI WC loan which carries interest rate of 4.50% p.a.

c) Commercial Paper to the tune of ₹ 3550 crore is outstanding as on 31.03.2021 drawn at a coupon rate ranging from 3.35% p.a. to 3.68% p.a. These are unsecured loans repayable on respective due dates.

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
b	**Trade Payables**	**As at March 31, 2021**	As at March 31, 2020
	Trade Payables :		
	- Towards Micro and Small Enterprises	**14.10**	11.54
	- Others than Micro and Small Enterprises	**1,498.08**	1,819.35
		1,512.18	1,830.89

Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 28.31 crore (previous year ₹ 13.12 crore).Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 54.

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
c	**Other Financial Liabilities**	**As at March 31, 2021**	As at March 31, 2020
	a) Current maturities of Long Term Debt		
	Secured		
	i. Term Loans - Banks	**691.90**	941.98
	ii. Term Loans -Power Finance Corporation Ltd.	**300.00**	300.00
	Unsecured		
	i. Foreign Currency loans from KfW Germany	**27.89**	26.91
	ii. Inter Corporate Loan-MCL Ltd.	**500.00**	500.00
	b) Dues to related party (unsecured)	**131.98**	-
	c) Interest Accrued :		
	i. NLCIL Bonds	**134.34**	107.57
	ii. KfW-Germany	**0.86**	0.88
	iii. Term Loans from Banks.	**0.46**	1.63
	iv. Working Capital Demand Loan (WCDL)	**-**	4.29
	v. Commercial Paper.	**-**	3.27
	vi. Treasury Bill linked WCL	**0.11**	-
	vii. Dues to related party	**0.05**	-
		1,787.59	1,886.53

Dues to related party represents payment of ₹131.98 crore received from TANGEDCO in March, 2021, towards NTPL power bill , which was subsequently settled with applicable interest.

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
20	**Other Current Liabilities**	**As at March 31, 2021**	As at March 31, 2020
	Unclaimed Dividend	**2.46**	3.00
	Unutilised Revenue Grant	**4.81**	5.05
	Staff Security Deposit	**0.01**	0.01
	Other liabilities		
	- Employees	**389.96**	427.50
	- Statutory	**104.22**	94.64
	- Others	**168.84**	57.44
		670.30	587.64
	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/debtors.		
21	**Provisions**	**As at March 31, 2021**	As at March 31, 2020
	Short-term Benefit of Leave Salary	**114.55**	179.18
	Post Retirement Medical Benefit	**15.76**	13.91
	Provision for Gratuity & Other Employment Benefits	**275.33**	528.38
	Provision for Loss on Assets	**17.11**	9.26
	Provision for Contingencies	**41.28**	17.53
		464.03	748.26
22	**Regulatory Deferral Account Credit Balances**	**As at March 31, 2021**	As at March 31, 2020
	Deferred Foreign Currency Fluctuation	**30.57**	34.26
	CERC Order/Petition filed with APTEL/Others	**2,591.05**	2,530.79
		2,621.62	2,565.05
	a) Truing up petition for lignite transfer price for tariff period 2014-19 has been filed with CERC FY 2019-2020. Pending order from CERC, regulatory liability created for lignite transfer price amounting to ₹ 544.37 crore is carried forward under the head Regulatory Deferral Account Credit Balances. b) Other regulatory liability includes the impact of various regulatory orders including period cost pending at APTEL / Other Authorities.		
23	**Revenue from Operations**	**For the year Ended March 31, 2021**	For the year Ended March 31, 2020
	Sale of :		
	- Power	**6,837.46**	7,355.15
	- Lignite	**351.38**	517.46
	- Coal	**78.87**	-
	- Fly Ash & Other By-products	**38.83**	26.87
	Other Operating Revenue :		
	- Consultancy and Technical Fees	**33.36**	30.65
		7,339.90	7,930.13
	Less: Transfer to Capital Work in Progress	**90.09**	4.31
	Less: Rebate on sale of Power	**0.18**	9.52
		7,249.63	7,916.30
	a) Sale includes Sale of Power through Trading of ₹ 408.41 crore (31st March 2020: ₹ 1129.43 crore) b) The Company raised debit note in January 2021 on beneficiaries for Deferred Tax Materialised till 31st March 2019 amounting to ₹ 218.95 crore and the same has been considered under revenue from operations. Deferred Tax Liability materialised for the periods ended March 31st, 2020 and March 31st, 2021 has not been considered, as the quantum of amount is yet to be ascertained and pending reconciliation and confirmation from beneficiaries.		

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)
	c) On account of COVID- 19 pandemic, Ministry of Power vide Letter No. 23/22/2019-R&R Part-4 dated 06.04.2020 clarified that late payment surcharge shall apply at reduced rate for the period between 24.03.2020 to 30.06.2020 (on those payments that become overdue during the period 24.03.2020 to 30.06.2020 and from 01.07.2020 onwards, the delayed payment surcharge shall be payable at the rate given in the PPA/regulations. Accordingly, Company has charged surcharge at the rate of 12% p.a. instead of 18% p.a. for the said period. d) Transfer to Capital work in progress represents sale of Coal in Talabira Mine before CoD and Power sales of Unit-II of NNTPS (2 X 500 MW) project before CoD. e) The revenue from operation included ₹ 171.10 crore revenue earned by TPS-I till its retirement from operation i.e., 30th September, 2020. Details has been provided in Note 56.	

Note No.	Other Income	For the year Ended March 31, 2021	For the year Ended March 31, 2020
24	(a) Interest on		
	i) Bank Deposits	5.07	8.33
	ii) Employees Loans	4.62	5.47
	iii) Mine Closure Deposits	15.20	14.32
	iv) Loans to Subsidiary companies	35.53	97.55
	v) Others	49.86	41.18
	(b) Recoveries Towards Rent and Others	22.11	24.79
	(c) Profit on Sale of Assets	3.60	2.65
	(d) Provision Written Back	112.34	0.05
	(e) Surcharge on sale of Power	1236.53	840.41
	(f) Dividend from Subsidiary Company - NTPL	58.42	97.37
	(g) Exchange Fluctuation	11.95	0.05
	(h) Deferred Income on Govt. Grant	10.48	9.35
	(i) Miscellaneous	167.43	88.23
		1733.14	1229.75
	(Add) / Less: Transfer to Capital Work in Progress	1.31	3.68
	Less: Transfer to Mine Closure Liability	14.95	9.09
		1716.88	1216.98

a) Interest others includes ₹ 41.98 crore (PY ₹ 28.56 crore) towards interest on income tax refunds and ₹ 7.69 Crore (PY ₹ 10.95 crore) towards interest on advances to vendors.

b) Miscellaneous income includes ₹ 32.80 crore (PY ₹ 41.06 crore) towards sale of scrap and ₹ 44.04 crore (PY ₹ 12.72 crore) towards liquidated damage recovered other than projects.

c) The other income include ₹ 17.49 crore of TPS-I till its operation upto 30th September, 2020. Details of such income has been provided in Note 56.

d) Provision written back includes reversal of provision on receipt of one arbitration award in favour of the Company.

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) The insurance claim w.r.t to TPS-II fire incident has been lodged with the Insurer and the Insurer has acknowledged minimum ₹ 50 crore as interim claim subject to final assessment of loss and settlement there on. This claim has been disclosed under Misc. Income. A payment of ₹ 9.50 crore received in June 2021.

Note No.	Changes in Inventories of Raw Material	For the year Ended March 31, 2021	For the year Ended March 31, 2020
25	**OPENING STOCK**		
	Raw Material		
	Lignite	828.42	910.41
	Coal	-	-
	CLOSING STOCK		
	Raw Material		
	Lignite	882.89	828.42
	Coal	20.60	-
	Less : Transfer to Capital Work-in-Progress	20.60	-
	Increase (-) / Decrease in Stock	(54.47)	81.99

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
26	**Employee Benefit Expenses**	**For the year Ended March 31, 2021**	For the year Ended March 31, 2020
	Salaries, Wages and Incentives	**2213.60**	2401.66
	Contribution to Provident and other funds	**366.59**	374.53
	Gratuity	**33.07**	26.19
	Welfare Expenses	**119.92**	119.17
		2733.18	2921.55
	Less: Transfer to Capital Work-in-Progress	**44.82**	116.85
		2688.36	2804.70
	a) Employee benefit expenditure includes ₹ 121.46 crore towards salaries and other employee benefits paid to employees of TPS-I which was discontinued from operation by 30th September, 2020. Details of such expenditure has been provided in Note 56.		
	b) Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 42.		
27	**Finance Costs**	**For the year Ended March 31, 2021**	For the year Ended March 31, 2020
	Interest on :		
	(i) KfW - Foreign Currency Loan	**3.86**	3.46
	(ii) NLCIL Bonds	**184.73**	107.57
	(iii) Loan from Banks	**400.62**	504.90
	(iv) Loan from Power Finance Corporation	**205.21**	272.19
	(v) Treasury Bill linked WCL	**66.04**	-
	(vi) Others (interest on Cash Credit & WCDL)	**53.44**	243.35
	(vii) Interest on ROU Liability	**0.32**	0.16
	(viii) Inter Corporate Loan		
	- Mahanadi Coalfields Ltd. (MCL)	**62.62**	97.87
	- NLC Tamilnadu power Limited (NTPL)	**0.05**	-
	Others :		
	(i) Discount on Commercial Paper	**134.64**	3.27
	(ii) Guarantee Fees on KfW loan	**5.61**	5.55
		1,117.14	1,238.32
	Less: Transfer to Capital Work-in-Progress	**136.51**	417.94
		980.63	820.38
	Finance cost included ₹ 18.46 crore of interest expenditures for TPS-I till its retirement from operation i.e. 30th September, 2020. Details of such expenditure has been provided in Note No. 56.		
28	**Depreciation and Amortization Expenses**	**For the year Ended March 31, 2021**	For the year Ended March 31, 2020
	Property, Plant and Equipment	**1174.61**	916.09
	Mine Development and other Amortisations	**45.77**	45.77
	Depreciation on ROU Assets	**1.09**	0.67
		1,221.47	962.53
	Less: Transfer to Capital Work-in-Progress	**17.06**	4.14
		1,204.41	958.39
	a) Depreciation and amortisation includes ₹ 1.54 crore for FY 2020-21 in respect to TPS-I till its discontinuation from operation till 30th September, 2020. Details of such expenditure has been provided in Note 56.		
	b) Spares meeting the criteria of PPE and having value more than ₹ 5 lakh has been considered for capitalisation.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
29	**Other Expenses**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Consumption of Stores and Spares	**496.21**	381.49
	Fuel	**93.57**	240.57
	Mine Closure	**63.73**	45.43
	Rent	**1.36**	1.63
	Rates and Taxes		
	- Electricity Tax	**0.76**	0.89
	- Others	**19.26**	12.12
	Repairs and Maintenance		
	- Plant and Machinery	**307.95**	289.27
	- Buildings	**28.18**	28.74
	- Others	**404.49**	270.32
	Overburden Removal Expenditure	**233.00**	325.44
	Insurance	**64.32**	17.34
	Payments to Auditors		
	- Audit fees	**0.59**	0.38
	- Tax Audit fees	**0.05**	0.05
	- Other Certification Fees	**0.20**	0.20
	- Reimbursement of Expenses	**0.07**	0.33
	Other Professional Fees	**0.72**	0.69
	Travelling Expenses	**19.75**	27.10
	Training Expenses	**16.75**	28.02
	Family Welfare Expenses	**18.02**	22.75
	Selling Expenses - Commissions	**23.91**	31.78
	Afforestation Expenses	**23.25**	14.20
	Royalty	**386.94**	489.00
	Security Expenses (CISF)	**155.90**	161.48
	Corporate Social Responsibility	**46.74**	75.66
	Miscellaneous Expenses	**76.93**	62.76
	Loss on assets disposed/written off/discarded	**0.71**	2.65
	Provision for Stores & Materials	**13.95**	3.14
	Provision for Fixed Assets	**7.85**	0.02
	Provision for Preliminary Expenses	**0.03**	1.59
	Provision for Doubtful Debt	**336.08**	10.95
		2,841.27	2,545.99
	Less: Transfer to Capital Work in Progress	**179.16**	290.61
		2,662.11	2,255.38

a) Other expenses under various heads includes a cumulative amount of ₹ 186.14 crore in FY 2020-21 spend towards TPS-I till its retirement from operation as on 30th September , 2020. Details of such expenditure has been provided in Note 56.

b) Provision for doubtful debts includes ₹ 322.76 crore towards loss allowances on outstanding debtors on provisional basis.

c) Provision for stores and spares includes ₹ 11.61 crore towards non moving stores and spares arisen due to change in accounting policy.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
30	**Net Movement in Regulatory Deferral Account Balances Income/(Expenses) - Net**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Income		
	a) CERC Regulations	**189.22**	129.98
	b) Deferred Foreign Currency	**19.98**	26.13
	c) Mine Closure	**165.78**	-
	d) CERC Orders	-	4.90
	Expenses		
	a) Deferred Foreign Currency	-	2.93
	b) Gratuity	-	42.23
	c) CERC/SERC Orders	**60.26**	120.26
	Net Movement	**314.72**	(4.41)

(a) The Company has filed petition for determination of Tariff of its new NNTPP (2 X 500 MW) before CERC. Based on petition an amount of ₹ 52.11 crore has been considered under regulatory deferral Account.

(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, 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 recognised 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

(c) 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 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 under regulatory income pending filing of the claim with Coal Controller.

(d) 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.

Note No.	Particulars		
31	**Exceptional items**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	VRS Compensation	**0.14**	3.44
	Power Sales - Rebate	**46.65**	-
		46.79	3.44

Ministry of Power has issued an Order dated 15.05.2020 and Corrigendum dated 16.05.2020 directing the Central Public Sector Generation Companies under Ministry of Power to consider to offer rebate of about 20% to 25% on power supply billed (fixed charges) to DISCOM's for the lock down period. Accordingly, the Company proposed to offer a rebate of 20% on power supply billed (Fixed Charges) which works out to ₹ 46.65 crore.

Note No.	Particulars		
32	**Other Comprehensive Income**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	a) Re-measurement of Actuarial (Losses)/Gains	**39.06**	(192.69)
	b) Tax expenses/(savings) re-measurement of Actuarial (Losses)/Gains	**7.02**	(67.33)
	Total (a-b)	**32.04**	(125.36)

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
33	**Earning Per Share from continuing operations - Basic and Diluted (Before Net Regulatory Deferral Adjustments)**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Profit After Tax (₹ in crore)	**783.61**	1,416.72
	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 (₹)	**5.65**	10.22
	Earning Per Share from continuing operations - Basic and Diluted (After Net Regulatory Deferral Adjustments)	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Profit After Tax (₹ in crore)	**1,041.79**	1,413.85
	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 (₹)	**7.51**	10.20
	Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share are same.		
34	**Effect of Foreign Exchange Fluctuation**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	a.) The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	**(7.80)**	1.09
	b.) The amount of exchange rate difference Adjustment and debited /(credited) to the carrying amount of fixed assets & WIP	**16.06**	29.71
		8.26	30.80
	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.		
35	**Expenditure on Research & Development**	**For the year ended March 31, 2021**	For the year ended March 31, 20120
	Capital Expenditure	**6.58**	10.65
	Revenue Expenditure	**15.12**	13.80
		21.70	24.45

36 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

Movements in provisions	As at 01.04.2020	Additions	Withdrawals	As at 31.03.2021
(i) Provision for loss on Assets	9.26	7.85	-	**17.11**
(ii) Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	**16.60**
Power Tariff adjustment - Deemed export benefit	(1.91)	-	-	**(1.91)**
Miscellaneous provision	2.84	23.75	-	**26.59**
	26.79	31.60	-	**58.39**

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.

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
37	**Consumption of Raw Material and Spare Parts**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Value of Indigenous and Imported Spares consumed		
	a. INDIGENOUS		
	Spare parts	**371.97**	289.57
	Percentage	**99.61%**	99.34%
	b. IMPORTED		
	Spare parts	**1.47**	1.93
	Percentage	**0.39%**	0.66%
38	**C.I.F. Value of Imports**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Capital Goods	-	5.73
	Components and Spares	**3.61**	1.34
		3.61	7.07
39	**Expenditure in Foreign Currency**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Travelling Expenses	**-**	0.17
	Professional and Consultancy	**0.03**	0.51
	Subscriptions/ Periodicals	**0.13**	-
	Interest Charges	**3.86**	3.46
		4.02	4.14
40	**CSR expenditure**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Medical-health & family welfare	**5.48**	22.42
	Drinking water facility	**-**	0.02
	Education & scholarship	**14.23**	6.15
	Construction of link road	**0.72**	1.86
	Promotion of sports	**0.05**	0.42
	Community development center	**0.45**	0.67
	Afforestation & environment sustainability	**-**	0.03
	Sanitation & other Basic Amenities	**0.06**	0.69
	Construction of school ,library & hostel	**0.06**	1.59
	Vocational Skill Centre development	**0.82**	1.42
	Irrigation facilities	**5.15**	7.16
	Electricity including solar & non conventional energy	**0.44**	0.39
	Others	**19.28**	32.84
		46.74	75.66

Notes to Standalone Financial Statements

	Particulars	(₹ in crore)

41 **Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:**

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)	
Shri. Nadella Naga Maheswar Rao	Director (Planning and Projects)	
Shri. Prabhakar Chowki	Director (Mines)	
Shri. Shaji John	Director (Power)	
Shri. Jaikumar Srinivasan	Director (Finance)	
Independent Directors		
Shri. Indrajit Pal	Non Executive Director	Relinquished w.e.f 06.09.2020
Dr. P Vishnu Dev	Non Executive Director	
Dr. V Muralidhar Goud	Non Executive Director	
Shri. N K Narayanan Namboothiri	Non Executive Director	
Nominee Directors		
Shri. Vinod Kumar Tiwari	Non Executive Director	
Shri. A. Karthik	Non Executive Director	Relinquished w.e.f 15.06.2020
Shri. S.K. Prabakar	Non Executive Director	Appointed w.e.f 02.07.2020
Chief Financial Officer and Company Secretary		
Shri. Jaikumar Srinivasan	Chief Financial Officer	
Shri. K. Viswanath	Company Secretary	

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 Employee 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:

i) Key Management Personnel Compensation	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Short Term Employee Benefit	**3.35**	3.54
Post-employment benefits	**0.28**	0.24
Other long-term benefits	**0.47**	0.44
Sitting fees	**0.23**	0.36
	4.33	4.58

Notes to Standalone Financial Statements

Note No.	Particulars				(₹ in crore)
	ii) Transactions with Subsidiaries:	**NLC Tamilnadu Power Ltd. (NTPL)**		**Neyveli Uttar Pradesh Power Ltd. (NUPPL)**	
		2020-21	2019-20	**2020-21**	2019-20
	i) Sales/purchase of goods and services				
	- Goods (excluding GST)/advance	**2.20**	-	**-**	-
	- Services (excluding GST)	**19.19**	17.88	**13.81**	12.59
	ii) Sales/purchase of Assets	**-**	-	**-**	-
	iii) Loans issued	**1,205.00**	1,500.00	**75.00**	790.00
	iv) Loans repaid	**1,205.00**	2,180.00	**75.00**	790.00
	v) Equity contributions	**-**	-	**102.58**	695.82
	vi) Other dues	**131.98**	-	**-**	-
	vii) Dividend Received	**58.42**	97.37	**-**	
	viii) Interest Payable	**0.05**	-	**-**	-
	ix) Interest received on loans	**35.29**	91.47	**0.24**	6.08
	iii) Transactions with Joint Venture & Associate:	**Coal Lignite Urja Vikas Private Ltd**		**MNH Shakti Limited**	
		2020-21	2019-20	**2020-21**	2019-20
	i) Reimbursement of employee cost	**-**	-	**-**	-
	ii) Loans issued	**-**	-	**-**	-
	iii) Loans repaid	**-**	-	**-**	-
	iv) Equity contributions	**0.01**	-	**-**	-

		2020-21	2019-20
	iv) Transactions with Post employment benefit plans:		
	Contributions made during the year	**339.38**	393.35

v) Transactions with the related parties under the control of the same government:

Name of the Company	Nature of transaction	2020-21	2019-20
Bharat Heavy Electricals Limited	Purchase of Stores and spares	**17.42**	22.02
Bharat Heavy Electricals Limited	Package contracts	**54.91**	78.00
BEML Limited	Payment for FMC contract	**26.23**	20.84
BEML Limited	Purchase of Stores and spares	**0.09**	0.08
BEML Limited	Payment for procuring CMEs	**5.78**	13.39
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	**76.45**	127.22
Bharat Petroleum Corporation Ltd	Purchase of furnace oil	**130.31**	135.94
Indian Oil Corporation Limited	Purchase of furnace oil	**152.41**	58.53
NBCC India Limited	Purchase/Construction of Asset	**-**	6.04
Steel Authority Of India Limited	Purchase of Steel	**43.67**	14.44
Rashtriya Ispat Nigam Ltd	Purchase of Steel	**4.49**	2.34
Balmer Lawrie & Co Ltd	Purchase of Lubricants	**4.24**	6.70
Balmer Lawrie & Co Ltd	Purchase of Air Ticket	**0.39**	3.85
MSTC Ltd	E-auction agent Commission	**1.30**	1.78
Mecon Ltd	Consultancy Services-MOEF norms	**0.44**	0.01
Instrumentation Ltd	Supply of spares	**0.88**	1.05
Mahanadi Coalfields Ltd (MCL)	Loan repayment	**500.00**	500.00
Power Grid Corporation of India Limited	Maintenance Contract	**0.03**	11.95
Central Mine Planning & Design Institute	Testing/consultancy	**0.13**	0.37

Notes to Standalone Financial Statements

Note No.	Particulars			(₹ in crore)
	Name of the Company	**Nature of transaction**	**2020-21**	2019-20
	Power Grid Corporation of India Limited	Transmission Charges	**4.02**	0.78
	Central Power Research Institute (CPRI)	Testing Fee	**0.00**	0.42
	Projects Development India Limited	Consultancy Services-Methanol Project	**0.24**	-
	EDCIL India Limited	Recruitment Process	**9.16**	-
	LIC India Limited	Risk Insurance Policy Premium	**1.80**	2.51
	National Insurance company Ltd	PRMI Insurance/Mega Insurance	**15.32**	73.51
	New India Assurance Company Limited	Insurance Premium (group insurance)	**1.28**	0.85
	United India Insurance Company Limited	Insurance Premium (Mega insurance)	**96.79**	-
	Railtel Corporation of India Limited	Internet Services	**0.03**	0.11
	Electronics Corporation of India Limited	Secret Ballot election voting machine	**0.04**	0.03
	Rites Limited	Consultancy for Railway siding	**1.37**	1.51
	Stock Holding Corporation of India Limited	Payment of Stamp Duty	**1.66**	-
	Mahanadi Coalfields Ltd (MCL)	Sale of Coal	**91.03**	-
	BSNL	Land Line and Internet Services	**0.20**	0.18

c) Outstanding balances with related parties are as follows:

	Transactions value for the year ended March 31		Balance outstanding as at March 31	
i) Key Managerial Personnel	**2021**	2020	**2021**	2020
Mr. Rakesh Kumar/CMD -towards HBA	**-**	0.06	**-**	-
Mr. Shaji John/Director (Power)-towards CAR Loan	**0.00**	0.02	**0.02**	0.03
Mr. Viswanath K / Company Secretary				
- CAR Loan	**0.01**	0.02	**0.02**	0.01
- Festival Advance	**0.00**	0.00	**-**	0.00

ii) Subsidiaries , Joint Ventures & Associates	**As at March 31, 2021**	As at March 31, 2020
1) Neyveli Tamilnadu Power Limited (NTPL)		
- Receivable		
- towards Other Loan & Advances	**-**	-
- Others	**92.56**	62.58
- Payable	**131.98**	-
2) Neyveli Uttar Pradesh Power Limited (NUPPL)		
- Receivable		
- towards Loan & Advances	**-**	-
- Others	**12.10**	11.36
- Payable	**-**	-
3) MNH Shakti		
There were no Receivables/payables as at the end of Financial Year with MNH Shakti.	**-**	-
4) Coal Lignite Urja Vikas Pvt Ltd (CLUVPL)		
There were no Receivables/payables as at the end of Financial Year with CLUVPL.	**-**	-

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

iii) Post Employment Benefit Plan:

Post Employment Benefit Plan	**As at March 31, 2021**	As at March 31, 2020
- Receivable	-	-
- Payable	**27.95**	**29.10**

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 group towards superannuation and employee benefits are recovered from these 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, 2021 and March 31, 2020 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.

42 **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 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.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

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. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

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 recognised on the basis of actuarial valuation. The fund manager declared interest subsequent to publication of financials in FY 2019-20 which has been considered in current FY 2020-21 actuarial valuation report without changing the previous published details.

	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	-
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**

Notes to Standalone Financial Statements

Note No.	Particulars						(₹ in crore)
		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, 2019	1,277.75	1,186.48	91.27	519.42	494.03	25.39
	Included in profit and loss						
	Current Service Cost	23.81	89.32	(65.51)	235.43	-	235.43
	Past service cost and gain or loss on settlement						
	Interest cost/(income)	92.95	-	92.95	39.32	38.30	1.02
	Included in OCI						
	Re-measurement of loss (gain) :						
	Actuarial loss (gain) arising from						
	Demographic assumptions	-	-	-	-	-	-
	Financial assumptions	87.80	-	87.80	40.87	-	40.87
	Experience adjustment	99.41	-	99.41	(172.94)	-	(172.94)
	Return on plan asset excluding interest income	-	(5.48)	5.48	-	(2.29)	2.29
	Change in the effect of the asset ceiling						
	Increase/(decrease) due to effect of any business combination/disinvestment/transfer	0.31	0.31	-	0.48	0.48	-
	Other						
	Contributions Paid by the employer	-	91.25	(91.25)	-	25.39	(25.39)
	Benefits paid	(231.67)	(231.67)	-	(61.88)	(61.88)	-
	Balance as at March 31, 2020	**1,350.36**	**1,130.21**	**220.15**	**600.70**	**494.03**	**106.67**

	Gratuity		Leave Benefit	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Represented by :				
Net defined benefit asset	**1,240.53**	1,130.21	**576.54**	494.03
Net defined benefit liability	**1,237.32**	1,350.36	**618.57**	600.70

I. Plan Asset

	Gratuity		Leave Benefit	
Plan assets comprises the followings:	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Equity Securities	**5.85%**	5.00%	**5.71%**	5.00%
Govt. Bonds	**94.15%**	95.00%	**94.29%**	95.00%

Details of the employee benefits and plan assets are provided below :

	Gratuity		Leave Benefit	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Present value of funded obligation	**1,237.32**	1,350.36	**618.57**	600.70
Fair value of plan assets	**1,240.53**	1,130.21	**576.54**	494.03
Present value of net obligations	**(3.21)**	220.15	**42.03**	106.67
Unrecognised past service cost	**-**	-	**-**	-

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

II. Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	Gratuity		Leave Benefit	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Discount rate per annum	**6.50%**	6.52%	**6.50%**	6.52%
Expected return per annum on plan asset	**6.50%**	7.50%	**6.50%**	7.70%
Salary escalation per annum	**5.00%**	5.00%	**5.00%**	3% to 5 %
Mortality	**IALM 2012-14 ULT**	IALM 2012-14 ULT	**IALM 2012-14 ULT**	IALM 2012-14 ULT
Attrition rate	**1%**	1 % to 3 %	**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:

	Gratuity				Leave Benefit			
	As at March 31, 2021		As at March 31, 2020		**As at March 31, 2021**		As at March 31, 2020	
	Increase	**Decrease**	Increase	Decrease	**Increase**	**Decrease**	Increase	Decrease
Discount rate (+/- 50 BP)	**1,210.36**	**1,265.44**	1,320.07	1,383.56	**603.47**	**634.48**	587.02	615.72
Salary escalation per annum (+/- 50 BP)	**1,243.47**	**1,229.93**	1,361.44	1,337.67	**634.63**	**603.19**	634.38	604.17

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 Standalone Financial Statements

Note No.	Particulars					(₹ in crore)
	Expected maturity analysis of the defined benefit plans in future years	**Less than 1 year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
	March 31, 2021					
	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**

Expected maturity analysis of the defined benefit plans in future years	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020					
Gratuity	210.15	174.96	493.70	1,064.45	1,943.26
Leave Benefit	78.43	78.42	243.13	472.75	872.73
Total	288.57	253.38	736.83	1,537.20	2,815.98

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.

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:

	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset)/liability	
	2021	2020	**2021**	2020	**2021**	2020
Balance as at April 1	**3,082.17**	2,909.97	**3,111.07**	2,945.01	**(28.90)**	(35.04)
Current Service Cost	**163.39**	70.66	**163.39**	-	**-**	70.66
Interest cost (income)	**216.54**	235.32	**263.29**	244.44	**(46.75)**	(9.12)
Actuarial loss (gain)	**110.25**	12.51	**0.00**	0.00	**110.25**	12.51
Expected return on plan assets	**-**	-	**45.16**	67.92	**(45.16)**	(67.92)
Contributions Paid by the employer	**426.12**	443.84	**426.12**	443.84	**-**	0.00
Benefits paid	**(791.57)**	(590.13)	**(791.57)**	(590.13)	**-**	-
Balance at March 31	**3,206.91**	**3,082.17**	**3,217.46**	**3,111.07**	**(10.56)**	**(28.90)**

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 adjusted 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.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

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 ₹ 28.90 crore (Previous year ₹ 35.04 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.

I. Plan Asset

Plan assets comprises the following :

	March 31, 2021		March 31, 2020	
	(₹ in crore)	% of total assets	(₹ in crore)	% of total assets
Equity Securities	49.21	1.53%	47.58	1.53%
Fixed Income/Debt Securities	3,168.25	98.47%	3,063.49	98.47%
	3,217.46	100.00%	3,111.07	100.00%

II. Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	March 31, 2021	March 31, 2020
Discount rate per annum	6.54%	6.50%
Expected return per annum on plan asset	8.50%	8.30%
Super annuation age	60 Years	60 Years
Remaining work life	Average of 8.53 years	Average of 7.49 Years
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT

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 spouses 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 medi-claim insurance. A separate fund is maintained by the Company and necessary contributions are made every year for this purpose.

	March 31, 2021	March 31, 2020
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	14.84	15.34
ii. Liability provided for the fixed Medical Assistance	15.76	13.91

Notes to Standalone Financial Statements

Note No.	Particulars				(₹ in crore)
43	**Financial Instruments - Fair value disclosures**				
	March 31, 2021	**Carrying Amount**			
	Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
	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	**13,397.90**			**13,397.90**
	Trade Payable	**1,512.18**			**1,512.18**
	Lease Liability	**4.02**			**4.02**
	Other Financial Liabilities	**1,787.59**			**1,787.59**
	March 31, 2020		**Carrying Amount**		
	Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
	A. Financial Assets				
	Investments	**3,519.40**			**3,519.40**
	Loans	**68.86**			**68.86**
	Trade Receivables	**6,691.83**			**6,691.83**
	Cash and Cash Equivalents	**12.97**			**12.97**
	Other Bank Balances	**360.30**			**360.30**
	Other Financial Assets	**65.13**			**65.13**
	B. Financial Liabilities				
	Borrowings	**15,011.58**			**15,011.58**
	Trade Payable	**1,830.89**			**1,830.89**
	Lease Liability	**3.30**			**3.30**
	Other Financial Liabilities	**1,886.53**			**1,886.53**
	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.				
44	**Disclosure as per Ind AS 23 on 'Borrowing Costs'** Borrowing costs capitalised during the year is ₹ 136.51 crore (previous year ₹ 417.94 crore)				

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
45	**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 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 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 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 amortised 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 in 'loans and borrowings' 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 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 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 recognises lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
	i. As a lessee
	Following are the changes in the carrying value of right of use assets for the year ended 31st March 2021:

Right-of-use assets	Property	Vehicles	Land	Total
Balance at 1st April 2020	0.75	2.10	0.22	**3.06**
Additions	0.71	0.99	-	**1.70**
Deductions :				-
Depreciation charge	0.56	0.53	0.01	**1.10**
Balance at 31st March 2021	**0.90**	**2.55**	**0.21**	**3.66**

Lease Liabilities	2020-21	2019-20
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**1.22**	1.05
One to five years	**3.23**	2.47
More than five years	**1.83**	1.95
Total undiscounted lease liabilities as at 31st March 2021	**6.28**	5.46
Lease liabilities included in the balance sheet as at 31st March	**4.02**	3.30
Current	**0.94**	0.84
Non-current	**3.08**	2.46

Amounts recognised in profit or loss	2020-21	2019-20
Interest on lease liabilities	**0.32**	0.16
Expenses relating to leases of low-value assets	**-**	-
Total	**0.32**	0.16

Amounts recognised in the statement of cash flows	As at 31.03.2021	As at 31.03.2020
Total cash outflow for leases	**1.27**	0.78

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.

46 **Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'**

(a) Subsidiaries

The Company's subsidiaries at 31st March 2021 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, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	
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

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
	(b) Joint Venture

The Company's Joint Venture at 31st March 2021 are listed below:

Name of entity	Place of business/country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2021	March 31, 2020	
Coal Lignite Urja Vikas Private Limited (CLUVPL)	India	**50%**	NIL	Renewable Energy

(c) Associate

The Company's associate at 31st March 2021 are listed below:

Name of entity	Place of business/country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2021	March 31, 2020	
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 Company is in the process of liquidation.

47 **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 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 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.

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.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances

(I) Demand risk -Availability of alternative and cheaper sources of power may result in reduced demand.

(ii) 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.

(iii) 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.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

(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:

A) Regulatory deferral account debit balance

Particulars	As at March 31, 2021	As at March 31, 2020
a. Opening balance	**1,237.18**	1,119.93
b. Addition during the current year	**371.66**	159.48
c. Amount Adjustment/collected/refunded during the year	**9.04**	42.23
d. Regulatory deferral account balances recognized in the Statement of Profit & Loss	**374.98**	92.65
e. Closing balance	**1,599.80**	1,237.18

B) Regulatory deferral account credit balance

Particulars	As at March 31, 2021	As at March 31, 2020
a. Opening balance	**2,565.05**	2,438.81
b. Addition during the current year	**76.92**	126.24
c. Amount Adjustment/collected/refunded during the year	**20.35**	-
d. Regulatory deferral account balances recognized in the Statement of Profit & Loss	**60.26**	(97.06)
e. Closing balance	**2,621.62**	2,565.05

C) Total amount recognized in the Statement of Profit & Loss during the year

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total amount recognized in the Statement of Profit & Loss during the year	**314.72**	(4.41)

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.

48

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

NLCIL Bond - Minimum asset coverage ratio of 1.00

The capital structure of the Company consists of net debt (borrowings as detailed in notes 16(a), 19 (a) & (c) offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Notes to Standalone Financial Statements

Note No.	(₹ in crore)

Gearing Ratio

Particulars	March 31, 2021	March 31, 2020
Debt #	**14,917.69**	16,780.47
Less: Cash and bank balances*	**152.36**	12.97
Net debt	**14,765.33**	16,767.50
Total equity*	**12,954.14**	12,010.16
Net debt to total equity ratio	**1.14**	1.40

* excludes earmarked deposits/reserves

debt does not include amount payable to subsidiaries.

49 **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 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 trade and other receivables.

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, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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, 2021, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 3913.01 crore of the trade receivables amount (₹ 4470.29 crore of the trade receivables as at March 31, 2020)

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 behavior 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 Power (Thermal & Renewables), Mines, and also other debtors. As a policy, the Company does an ageing analysis of Power 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.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

The ageing analysis of the trade receivables is as below:

Period	Ageing as at March 31, 2021	March 31, 2020
Power debtors		
0-30 days past due	**613.74**	738.61
31-60 days past due	**450.02**	1,118.24
61-90 days past due	**633.97**	694.43
91-120 days past due	**458.57**	329.84
More than 120 days past due	**3434.64**	3,711.02
Total	**5,590.94**	6,592.14
Mine and other debtors	**20.24**	99.69
Total debtors	**5,611.18**	6,691.83

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:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating rate borrowings		
-Working capital Loan (SBI)	3,850.00	1,145.96
HDFC NNTPS_821 crore	-	322.00
Solar 709MW	233.00	233.00
SBI Loan - Talabira Project	1,087.75	1,192.75
Total	**5,170.75**	2,893.71

a) The HDFC ₹ 821 crore has been taken for NNTPS project which has been fully repaid and the loan has been closed during FY 2020-21. Thus represents undrawn borrowings as Nil in FY 2020-21. Ref note 16 (a).

b) SBI ₹ 1680.75 crore facility has been taken for Talabira project. Out of the entire facility as on 31.03.2021 the undrawn amount is ₹ 1087.75 crore. Ref note 16 (a).

c) SBI term loan of ₹ 2552 crore has been taken for solar 709 MW , out of which ₹ 2319 crore has been utilised till date and the undrawn amount is ₹ 233 crore as on 31.03.2021. ref note 16 (a).

d) A working capital cash credit facility of ₹ 4000 crore availed from SBI, out of which ₹ 150 crore has been utilised and the undrawn amount of ₹ 3850 crore is available as on 31.03.2021. Ref Note no. 19 (a).

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:

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	317.21	**456.69**
PFC NNTPS ₹ 3000 crore	-	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 crore Axis Bank - Solar 500 MW	-	100.00	100.00	100.00	-	**300.00**
RTL ₹ 450 crore Axis Bank - Solar 500 MW	-	90.00	90.00	135.00	-	**315.00**
RTL ₹ 456 crore Federal Bank - Solar 500 MW	-	91.20	91.20	136.80	-	**319.20**
RTL ₹ 2552 crore SBI - Solar 709 MW	127.60	127.60	255.20	757.60	923.40	**2,191.40**
RTL ₹ 1680.75 crore SBI - Talabira Mine	-	59.30	59.30	177.90	296.50	**593.00**
Rupee Loan Mahanadi Coalfields Ltd.	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**
Treasury Bill linked WCL	150.00					**150.00**
TOTAL	**3,966.55**	**1,253.25**	**1,144.80**	**3,965.99**	**4,587.11**	**14,917.69**

March 31, 2020			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)	13.45	13.45	26.91	80.72	332.88	**467.42**
PFC NNTPS ₹ 3000 crore	-	300.00	300.00	900.00	1,350.00	**2,850.00**
RTL HDFC ₹ 1135 crore - NNTPS	-	113.50	113.50	340.50	510.75	**1,078.25**
RTL HDFC ₹ 821 crore - NNTPS	-	49.90	49.90	149.70	224.55	**474.05**
RTL HDFC Solar 130 MW	-	48.10	96.20	144.30		**288.60**
RTL ₹ 500 crore Axis Bank - Solar 500 MW	-	100.00	100.00	200.00	-	**400.00**
RTL ₹ 450 crore Axis Bank - Solar 500 MW	-	90.00	90.00	225.00	-	**405.00**
RTL ₹ 456 crore Federal Bank - Solar 500 MW	-	91.20	91.20	228.00	-	**410.40**
RTL ₹ 2552 crore SBI - Solar 709 MW	-	115.95	231.90	695.70	1,275.45	**2,319.00**
RTL ₹ 1680.75 crore SBI - Talabira Mine	-		48.80	146.40	292.80	**488.00**
RTL ₹ 1000 crore SBI - GPL	-	333.33	333.33	166.66		**833.33**
Rupee Loan Mahanadi Coalfields Ltd.	125.00	375.00	500.00	125.00		**1,125.00**
NLCIL Bonds 2019 - Series I					1,475.00	**1,475.00**
NLCIL Bonds 2020 - Series I					525.00	**525.00**
Commercial Paper I		500.00				**500.00**
Commercial Paper II	500.00					**500.00**
TOTAL	**638.45**	**2,130.44**	**1,981.74**	**3,401.99**	**5,986.43**	**14,139.05**

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
	The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

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 ₹ 3000 crore	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 crore Axis Bank - Solar 500 MW	5.54	14.38	12.52	5.12	-	**37.56**
RTL ₹ 450 crore Axis Bank - Solar 500 MW	5.80	15.80	14.95	9.98	-	**46.53**
RTL ₹ 456 crore Federal Bank - Solar 500 MW	5.79	15.75	14.90	9.95	-	**46.38**
RTL ₹ 2552 crore SBI - Solar 709 MW	37.95	105.46	125.67	271.01	144.39	**684.49**
RTL ₹ 1680.75 crore SBI - Talabira Mine	10.28	29.90	36.05	83.52	56.67	**216.41**
Rupee Loan Mahanadi Coalfields Ltd.	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 2021 - Series I	-	71.09	71.09	213.26	-	**355.44**
Treasury Bill linked WCL	0.12	-		-	-	**0.12**
TOTAL	**247.03**	**465.20**	**616.74**	**1,470.54**	**1,008.39**	**3,807.90**

March 31, 2020	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)	0.88	2.53	3.20	7.74	15.45	29.80
PFC NNTPS ₹ 3000 crore	57.86	167.48	200.97	456.75	274.05	1,157.10
RTL HDFC ₹ 1135 crore - NNTPS	19.30	55.85	67.03	152.33	91.40	385.91
RTL HDFC ₹ 821 crore - NNTPS	7.00	20.27	24.33	55.30	33.18	140.08
RTL HDFC Solar 130 MW	4.93	13.43	12.06	5.76	-	36.18
RTL ₹ 500 crore Axis Bank - Solar 500 MW	7.59	20.87	20.87	18.98	-	68.31
RTL ₹ 450 crore Axis Bank - Solar 500 MW	7.66	21.29	22.14	25.55	-	76.65
RTL ₹ 456 crore Federal Bank - Solar 500 MW	7.66	21.29	22.14	25.55	-	76.64
RTL ₹ 2552 crore SBI - Solar 709 MW	46.03	135.79	165.72	386.67	278.49	1,012.71
RTL ₹ 1680.75 crore SBI - Talabira Mine	9.46	28.37	36.87	87.93	73.75	236.38
RTL ₹ 1000 crore SBI - GPL	16.54	43.01	33.08	6.62	-	99.25
Rupee Loan Mahanadi Coalfields Ltd.	18.96	43.75	27.71	1.46	-	91.88
NLCIL Bonds 2019 - Series I	29.83	89.50	119.33	357.98	496.41	1,093.05
NLCIL Bonds 2020 - Series I	9.66	28.98	38.64	115.92	184.25	377.48
TOTAL	**243.36**	**692.41**	**794.09**	**1,704.52**	**1,446.97**	**4,881.39**

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

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. Upto March 31st, 2016 the Company 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, 2021 and as at March 31, 2020.

Particulars	March 31, 2021	March 31, 2020
Financial liabilities		
Borrowings - KfW*	**456.69**	467.42

* 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.

March 31, 2021	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	45.67	(45.67)
March 31, 2020	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	46.74	(46.74)

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 No.	Particulars	(₹ in crore)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Fixed-rate instruments		
Employee Loans	**58.08**	68.86
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	**3,911.00**	6,696.63
- Power Finance Corporation (PFC)	**2,550.00**	2,850.00
Fixed-rate instruments		
Rupee term loans		
- Inter Corporate Loan (MCL)	**625.00**	1,125.00
- Commercial Paper	**3,550.00**	1,000.00
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**	-
NLCIL Bonds 2021 - Series I	**1,175.00**	-
Rupee term loans		
- Cash Credit	**-**	241.42
- Working Capital Demand Loan	**-**	2,400.00
- Treasury Bill linked WCL	**150.00**	-
Foreign Currency Loan		
- KfW	**456.69**	467.42

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.

	Profit or Loss	
	50 bp increase	**50 bp decrease**
March 31, 2021		
Rupee term loans		
- From Banks	**(19.56)**	19.56
- Power Finance Corporation (PFC)	**(12.75)**	12.75
	(32.31)	32.31
March 31, 2020		
- From Banks	**(33.48)**	33.48
- Power Finance Corporation (PFC)	**(14.25)**	14.25
	(47.73)	47.73

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised 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.

50 **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
Lignite mining	Mining of lignite
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 consolidated financial statements.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

B. Information about reportable segments:

Particulars	Lignite 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, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
REVENUE								
External Sales	**351.37**	517.46	**6898.26**	7398.84	-	-	**7249.63**	7916.30
Inter-segment sales	**4191.01**	5423.87	**428.02**	434.80	**4619.03**	5858.67	**0.00**	0.00
Total Revenue	**4542.38**	5941.33	**7326.28**	7833.64	**4619.03**	5858.67	**7249.63**	7916.30
RESULT								
Segment Result	**631.29**	1655.66	**911.12**	682.45	-	-	**1542.41**	2338.11
Other Income							**1494.26**	1050.08
Unallocated Corporate expenses							**774.43**	522.22
Operating Profit							**2262.24**	2865.97
Interest Expense							**980.63**	820.38
Interest Income							**110.28**	166.85
Exceptional Items							**46.79**	(3.44)
Income taxes							**711.61**	790.74
Profit from Ordinary activities							**727.07**	1418.26
Net Movement in regulatory deferral account balance income/(expenses)							**314.72**	(4.41)
Other Comprehensive Income							**32.04**	(125.36)
Net Profit							**1073.83**	1288.49
OTHER INFORMATION	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Segment Assets	**5405.26**	5098.62	**24461.58**	22986.53	**-**	**-**	**29,866.84**	28,085.15
Unallocated Corporate assets(Including Capital Work-in-Progress)							**7,829.18**	11,033.94
Total Assets							**37,696.02**	39,119.09
Segment liabilities	**3224.55**	2091.96	**9404.05**	1527.72	**-**	-	**12,628.60**	3,619.68
Unallocated Corporate Liabilities							**11,492.74**	22,859.90
Total Liabilities							**24,121.34**	26,479.58
Capital Expenditure	**25.86**	260.73	**2433.00**	7220.88	**-**	**-**	**2,458.86**	7,481.55
Depreciation	**324.19**	306.86	**828.25**	586.71	**-**	**-**	**1,152.44**	893.57
Non-cash expenses other than depreciation	**31.00**	11.01	**8.00**	3.09	**-**	**-**	**39.00**	14.10

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 Centers Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)
	C. Information about major customers Revenue from one major customer under generation of energy segment is ₹ 3379.70 crore (March 31, 2020 : ₹ 2914.79 crore) which is more than 10% of Company's total revenues.	
51	a) 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. (b) Performance Achieve Trade (PAT) - TPS-I, exemption from PAT liability was granted upto March 31, 2017. The Company has provided penalty as applicable under Sec.26 of Energy Conservation Act, 2001 for FY 2020-21	

Note No.	Contingencies and Commitments	As at March 31, 2020	Additions	Deletions/ Settlement	As at March 31, 2021
52	**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	1,988.62	350.71	178.81	**2,160.52**
	(iv) From Statutory Authorities/State Govt/ Govt Departments	1,949.18	519.50	238.22	**2,230.46**
	(v) From CPSEs	-	-	-	**-**
	(vi) From Others	1,153.89	1,914.72	647.66	**2,420.95**
	Sub-Total Claims not acknowledged as debt	5,091.69	2,784.93	1,064.69	**6,811.93**
	2. Guarantees issued by Company	564.40	7.38	142.17	**429.61**
	Sub-Total Contingencies (A)	5,656.09	2,792.31	1,206.86	**7,241.54**
	B. Commitment				
	(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	4,155.42	348.41	213.44	**4,290.39**
	Sub-Total Commitments (B)	4,155.42	348.41	213.44	**4,290.39**
	Total Contingencies and Commitments (A+ B)	**9,811.51**	**3,140.72**	**1,420.30**	**11,531.93**

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 No.	Particulars	(₹ in crore)
53	**Disclosure as per Ind AS 12 'Income taxes'**	

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2020
Current tax expense		
Current year	**202.03**	309.93
Adjustment for earlier years	**(40.15)**	(3.27)
Pertaining to regulatory deferral account balances	**56.54**	(1.54)
Total current tax expense (A)	**218.42**	305.12
Deferred tax expense		
Origination and reversal of temporary differences	**751.50**	686.54
Less: MAT credit entitlement	**258.31**	200.92
Total deferred tax expense (B)	**493.19**	485.62
Total income tax expense (A+B)	**711.61**	790.74

ii) Income tax recognised in other comprehensive income

Particulars	March 31, 2021			March 31, 2020		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	**39.06**	**7.02**	**32.04**	(192.69)	(67.33)	(125.36)

iii) Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate

	March 31, 2021	March 31, 2020
Profit before tax (including OCI)	**1,792.46**	2,011.90
Tax using the Company tax @ 34.944% (PY 34.944%)	**626.36**	703.04
Tax effect of:		
Non-deductible tax expenses	**571.08**	384.46
Tax deductions/allowances	**(1,295.21)**	(1,047.36)
Tax on business loss	**97.77**	-
Previous year tax liability	**(40.15)**	(3.27)
Interest	**7.28**	-
Deferred Tax expenses/(income)	**493.19**	485.62
MAT credit entitlement	**258.31**	200.92
Total tax expense in the Statement of Profit and Loss	**718.63**	723.41

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)
	(b) Tax losses carried forward	

	March 31, 2021	Expiry date	March 31, 2020	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

The Directors have recommended the final dividend @15% amounting to ₹ 1.5 per share for FY 2020-21 subject to approval of Shareholders. 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 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.

(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 recognise the taxed on income as per the earlier provisions.

54 **Information in respect of micro, small and medium enterprises as at 31st March 2021 as required by Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	March 31, 2021	March 31, 2020
a) Amount remaining unpaid to any supplier:		
Principal amount	28.31	13.12
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.	-	-

55 **Disclosure as per Ind AS 33 'Earnings per Share'**

(i) Basic and diluted earnings per share for the year ended	March 31, 2021	March 31, 2020
From operations including regulatory deferral account balances (a)	7.51	10.20
From regulatory deferral account balances (b)	1.86	(0.02)
From operations excluding regulatory deferral account balances (a)-(b)	5.65	10.22
Nominal value per share (in ₹)	10.00	10.00

(ii) Profit attributable to equity shareholders (used as numerator)	March 31, 2021	March 31, 2020
From operations including regulatory deferral account balances (a)	1,041.79	1,413.85
From regulatory deferral account balances-net of tax (b) (₹ in Crore)	258.18	(2.87)
From operations excluding regulatory deferral account balances (a)-(b) (₹ in Crore)	783.61	1,416.72

Notes to Standalone Financial Statements

(₹ in crore)

Note No.	Particulars		
	(iii) Weighted average number of equity shares (used as denominator)	**March 31, 2021**	March 31, 2020
	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

56 Thermal Power Station -I (retired from operation) (₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
INCOME		
Revenue from Operations	**171.10**	796.29
Other Income	**17.49**	114.19
Total Income	**188.59**	910.48
EXPENSES		
Employee Benefit Expenses	**121.46**	152.60
Finance Costs	**18.46**	35.63
Depreciation and Amortization Expenses	**1.54**	2.41
Other Expenses	**186.14**	906.56
Total Expenses	**327.60**	1,097.19
Profit / (Loss) before Exceptional & Rate Regulatory Activity	**(139.01)**	(186.71)
Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	**-**	(9.48)
Profit / (Loss) before Tax	**(139.01)**	(196.19)

57 Capital Employed

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Employed Shall comprise of Total Assets excluding CWIP and Asset under Development less Current and Regulatory Liability	**25,818.91**	23,648.05

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(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 shall be applicable from FY 2020-21.

(b) Rounding off & Regrouping in Financials

Amount in the financial statements are presented in ₹ crore (upto 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

As per the directives of Ministry of Coal, NLCIL Board has decided lignite transfer price guideline for the tariff period 2019-24 in consultation with stakeholders during October'2019 and billed to beneficiaries. On the petition filed by M/s KSEB, challenging Lignite Transfer Price Guidelines 2019-24 issued by NLCIL, CERC in its record of proceeding issued in Feb'2021 directed NLCIL to keep the said guideline in abeyance and continue to bill lignite @ ₹ 2132/Ton till issue of final order and /or notification of new regulation by CERC for integrated mines. Accordingly, in line with CERC directives, NLCIL has considered billing @ ₹ 2132/Ton since Feb' 2021 without any adjustment for the earlier periods.

59

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.

60 COVID-19 disclosures

Significant disruptions have taken place worldwide due to COVID-19 pandemic. The 2nd wave of COVID 19 is also disrupting significantly across the country. The Company is engaged in Mining and Power Generation. Considering Power an essential service, management believes there is not much material impact due to this pandemic on the business of the Company in the year 2020-21. However, the Company is continuously monitoring the current situation and possible impact of the same in the business of the Company.

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, 2021 (₹ in crore)	₹ 11217.69 crore	
4.	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	Credit Rating Agency	Highest Rating
		ICRA	AAA
		CRISIL	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 SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Sd/-
Company Secretary
Date : 15.04.2021

Sd/-
Director (Finance)

******

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 2020-21 (01.04.2020 to 31.03.2021)
4. Details of the borrowings (figures in ₹ crore)

Sl. No.	Particulars	Details
i	Incremental borrowings done in FY (a)	1780.00
ii	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	445.00
iii.	Actual borrowings done through debt securities in FY (c)	1675.00
iv	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {if the calculated value is zero or negative, write “nil”}	Nil
v	Reasons for shortfall, if any, in mandatory borrowings through debt securities	Not Applicable

Sd/-
Company Secretary
Date : 15.04.2021

Sd/-
Director (Finance)

******

M/s. PKKG Balasubramaniam & Associates,
Chartered Accountants,
Door No.10/2, Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606 602.

M/s. R Subramanian and Company LLP,
Chartered Accountants,
New No.6 Old. No. 36,
Krishna Swamy Avenue,
Luz, Mylapore, Chennai – 600 004.

INDEPENDENT AUDITORS' REPORT

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 (the Holding Company and its subsidiaries together referred to as “the Group”), its associate and joint venture, comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including other Comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended and a summary of the 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, and based on the consideration of reports of other auditors on separate financial statements of the Subsidiaries, Associates and Joint Ventures referred to in Other Matters section below, 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 as at March 31, 2021, and its 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 section143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated 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 other auditors in terms of their reports referred to in the Other Matter Section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Financial Statements:

Without qualifying our opinion:

1. Attention is invited to Note 10a (b) of the Consolidated Financial Statements wherein management has estimated and considered a sum of ₹ 322.76 crore as provision towards loss allowance on outstanding trade receivables for the year ended March 31, 2021, pending completion of exercise of reconciliation of balances arising out of counter claims, appropriation of remittances, disputed dues and consequential re-assessment of overall provision required.

2. Attention is drawn to Note 11 of the Consolidated Financial Statements relating to Vivad Se Viswas Scheme (VSVS), regarding the settlement of income tax disputes, the Group has submitted the relevant details with income tax department during January 2021 and remitted a sum of ₹ 840.59 crore over the period, which are in the process of scrutiny and approval by the Income Tax department. Out of the disputed income tax paid, the Group is also eligible to prefer claim with its customers in accordance with the CERC tariff regulations. Pending requisite acceptance and approval in this regard from the income tax department and also preferring claim with the customers the amount paid as above has been carried forward.

3. Attention is invited to Note 13b of the Consolidated Financial Statements in respect of the true up petition filed with CERC in the third quarter of FY 2019-2020 for the Tariff period 2014-19, any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

4. Attention is drawn to Note 13d of the Consolidated Financial Statements wherein an amount of ₹ 165.78 crore being 50% of the mine closure deposit including interest for the five-year period 2016-17 to 2020-21 has been considered on a provisional basis under regulatory income pending filing of claim with coal controller.

5. Attention is drawn to Note 24b of the Consolidated Financial Statements regarding non-recognition of income of Deferred Tax Liability materialised for the year ended March 31, 2020 and March 31, 2021 pending reconciliation and confirmation from beneficiaries and the amount is not presently quantifiable.

6. Attention is drawn to Note 25f of the Consolidated Financial Statements relating to fire accidents mentioned therein, including provisional settlements of ₹ 50 crore by Insurance Company which is reckoned as income during the year ended March 31, 2021.

7. Attention is drawn to Note 59c of the Consolidated Financial Statements wherein CERC has raised substantive issues relating to the implementation of the impugned guidelines relating to existing lignite transfer pricing and consequential adjustments if any, that may arise are unascertainable at this stage.

8. Attention is drawn to Note 60c of the Consolidated Financial Statements regarding material impact on the business of the Group due to the COVID-19 pandemic.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED in their audit report dated June 23, 2021 is reproduced below

1. Without modifying our opinion, we draw attention to Note 60a 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 9d of Consolidated Financial Statements to Balance Sheet - Inventories - Regarding Coal Stock at Dharma Port, physical verification of Coal, for a limited quantity of 21,746 MT available at port, could not be carried out due to Covid-19 restrictions and further restrictions by the port authority concerned.

3. Without modifying our opinion, attention is drawn to Note 60c of Consolidated Financial Statements regarding material impact of the business of the company due to the COVID-19 pandemic.

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgements, 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. 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 Matters	Auditor's Response
1.	**Revenue recognition on Accounting of Surcharge on Renewable Energy** NLCIL is supplying renewable power to TANGEDCO from various Solar plants situated at different places in Tamilnadu. Separate PPA's have been signed with TANGEDCO in line with the guidelines available in this regard. Renewable power supply has started with 10 MW Solar at Neyveli since 2015-16 and subsequently other renewable plants were commissioned by NLCIL. In accordance with MoP guidelines issued with respect to appropriation of payments and also in accordance with PPA signed with TANGEDCO, NLCIL has considered an amount of ₹148.49 crore (Previous year; Nil) as renewable surcharge in the books of accounts The above amount of ₹148.49 crore is disclosed under the head "Surcharge on sale of Power" in Note 25 to the Consolidated Financial Statements	Our procedures included but were not limited to: - Evaluating the design and implementation and testing the operating effectiveness of the relevant controls over recognition of revenue as per the terms of the agreements and ongoing assessment of possible outcome in case of disputes. - Evaluating the Management's assessment with respect to realisation/certainty of realisation and test check of underlying regulation and agreements on a sample basis. Assessing adequacy and appropriateness of the disclosures in the Consolidated Financial Statements.
2.	**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 judgement is required in estimating the amount of provisioning. The Company's assessment is supported by the facts of matter, their own judgement, 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 ₹15,178.73 crore have been considered by the Company towards contingent liability and commitments representing claims of third parties. Refer Note 54 of the Consolidated Financial Statements. Included in the above, is a sum of ₹ 2,715.92 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 ₹439.34 crore vide Note 7(b) to Companies (Auditor's Report) Order, 2016.	In view of the significance of the matter, we applied 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 deployed our tax specialists, considered third party advice received by the Company, wherever applicable, the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgemental positions taken in tax returns and developments in the tax environment. - Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the Consolidated Financial Statements in accordance with Ind AS 37.

Sl. No.	Key Audit Matters	Auditor's Response
3.	**Project activities of Bithnok and BTPSE project:** Accuracy of impairment provisions in respect of exploration and evaluation assets and projects "Capital work in progress" which involves critical judgement 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 ₹422.18 crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold.	Branch Auditors comments are reproduced below: We obtained the details of project activities of Bithnok and BTPSE project from the management. We noted that as on 31-03-2021 Company has incurred capital expenditure of ₹319.25 crore and ₹102.93 crore for Bithnok and BTPSE projects respectively which includes payment towards land of ₹176.92 crore and Capital Advances of ₹166.47 crore. Management of the Company has replied that discussions with Government of Rajasthan and M/s Reliance Infrastructure Ltd. by NLCIL's top level management for revival of the project are under process. However, based on the decision of management since the project is on hold since June 2017, no revenue expenses has been capitalized to the project cost during F.Y. 2020-21. In the FY 2020-21 expenses incurred in relation to these projects have been charged to the Profit & Loss Account of Barsingsar Project. Simultaneously Incomes/ Foreign Currency Exchange Gain/Loss on Encashment of Bank Guarantee received against Capital Advances has been recognized in the Profit and Loss Account of Barsingsar Project.

Key audit matters reported by the statutory auditor of the Subsidiary Company - NLC TAMIL NADU POWER LIMITED and considered by us

Sl. No.	Key Audit Matters	Auditor's Response
1.	The Company has filed interim truing up petition with CERC claiming an amount of ₹77,438.00 lakh 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 approved project cost. Accordingly, an amount of ₹13,785.25 lakh has been recognized under capacity charges during the year as per regulation. The same is explained in detail in Note 13e to Consolidated Financial Statements.	Interim tariff order dated 11.7.2017 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.

Information other than the Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors is responsible for the other information in the Annual Report, comprising of the Director's report and its annexures, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Director's report 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 during the course of audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

The respective Board of Directors of the Companies included in the Group, are responsible for overseeing their Company's financial reporting.

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 associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 and its associates and Joint ventures are responsible for assessing the ability of Group and of its associates and Joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 and of its associates and Joint ventures are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibility

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 judgement and maintain professional scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group 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 ability of the Group and its associates and Joint ventures to continue as a going concern. 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 auditor's report. However, future events or conditions may cause the Group (Company, subsidiaries and Joint Venture) as well as associates 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and Joint ventures to express an opinion on the Consolidated Financial Statements. For the branch and the other entities included in the Consolidated Financial Statements, which have been audited by the branch auditors and other auditors, such branch auditors and 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.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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 auditor's 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

a) The consolidated annual financial statements include the audited Financial statements of:

- Two Subsidiaries whose Financial Statements reflect total assets of ₹20,057.32 crore as at 31st March 2021, total revenue of ₹2,958.92 crore, total net profit after tax of ₹362.03 crore, and total comprehensive income of ₹356.60 crore, for the year ended 31st March 2021, respectively, and net 'cash inflow of ₹140.38 crore for the year ended on that date, as considered in the consolidated annual financial statements, which have been audited by their respective independent auditors. One associate, whose financial statements include Groups share of net profit after tax of ₹1.28 crore and Groups share of total comprehensive income of ₹1.28 crore, for the year ended 31st March 2021 respectively, as considered in the statement, whose financial statements, other financial information has been audited by an independent auditor. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated annual financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- Our opinion on the Consolidated Financial Statements, in so far as it relates to the amount and disclosures included in respect of this subsidiaries, associates & branches and our Report in terms of sub-section 10 of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate & branches is based solely on the Reports of the other Auditor.

b) We did not audit the financial statements of joint venture whose financial statements reflect total assets of ₹0.02 crore as at 31st March, 2021, total loss of ₹0.02 crore for the year ended on that date, as considered in the consolidated financial statements. These Financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so for as it relates to the amount and disclosures included in respect of the Joint Venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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. 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 branch, subsidiaries and associates 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 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.

e. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

f. As per Notification No: G.S.R 463(E) dated June 05, 2015, subsection (2) of Sec 164 of the Companies Act, 2013 is not applicable to Government Companies.

g. 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 the auditors' reports of the Holding Company's, Subsidiary Companies, Associate Companies and Joint Venture Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those Companies.

h. As per Notification No. GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Group.

i. With respect to the other matters to be included in the Auditor's 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 and based on the consideration of the reports of the branch auditors and other auditors on separate financial statements of the branches, subsidiaries and associate as noted in the ‘Other Matters' paragraph:

    i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements - Refer to Note 54 to Consolidated Financial Statements.

    ii. The Group has long term contracts for coal mining, power sale, project execution etc. However as at March 31, 2021 there were no material foreseeable losses on those contracts. The Group did not have any derivative contracts as at March 31, 2021.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

2. As required by Sec 143(5) of the Companies Act, 2013, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India is given in Annexure II.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651
UDIN: 21021651AAAAAT5418

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460
UDIN: 21008460AAAABC9979

Place : Neyveli
Date : June 28, 2021

Annexure-I to Independent Auditors' Report

Referred to in paragraph 1(g) under Report on Other Legal and Regulatory Requirements' section of our report of even date

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 for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of M/s. **NLC INDIA LIMITED** ("hereinafter referred to as "the Holding Company") and 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 Parent, its Subsidiary Companies, its Associate Companies and its Joint Ventures, 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 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, 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.

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 Parent, its Subsidiary Companies, its Associate Companies and Joint Ventures, 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, 2021, 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 reports 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 TWO (2) Subsidiary Companies, TWO (2) branches and ONE (1) associate, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such Companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R.H.S. Ramakrishnan
Partner
M No.021651
UDIN: 21021651AAAAAT5418

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460
UDIN: 21008460AAAABC9979

Place : Neyveli
Date : June 28, 2021

Annexure-II to Independent Auditors' Report
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:** The Company has implemented SAP ERP system for recording of its financial transactions other than Inventory management and Payroll processing. During the year the Company continued to use the Material Management software for recording Inventory and Payroll Accounting for employee salary. For integration of the entire system, the Company is in the process of implementing Material Management, Payroll Accounting, Project Management, Sales and Distribution and Plant Maintenance modules of SAP. Our examination of records did not reveal any transactions not coming within the purview of IT systems stated above. **In respect of NTPL:** The Company has implemented SAP ERP system for recording of its financial transactions other than Payroll processing. 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 has introduced with effect from 01.04.2018, an On-line Materials Management System (OLIMMS), with effect from 01.03.2021, the features of OLIMMS i.e., approval of PR, indent creation, tendering, generation of purchase order, material accounting have been integrated to SAP with an E-Commerce portal developed in house for the purpose of tendering process. For Payroll, attendance is captured on Bio-metric basis and the monthly report duly authorised, is being used. Our examination of records did not reveal any transactions not coming within the purview of IT systems stated above. **In respect of NUPPL:** 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.	NA

Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
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:** 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 / utilized as per its terms and conditions? List the cases of deviation.	**In respect of NLCIL:** During the year, the Company has recognised ₹ 25.74 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 ₹8.66 crore towards Teacher's salary grant received from Tamilnadu State Government. As per practice in various states, salary of the school Teachers are being paid by 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 Tamilnadu. The salary of the teachers is paid by Govt. of Tamilnadu through NLCIL bank account as there is no separate bank accounts operated by those schools. Hence, the regular salary payment of school teachers is not considered as a grant. **In respect of NTPL:** 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. **In respect of NUPPL:** As explained to us, no such funds have been received/receivable under specific schemes from the central/state agencies during the year under audit.	NA

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R.H.S. Ramakrishnan
Partner
M No.021651
UDIN: 21021651AAAAAT5418

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460
UDIN: 21008460AAAAABC9979

Place : Neyveli
Date : June 28, 2021

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(₹ in crore)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	**26,381.04**	24,070.41
(b) Right-of-Use Asset	3	**31.12**	32.28
(c) Intangible Asset	4	**30.82**	6.45
(d) Capital Work-In-Progress	5	**11,494.90**	12,534.11
(e) Asset Under Development	6	**101.68**	127.67
(f) Financial Assets	7		
i) Investments	a	**13.59**	13.51
ii) Loans	b	**30.17**	30.88
(g) Other Non-Current Assets	8	**1,002.01**	983.15
		39,085.33	37,798.46
(2) Current Assets			
(a) Inventories	9	**1,623.84**	1,683.75
(b) Financial Assets	10		
i) Trade Receivables	a	**7,521.50**	8,509.79
ii) Cash and Cash Equivalents	b	**157.34**	16.96
iii) Other Bank Balances	c	**627.22**	415.72
iv) Loans	d	**30.29**	39.54
v) Other Financial Assets	e	**69.18**	65.39
(c) Income Tax Asset (Net)	11	**795.32**	829.44
(d) Other Current Assets	12	**1,750.29**	1,525.98
		12,574.98	13,086.57
(3) Regulatory Deferral Account Debit Balances	13	**2,246.05**	1,735.21
Total Assets and Regulatory Deferral Account Debit Balance		**53,906.36**	52,620.24
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	**1,386.64**	1,386.64
(b) Other Equity	15		
i) Retained Earnings	a	**10,379.89**	9,208.51
ii) Other Reserves	b	**2,333.86**	2,309.98
		14,100.39	12,905.13
(c) Non-Controlling Interest	16	**1,896.84**	1,767.37
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings	a	**18,934.44**	18,943.19
(ii) Lease Liability	b	**4.10**	3.46
(b) Deferred Tax Liabilities (Net)	18	**2,737.88**	2,184.34
(c) Other Non-Current Liabilities	19	**1,526.33**	1,165.61
		23,202.75	22,296.60
(2) Current Liabilities			
(a) Financial Liabilities	20		
(i) Borrowings	a	**6,283.17**	6,021.37
(ii) Trade Payables	b		
- Total outstanding dues of Micro and Small enterprises		**40.53**	22.97
- Total outstanding dues of Creditors other than Micro and Small Enterprises		**1,855.16**	3,264.72
(iii) Other Financial Liabilities	c	**2,152.56**	2,385.31
(b) Other Current Liabilities	21	**1,273.08**	634.29
(c) Provisions	22	**480.26**	757.43
		12,084.76	13,086.09
(3) Regulatory Deferral Account Credit Balances	23	**2,621.62**	2,565.05
Total Equity & Liabilities and Regulatory Deferral Account Credit Balance		**53,906.36**	52,620.24

Significant Accounting Policies 1

The Accompanying Notes 1 to 60 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. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Sl. No.	Particulars	Notes	For the Year ended March 31, 2021	For the Year ended March 31, 2020
	INCOME			
I	**Revenue from Operations**	24	**9,846.09**	10,320.56
II	**Other Income**	25	**1,952.33**	1,272.14
III	**Total Income (I+II)**		**11,798.42**	11,592.70
IV	**EXPENSES**			
	Cost of Fuel Consumed	26	**1,563.30**	1,533.59
	Changes in Inventories	27	**(54.47)**	81.99
	Employee Benefit Expenses	28	**2,754.81**	2,874.96
	Finance Costs	29	**1,312.57**	1,174.38
	Depreciation and Amortization Expenses	30	**1,584.21**	1,334.15
	Other Expenses	31	**2,775.72**	2,382.53
	Total Expenses (IV)		**9,936.14**	9,381.60
V	**Profit / (Loss) before Exceptional & Rate Regulatory Activity (III-IV)**		**1,862.28**	2,211.10
VI	**Net Movement in Regulatory Deferral Account Balances Income / (Expenses)**	32	**462.94**	137.45
VII	**Profit / (Loss) before Exceptional Item and Tax (V+VI)**		**2,325.22**	2,348.55
VIII	**Exceptional Items**	33	**70.82**	3.44
IX	**Profit / (Loss) before Tax (VII-VIII)**		**2,254.40**	2,345.11
X	**Tax Expense:**	55		
	(1) Current Tax			
	- Current Year Tax		**274.90**	325.39
	- Previous Year Tax		**(40.14)**	15.66
	- Tax Expenses/(Savings) on Rate Regulated Account		**82.74**	23.45
	(2) Deferred tax		**591.53**	528.45
	Total Tax Expenses (X)		**909.03**	892.95
XI	**Profit / (Loss) after Tax before share of Profit/(Loss) of Associates (IX-X)**		**1,345.37**	1,452.16
XII	**Share of Profit/(Loss) of Associates**		**0.07**	0.82
XIII	**Profit / (Loss) for the Year (XI+XII)**		**1,345.44**	1,452.98
XIV	**Other Comprehensive Income**			
	Items not to be reclassified to Profit or Loss:	34		
	- Net Actuarial gains/(losses) on defined benefit plans		**33.63**	(192.69)
	- Income Tax expenses/(savings) on net actuarial gains/(losses) on defined benefit plans		**7.02**	(67.33)
	Total other comprehensive income for the year (net of income tax) (XIV)		**26.61**	(125.36)
XV	**Total Comprehensive Income for the Year (XIII+XIV)**			
	(Comprising Profit / (Loss) and other comprehensive income)		**1,372.05**	1,327.62
XVI	**Profit Attributable to**			
	- Owners of the Company		**1,313.21**	1,441.37
	- Non-Controlling Interest (NCI)		**32.23**	11.61
XVII	**Total Comprehensive income attributable to**			
	- Owners of the Company		**1,341.14**	1,316.01
	- Non-Controlling Interest (NCI)		**30.91**	11.61
XVIII	**Earnings per Equity Share from continuing operations**			
	(before adjustment of Net Regulatory Deferral Balance):			
	(1) Basic (in ₹)	35	**6.96**	9.66
	(2) Diluted (in ₹)		**6.96**	9.66
XIX	**Earnings per Equity Share from continuing operations**			
	(after adjustment of Net Regulatory Deferral Balance):			
	(1) Basic (in ₹)	35	**9.70**	10.48
	(2) Diluted (in ₹)		**9.70**	10.48

The Accompanying Notes 1 to 60 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. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

CONSOLIDATED FINANCIAL STATEMENTS

(₹in crore)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital	(No. of Shares)	Amount
Balance as at 1st April, 2020	138,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2021	**138,66,36,609**	**1,386.64**
Balance as at 1st April, 2019	138,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2020	**138,66,36,609**	**1,386.64**

B. Other Equity

Particulars	Retained Earnings and Other Reserves						
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Total
Balance as at 01.04.2020	351.30	110.00	1,457.00	291.07	100.61	9,208.51	11,518.49
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,345.44	1,345.44
Other comprehensive income	-	-	-	-	-	26.61	26.61
Total Comprehensive Income	-	-	-	-	-	1,372.05	1,372.05
Dividend 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**	**10,379.89**	**12,713.75**

Particulars	Retained Earnings and other Reserves						
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Total
Balance as at 01.04.2019	342.58	100.00	1,457.00	291.07	90.58	9,101.58	11,382.81
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,452.98	1,452.98
Other comprehensive income	-	-	-	-	-	(125.36)	(125.36)
Total Comprehensive Income	-	-	-	-	-	1,327.62	1,327.62
Dividend and Dividend Taxes paid							
- Interim dividend FY 2019-20	-	-	-	-	-	(978.97)	(978.97)
- Tax on interim dividend FY 2019-20	-	-	-	-	-	(181.21)	(181.21)
- Tax on final dividend FY 2018-19	-	-	-	-	-	(20.02)	(20.02)
Appropriations- Transfer from / (to) Retained Earnings	8.72	10.00	-	-	10.03	(28.75)	-
Other changes :							
- Non Controlling Interest	-	-	-	-	-	(11.61)	(11.61)
- Ind AS 116 Adjustments	-	-	-	-	-	(0.13)	(0.13)
Balance as at 31.03 2020	**351.30**	**110.00**	**1,457.00**	**291.07**	**100.61**	**9,208.51**	**11,518.49**

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 Consolidated Statement of Changes of Equity referred to in our report of even date.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP,
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		2,254.40		2,345.11
Adjustments for:				
Less:				
Profit on Disposal of Asset	3.60		2.65	
Interest Income	113.43		97.37	
	117.03		100.02	
Add:				
Depreciation	1,584.21		1,334.15	
Other non cash items	(5.83)		130.49	
Provision for fixed asset	9.61		2.97	
Interest expense	1,312.57		1,174.38	
	2,900.56	2,783.53	2,641.99	2,541.97
Operating Profit before working capital changes		5,037.93		4,887.08
Adjustments for :				
Trade Receivables		763.64		(2,333.79)
Loans & Advances		(14.58)		(63.54)
Inventories & Other Current Assets		(884.29)		(278.88)
Trade Payables & Other Current Liabilities		(206.28)		(70.54)
Cash Flow Generated from Operations		4,696.42		2,140.33
Direct Taxes Paid		(328.38)		(496.40)
Cash Flow Before Extraordinary Items		4,368.03		1,643.93
Grants Received		21.66		2.83
Net Cash from operating activities		4,389.69		1,646.76
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment / Preliminary Expenses		(2,318.79)		(5,894.73)
Sale of Property, Plant and Equipment / Projects from Continuing Operations		(3.10)		1.81
Sale/Purchase of Investments		(0.01)		(0.00)
Interest Received		109.64		81.15
Net Cash used in investing activities		(2,212.26)		(5,811.77)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings (Net)		261.80		1,474.84
Long Term Borrowings (Net)		(257.85)		5,153.00
Interest paid		(1,993.15)		(1,950.24)
Issue of Equity Shares		98.56		668.53
Dividend paid (including Dividend Tax)		(146.42)		(1,182.65)
Net Cash used/received in Financing Activities		(2,037.06)		4,163.48
Net increase, decrease (-) Cash and Cash equivalents		140.38		(1.53)
Cash and cash equivalents as at the beginning of the year		16.96		18.49
Cash and cash equivalents as at the end of the year		157.34		16.96
NOTE : (-) INDICATES CASH OUTFLOW.				
DETAILS OF CASH AND CASH EQUIVALENTS:		As at March 31, 2021		As at March 31, 2020
Cash in Hand		0.07		0.01
Cash at Bank in Current Accounts		66.86		6.70
Cash at Bank in Deposit Accounts		90.41		10.25
Total		157.34		16.96

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 Flows referred to in our report of even date.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460

Place : Neyveli

Date : 28.06.2021

Note No. 1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2021

(Expressed in ₹ crore, unless otherwise stated)

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.

Reporting entity

NLC India Limited (formerly "Neyveli Lignite Corporation 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 the 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 the 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 JV are jointly referred as the Group for the purpose of reporting.

Basis of consolidation

The Consolidated Financial Statement comprise the financial statements of the Company, its Subsidiaries, Associates & Joint Ventures as at 31st March, 2021. 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. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee, Unrealised losses are eliminated in the same way as unrealised 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 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 ('INR') 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 recognised in the financial year in which the results are known or materialised.

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 recognised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 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 atleast 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 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 capitalised as an asset and depreciated over the useful life of the asset.

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.

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. Indirect 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 Capitalisation

Subsequent expenditure incurred on the existing assets are recognised 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 capitalised, 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss account as incurred.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalisation 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 capitalised 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 capitalised. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capitalisation 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 capitalised 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 capitalised 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

c. The date of two years (i.e., Financial Year) from the date of commencement of production.

Capitalisation

(a) Specialised 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 Specialised Mining Equipment System viz., Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalisation 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 synchronisation 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 capitalised 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 capitalised 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 capitalised 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 capitalised when they are available for the use as intended by the management.

Depreciation / Amortisation

Depreciation is provided on cost of the property, plant and equipment net of estimated residual values over their estimated useful lives and is recognised 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.

Depreciation is provided for under straight line method as indicated below:-

Sl. No.	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.
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.	Specialised Mining Equipment	At technically assessed life.
v.	Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi.	Decommissioning cost capitalised 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.

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 recognised from the month of capitalisation.

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

Amortisation 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 capitalised as a 'Mining Development Cost'.

For the mines which are directly linked to feeding Thermal Power Plants, such "Mine Development Cost" are amortised 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 amortised over the life estimated by the Management from the declaration of commercial operation.

Derecognition

Property, plant and equipment is derecognised 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 recognised in the Statement of Profit and Loss.

Exploration and evaluation

Exploration and evaluation costs comprise capitalised 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 capitalised 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.

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 recognised 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 ₹10 lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalised 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

Gains or losses arising from de-recognition of an intangible asset are recognised in the Statement of Profit and Loss.

III. Inventories

Inventories are valued at the lower of Cost or Net Realisable Value.

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 ₹1 crore in each case.

VI. Financial Instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised 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 amortised cost

A financial asset is subsequently measured at amortised 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.

Investment in Joint Ventures and Associates

A joint venture is a type of joint agreement where by 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 derecognised 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 recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised 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 amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised 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 recognised 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 recognised amounts; and
- Intends either to settle on a net basis, or to realise 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 recognised from initial recognition.

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 recognising 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in the statement of Profit and Loss on a systematic basis over the periods in which the entity recognises 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 recognised 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.

Contribution towards Provident Fund and Gratuity is recognised 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 recognised 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 recognised immediately in the statement of Profit and Loss. The Group recognises 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 are 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 recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised 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 balance sheet date

Events of material nature occurring after the balance sheet 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 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, 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 recognised 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 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 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

Sale of Lignite, by e-auction sales has been reckoned to the extent of amount received. Sale of Lignite other than by e-auction is recognised in accordance with the agreement entered into with the respective parties.

Consultancy, Technical and management services

Revenue from consultancy, technical and management services is recognised 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 recognised 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 recognised 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 amortised 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 recognised in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognised 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 recognised based on agreement with beneficiaries. On renewable power the same is recognized based on realization / certainty of realisation.

Dividend Income

Dividend income is recognised 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 recognised 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 recognising in the Statement of Profit and Loss the exchange difference arising on translation of long term foreign currency monetary items recognised in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalise the same.

XVII. Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised 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 recognised 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 recognised 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 foresee able future; and

Deferred tax assets are recognised 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised 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 capitalised 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 capitalisation 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 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 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.

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 'loans and borrowings' 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'.

Transition to Ind AS 116

The Group applied Ind AS 116 with a date of initial application of 1st April 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognised in opening retained earnings as at 1st April 2019 and accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17.

On transition, the Group elected to apply the practical expedient and grandfathered the assessment of which transactions are leases. Accordingly, it applied Ind AS 116 only on those contracts that were previously assessed and identified as leases under Ind AS 17 without any further assessment under Ind AS 116. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into on or after 1st April 2019.

XX. Provisions and Contingent Liability

Recognition and measurement

A provision is recognised 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 recognised 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 payable to Group's shareholders are recognised 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 and 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 and 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 criterion is not met this regulatory deferral account balances are derecognised.

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.

For M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460

Place : Neyveli
Date : June 28, 2021

Notes to Consolidated Financial Statements

NON-CURRENT ASSETS

Property, Plant and Equipment

(₹ in crore)

Note No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2020	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2021	As at 01.04.2020	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
2	Land:										
	Freehold Land	1,359.00	40.72	-	**1,399.72**	-	-	-	**-**	**1,399.72**	1,359.00
	Lease hold mining land	-	349.46	-	**349.46**	-	-	10.28	**10.28**	**339.18**	-
	Roads	111.09	48.55	-	**159.64**	66.01	-	13.57	**79.58**	**80.06**	45.08
	Buildings	630.59	188.42	-	**819.01**	67.30	-	21.61	**88.91**	**730.11**	563.29
	Electrical Installations	204.73	20.81	0.06	**225.48**	114.43	-	15.22	**129.65**	**95.83**	90.30
	Water Supply & Drainage	115.31	8.45	0.86	**122.90**	60.13	0.76	11.01	**70.38**	**52.52**	55.18
	Plant & Machinery	26,286.67	3,238.24	2.98	**29,521.93**	4,894.35	1.02	1,468.72	**6,362.05**	**23,159.88**	21,392.32
	Furniture & Equipment	87.02	21.22	0.37	**107.87**	27.38	0.08	12.45	**39.75**	**68.12**	59.64
	Vehicles	56.26	1.49	1.00	**56.75**	26.14	0.62	5.32	**30.84**	**25.91**	30.12
	Assets Costing ₹ 5000 and below	0.84	0.27	-	**1.11**	0.84	-	0.27	**1.11**	**0.00**	-
	Mine Development										
	Mine-I	206.97	-	-	**206.97**	101.98	-	15.00	**116.98**	**89.99**	104.99
	Mine-IA	91.74	-	-	**91.74**	31.43	-	8.61	**40.04**	**51.70**	60.31
	Mine-II	348.51	-	-	**348.51**	124.58	-	16.00	**140.58**	**207.93**	223.93
	Barsingsar Mine	110.85	-	-	**110.85**	24.60	-	6.16	**30.76**	**80.09**	86.25
	Total	**29,609.58**	**3,917.63**	**5.27**	**33,521.94**	**5,539.17**	**2.48**	**1,604.21**	**7,140.90**	**26,381.04**	**24,070.41**
	Previous Year	21,857.07	7,759.22	6.71	**29,609.58**	4,205.49	3.27	1,336.95	**5,539.17**	**24,070.41**	

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) 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 as on 30.09.2020. The Gross Block, accumulated depreciation and Net block of TPS-I as per Ind AS as on 31.03.2021 amounting to ₹ 60.52 crore, ₹ 06.54 crore and ₹ 53.98 crore respectively are included in the above Schedule. Estimated sale value 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 useful life 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) Addition in current year includes capitalisation of 2nd unit of 2 X 500 MW Neyveli New Thermal Power Project at Neyveli and capitalisation of 17.5 MW of Solar Project at various locations of Andaman .

j) Lease hold land represents land acquired for Talabira II & III open cast Coal Mine at Odisha under Coal Bearing Act 1957.

k) Based on physical verification of assets (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.

Right-of-Use Assets

(₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2020	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2021	As at 01.04.2020	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
3	Land	50.51	-	-	**50.51**	21.22	-	1.69	**22.91**	**27.60**	29.29
	Building	1.51	0.71	-	**2.22**	0.61	-	0.64	**1.25**	**0.97**	0.90
	Vehicle	2.27	0.99	-	**3.26**	0.18	-	0.53	**0.71**	**2.55**	2.09
	Total	54.29	1.70	-	**55.99**	22.01	-	2.86	**24.87**	**31.12**	32.28
	Previous Year	51.45	2.84	-	**54.29**	19.54	-	2.47	**22.01**	**32.28**	

Notes to Consolidated Financial Statements

Intangible Assets

(₹ in crore)

Note No.	Description	Gross Block As at 01.04.2020	Gross Block Additions/ Transfers	Gross Block Disposals/ Trans./Adjt.	Gross Block As at 31.03.2021	Accumulated Depreciation As at 01.04.2020	Accumulated Depreciation Withdrawals/ Trans./Adjt.	Accumulated Depreciation For the Year	Accumulated Depreciation As at 31.03.2021	Net Block As at 31.03.2021	Net Block As at 31.03.2020
4	Software	12.36	27.40	0.05	39.71	5.91	0.04	3.02	8.89	30.82	6.45
	Total	**12.36**	**27.40**	**0.05**	**39.71**	**5.91**	**0.04**	**3.02**	**8.89**	**30.82**	**6.45**
	Previous Year	9.95	2.41	-	12.36	3.58	-	2.33	5.91	6.45	

There is no impairment loss identified for the assets during the year.

Note No.	Particulars (₹ in crore)	As at March 31, 2021		As at March 31, 2020	
5	**Capital Work-in-Progress**				
	Plan Expenditure				
	I) TPS II Expansion				
	Supply and Erection	**0.15**		2.36	
	Expenditure during Construction	**-**	**0.15**	-	2.36
	ii) Neyveli New Thermal Plant				
	Supply and Erection	**61.05**		2,217.22	
	Expenditure during Construction	**0.10**	**61.15**	529.05	2,746.27
	iii) Solar Power Project				
	Supply and Erection	**-**		102.85	
	Expenditure during Construction	**-**	**-**	5.05	107.90
	iv) Bithnok Project *				
	Supply and Erection	**29.29**		29.20	
	Expenditure during Construction	**20.53**	**49.82**	20.53	49.73
	v) Barsingsar Extension & Hadla Mines *				
	Supply and Erection	**9.11**		9.04	
	Expenditure during Construction	**17.19**	**26.30**	17.18	26.22
	vi) Mine-IA Expansion				
	Supply and Erection	**45.85**		34.40	
	Expenditure during Construction	**361.52**	**407.37**	352.76	387.16
	vii) Talabira II & III				
	Expenditure on Land Acquisition	**252.10**		584.95	
	Expenditure during Construction	**111.54**	**363.64**	108.20	693.15
	viii) Odisha Thermal Power Project				
	Supply and Erection	**30.99**		-	
	Expenditure during Construction	**3.14**	**34.13**	-	-
	ix) NLC Tamilnadu Power Limited				
	Supply & Erection	**21.83**	**21.83**	13.80	13.80
	x) Neyveli Uttar Pradesh Power Ltd.				
	Supply & Erection	**8984.18**		7,593.94	
	Expenditure during construction	**1469.18**	**10,453.36**	842.79	8436.73
	Non- Plan Expenditure				
	Supply and Erection	**58.97**		48.60	
	Capital Goods in Stock & Transit	**18.18**	**77.15**	22.19	70.79
	TOTAL		**11,494.90**		**12,534.11**

* Project on Hold. Discussions are underway with stakeholders for revival of the project.

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
6	**Assets under Development**	**As at March 31, 2021**	As at March 31, 2020
	Preliminary Project Expenditure	135.35	161.31
	Less: Provisions	33.67	33.64
		101.68	127.67
7	**Financial Assets**		
	a) Investments	**As at March 31, 2021**	As at March 31, 2020
	Investments in Equity Instruments		
	Non-Trade Un Quoted Investments		
	(i) Associates		
	In equity shares fully paid up 1,27,65,000 shares @ ₹ 10 per share of MNH Shakti Limited (15% Stake)	13.51	12.77
	Add : Share of Profit / (Loss) in MNH Shakti Limited (15% Stake)	0.08	0.74
		13.59	13.51
	(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	-
	Add : Share of Profit / (Loss) in CLUVPL (50% Stake)	(0.01)	-
		-	-
	Total Investment in associate and Joint venture	13.59	13.51
	a) In respect of MNH Shakti Limited approval of NCLT is awaited for reduction of equity capital of MNH Shakti Limited from ₹85.10 crore to ₹35.10 crore. b) During the FY 2020-21 NLCIL has subscribed 10000 no's of equity shares @ ₹10/- each to CLUVPL (PY- Nil) a newly formed JV Company with Coal India Limited with holding of 50% in the Company.		
	b) Loans	**As at March 31, 2021**	As at March 31, 2020
	Loans to Employees		
	Secured	25.19	28.02
	Unsecured, considered good	4.98	2.86
		30.17	30.88
	a) The secured loans and unsecured loans to Employees include house building loan, car loan, vehicle loan, and multipurpose loan etc. 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 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 loans to employees includes ₹ 0.09 crore (PY ₹ 0.08 crore) due from Key Management Personnel. The details of transactions with Key Management Personnel are mentioned in note no. 43 (c).		
8	**Other Non-Current Assets**	**As at March 31, 2021**	As at March 31, 2020
	Unsecured considered good		
	Capital Advances	844.22	834.31
	Others	157.79	148.84
		1,002.01	983.15
	Current Assets		
9	**Inventories**	**As at March 31, 2021**	As at March 31, 2020
	Raw Material - Lignite	882.89	828.42
	Raw Material - Coal	95.68	289.93
	Solid/Hollow/Fly Ash Bricks	2.07	2.67
	Goods-in-Transit	73.39	19.00
	Stores and Spares	590.74	551.63
	Less: Provision for obsolete / unserviceable stores and spares	(20.93)	(7.90)
		1,623.84	1,683.75

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)		
	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 - 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) Raw material Coal included coal stock of ₹ 20.60 crore extracted from Talabira II and Talabira III and the remaining are the procured coal stock of NTPL which is available at various bunker of NTPL as on 31.03.2021. c) Refer Note no. 20 (a) for information on inventory pledged as security by the Group. d) Physical verification of Coal stock at Dhamara port could not be conducted due to covid 19 restrictions.		
10	**Financial Assets**	**As at March 31, 2021**	As at March 31, 2020
	a) Trade receivables		
	a. Secured	**684.45**	406.57
	b. Unsecured		
	i. considered good	**6,837.05**	8,103.22
	ii. considered doubtful	**366.52**	141.87
		7,888.02	8,651.66
	Less: Loss allowances on debtors	**366.52**	141.87
		7,521.50	8,509.79
	a) Based on arrangements among NLCIL, Federal bank, ICICI bank and DISCOMs' i.e. TANGEDCO, TG Power and AP-Discom certain bills which are due from the above three DISCOMs' have been discounted during the FY 2020-21. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 1542.00 crore (31 March 2020 ₹ 637.24 crore) b) The Company has reviewed its outstanding debtors balance in March'2021. Taking into account, period of outstanding, collections and the trend of realization subsequent to intervention of Ministry of Power (MoP) and Ministry of Coal (MoC) 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 ₹ 322.76 crore (Q4 of 2020-21 ₹ 80.69 crore) has been considered in 2020-21 towards loss allowances on outstanding debtors balance as on March 31, 2020. 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.		
	b) Cash and cash equivalents	**As at March 31, 2021**	As at March 31, 2020
	i) Bank Balance		
	- Current Account	**66.86**	6.70
	- Short Term Deposits	**90.41**	10.25
	ii) Cash and Stamp on hand	**0.07**	0.01
		157.34	16.96
	a) Stamps on hand as on 31.03.2021 - ₹ 55,644/- (as on 31.03.2020 ₹ 55,350/-) b) Short term deposit includes an amount of ₹ 80 crore invested in bank term deposits @ 2.90% for the period of 7 days from 31.03.2021 to 06.04.2021		
	c) Other bank balances	**As at March 31, 2021**	As at March 31, 2020
	Unpaid Dividend Account Balance	**2.46**	3.00
	Earmarked deposits with Banks :-		
	i. Staff Security Deposit	**0.01**	0.01
	ii. Endowment fund in the name of NLC Schools	**0.44**	0.39
	iii. Mine Closure Deposit*	**358.59**	264.28
	iv. PRMA Deposit	**101.50**	90.58
	v. Security for Bank Guarantee	**2.04**	2.04
	vi. Margin for Bank Guarantee & Letter of Credit	**161.41**	54.33
	vii. Multi Option Deposit (MOD)	**0.33**	0.65
	viii. Land for Fly Ash deck #	**0.44**	0.44
		627.22	415.72
	* In the name of "Coal Controller Escrow Account NLC Ltd. Mine" # Deposit towards Land Acquisition as per the order of National Lok Adalat. PRMA deposit matured and renewed on 02.04.2021		

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
	d) Loans	**As at March 31, 2021**	As at March 31, 2020
	a) Secured		
	- Loans to employees	**16.08**	23.53
	b) Unsecured		
	Considered good		
	- Loans to employees	**14.21**	16.01
		30.29	**39.54**
	a) The secured loans and unsecured loans to Employees includes house building loan, car loan, vehicle loan, & multipurpose loan etc. 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.		
	(i) Due by Officers	**0.06**	0.01
	(ii) Maximum amount due at any time during the year	**0.06**	0.08
	(i) Due by Directors	**0.02**	0.03
	(ii) Maximum amount due at any time during the year	**0.03**	0.06
	e) Other financial assets	**As at March 31, 2021**	As at March 31, 2020
	Interest accrued	**41.66**	47.27
	Discount on Commercial Paper	**27.52**	18.12
		69.18	65.39
	a) Interest Accrued includes interest due on loans givens to employees, interest on various advances given to suppliers and interest on various deposits such as PRMA etc. b) Commercial Paper to the tune of ₹3550 crore is outstanding as on 31.03.2021 drawn at a coupon rate ranging from 3.35% to 3.68% p.a. These are unsecured loans repayable on respective due dates. The discount attributable to current year has been charged as finance cost in statement of Profit and Loss. c) In respect of NTPL Commercial Paper to the tune of ₹1500 crore is outstanding as on 31.03.2021 drawn at a coupon rate ranging from 4.35% to 4.50% p.a. These are unsecured loans repayable on respective due dates. The discount attributable to current year has been charged as finance cost in statement of Profit and Loss.		
11	**Income Tax Asset (Net)**	**As at March 31, 2021**	As at March 31, 2020
	Advance Income Tax	**2,120.87**	1,896.42
	Less : Provision for Tax	**1,325.55**	1,066.98
		795.32	829.44
	NLCIL has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and has submitted the relevant forms with income tax department and remitted a sum of ₹ 840.59 crore over the period, which are in the process of scrutiny and approval by the Income Tax department. Out of the disputed income tax paid the company is also eligible to prefer claim with its customers in accordance with the CERC tariff regulations. Pending requisite acceptance and approval in this regard from the income tax department and also preferring claim with the customers the amount paid as above has been carried forward.		
12	**Other current assets**	**As at March 31, 2021**	As at March 31, 2020
	Disposable / Dismantled Assets, Spares	**3.81**	3.92
	Prepaid Expenses	**172.29**	87.77
	Advances other than Capital Advances (unsecured)		
	i. Considered good		
	- Staff Advances	**209.82**	188.96
	- For Purchase of Coal	**46.80**	19.44
	- For Purchase of Fuel Oil	**0.79**	0.77
	- For Rail Freight	**4.07**	3.13
	- Others	**43.52**	68.16

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
	Other current assets Contd...	**As at March 31, 2021**	As at March 31, 2020
	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	**-**	20.66
	- Towards Royalty	**12.07**	10.63
	- Towards Advance TDS	**0.28**	0.39
	- Port Trust and Customs authorities	**12.09**	12.09
	- VAT appeal	**56.21**	
	Unbilled revenue	**1,170.61**	1,086.18
	GST receivable	**12.77**	4.77
	TCS receivable	**0.22**	-
	Others	**4.94**	19.11
		1,750.29	1,525.98

a) Unbilled Revenue includes ₹ 665.28 crore (NLCIL) & ₹ 255.83 crore (NTPL) of billing done after March 31, for Sale of Power related to March 2021 (₹ 696.19 crore (NLCIL) & ₹ 276.45 crore (NTPL))

b) Advances other than capital advances-Staff advance includes advances paid towards Performance related pay pending final rating of employees & the Company.

c) Advances other than capital advances -Other advances represents advances given to contractors and suppliers ordinary course of supply of goods and services.

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
13	**Regulatory Deferral Account Debit Balances**	**As at March 31, 2021**	As at March 31, 2020
	Deferred Foreign Currency Fluctuation	**132.17**	124.55
	Gratuity	**171.47**	171.48
	Wage Revisions	**643.04**	643.04
	Other items recoverable as per CERC Order/Regulations	**1,083.06**	795.04
	Others	**216.31**	1.10
		2,246.05	1,735.21

a) The regulatory deferral accounts balances have been accounted in line with the companies accounting policy. Refer note no 50 for detailed disclosures.

b) NLCIL has filed truing up petition for the Tariff period 2014-19 both for its Thermal Stations and Mines. Any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

c) Based on petition filed with CERC for NNTPP (2 X 500 MW), the differential amount of ₹ 52.11 crore considered under regulatory deferral account debit balance.

d) NLCIL 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 under regulatory income pending filing of the claim with "Coal Controller"

e) On discharge of capital liabilities amounting to ₹ 774.38 crore NTPL filed truing up petition for tariff period 2014-19 and as per regulatory provision an amount of ₹137.85 crore (PY: 126.82 crore) has been considered under capacity charges.

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
14	**Equity Share Capital**	**As at March 31, 2021**	As at March 31, 2020
	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 2020)	**2,000.00**	2,000.00
	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 2020)	**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, 2021	As at March 31, 2020
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) Dividends	As at March 31, 2021	As at March 31, 2020
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31st March 2020 of ₹ NIL (31st March 2019 - ₹ NIL) per fully paid equity shares	**-**	-
- Interim dividend for the year ended 31st March 2021 of ₹ 1.00 (31st March 2020 - ₹ 7.06) per fully paid equity shares	**138.66**	978.97

ii) Dividends not recognised during the year

The Directors of NLCIL have recommended the final dividend @15% i.e., ₹ 1.5 per share for FY 2020-21 (31st March 2020 : Nil) subject to approval of Shareholders. Furthermore the Board of Directors of NTPL (subsidiary of NLCIL) has also recommended the final dividend @ 10% i.e., ₹ 1 per share for FY 2020-21 (31st March 2020 : ₹ 3 Per share), subject to approval of Shareholders.

d) Movement in Equity Shares Last Five Years preceding 01.04.2020	Equity Shares
Number of Shares as on 01.04.2015	1,67,77,09,600
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2015-16, FY 2016-17 & FY 2017-18, FY 2018-19 & FY 2019-20.	NIL
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2015-16, FY 2016-17 & FY 2017-18, FY 2018-19 & FY 2019-20.	NIL
Aggregate number and class of shares bought back FY 2015-16, FY 2016-17 & FY 2017-18, FY 2018-19 & FY 2019-20.	29,10,72,991
Number of Shares as on 31.03.2020	1,38,66,36,609
Shares bought back 14,91,41,173 Nos. & 14,19,31,818 No's. during the FY 2016-17 & FY 2018-19 respectively.	

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
15	**Other Equity**	**As at March 31, 2021**	As at March 31, 2020
	i) Retained Earnings	**10,465.80**	9,321.03
	ii) Other Comprehensive Income		
	Remeasurement of actuarial gains/ losses and interest cost	**(85.91)**	(112.52)
	a) Total Retained Earnings (i + ii)	**10,379.89**	9,208.51
	b) Other Reserves		
	KfW Interest Differential Reserve	**358.00**	351.30
	General Reserve	**1,457.00**	1,457.00
	Contingency Reserve	**120.00**	110.00
	Capital Redemption Reserve	**291.07**	291.07
	PRMA Reserve Fund	**107.79**	100.61
	Total (b)	**2,333.86**	2,309.98
	Total Other Equity (a + b)	**12,713.75**	11,518.49
a)	**Retained Earnings**	**As at March 31, 2021**	As at March 31, 2020
	Opening Balance	**9,321.03**	9,088.74
	Addition During the year	**1,372.05**	1,327.62
	i) Retained Earnings Available for Appropriation	**10,693.08**	10,416.36
	Less : Appropriations		
	Transfer to / from Interest Differential Fund Reserve	**6.70**	8.72
	Transfer to Contingency Reserve	**10.00**	10.00
	Transfer to PRMA Reserve Fund	**7.18**	10.03
	Interim Dividend	**138.66**	978.97
	Tax on Interim Dividend	**-**	181.21
	Final Dividend	**7.22**	-
	Tax on Final Dividend	**-**	20.02
	Ind AS 116 Lease Adjustments	**-**	0.13
	Non Controlling Interest (NCI)	**30.91**	11.61
	ii) Other Comprehensive Income		
	Remeasurement of Actuarial Gain/(loss)	**26.61**	(125.36)
	Closing Balance	**10,465.80**	9,321.03
b)	**Other Reserves**		
	KfW Interest Differential Reserve	**As at March 31, 2021**	As at March 31, 2020
	Opening Balance	**351.30**	**342.58**
	Transfer from Retained Earnings	**28.98**	**28.05**
	Less : Withdrawal / Adjustment during the year	**22.28**	**19.33**
	Closing Balance	**358.00**	**351.30**
	The Company 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.		
	General Reserve	**As at March 31, 2021**	As at March 31, 2020
	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, 2021**	As at March 31, 2020
	Opening Balance	**110.00**	100.00
	Transfer from Retained Earnings	**10.00**	10.00
	Less : Withdrawal/Adjustment during the year	**-**	-
	Closing Balance	**120.00**	110.00
	Apportionment of profits amounting to ₹ 10 crore every year to secure the contingency payments in the future periods.		

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
	Capital Redemption Reserve	**As at March 31, 2021**	As at March 31, 2020
	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 Company 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 have been bought back and the total amount in capital redemption reserve represents the nominal value of such share bought back.		
	PRMA Reserve Fund	**As at March 31, 2021**	As at March 31, 2020
	Opening Balance	**100.61**	90.58
	Transfer from Retained Earnings	**7.18**	10.03
	Less : Withdrawal/Adjustment during the year	**-**	-
	Closing Balance	**107.79**	100.61
	Reserve towards Post Retirement Medical Assistance (PRMA) provided to retired employees and their spouse.		
16	**Non-Controlling Interest**	**As at March 31, 2021**	As at March 31, 2020
	a) NLC Tamilnadu Power Ltd. (NTPL)	**306.36**	274.04
	b) Neyveli Uttar Pradesh Power Limited (NUPPL)	**1,590.48**	1,493.33
		1,896.84	1,767.37
	Non-Current Liabilities		
17	**Financial Liabilities**		
a	**Borrowings**	**As at March 31, 2021**	As at March 31, 2020
	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	**3,409.43**	5,987.22
	- Power Finance Corporation Ltd	**7,662.51**	7,607.06
	- Rural Electrification Corporation Ltd.	**3,633.70**	2,283.40
	B) Unsecured Loans		
	(i) NLCIL Bonds		
	- Series-II-2020	**500.00**	
	- Series-I-2021	**1,175.00**	
	(ii) Inter Corporate Loan		
	- Loan from Mahanadi Coal Fields Limited	**125.00**	625.00
	(iii) Foreign Currency loan from KfW-Germany ##		
	- 6.80 Million Euro (7.24 Million Euro) - I	**54.80**	56.49
	- 46.24 Million Euro (49.04 Million Euro)-II	**374.00**	384.02
		18,934.44	18,943.19
	## Guaranteed by the Government of India		

Details of Terms of Repayment, Rate of Interest and Security :

i. To meet the General Funding arrangement, two Bonds were issued for an amount of ₹ 1,475 crore and ₹ 525 crore which carries interest @ 8.09% p.a & 7.36% p.a respectively. The bonds were secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (2 X 250 MW) (including Land) to the extent of the facility. The Bonds are repayable through bullet payment on 29-05-2029 & 25-01-2030.

ii. To meet the General Funding arrangement, an unsecured Bond i.e. NLCIL Bond 2020 Series-II carrying an interest rate of 5.34% p.a. was issued for ₹ 500 crore on 31.07.2020 which is repayable through bullet payment on 11.04.2025.

iii. To meet the fund requirement of Neyveli New Thermal Projects (2 X 500 MW) :

a) Loan of ₹ 3000 crore @ 6.56% p.a. (on the basis of 3 year AAA Reuter rate i.e. 5.71% p.a plus fixed spread 0.85%) from M/s. Power Finance Corporation Ltd., amount drawn is ₹ 3000 crore & outstanding amount is ₹ 2550 crore. The Loan is secured by pari passu charge on project lands & fixed asset, repayable in 20 equal bi-annual installments commencing from 31.03.2020.

b) RTL of ₹1135 crore @ 6.37% p.a. (on the basis of 5 year G-Sec rate i.e. 5.51% plus 0.86% fixed spread) from HDFC Bank, amount drawn is ₹ 1135 crore. Outstanding Loan of ₹ 1021.50 crore was pre-closed on 27.01.2021. Outstanding amount as on 31.03.2021 is Nil.

c) RTL of ₹ 821 crore @ 5.91% p.a. (on the basis of 1 year G-Sec rate i.e. 5.30% plus 0.61% fixed spread) from HDFC Bank, out of this facility, amount of loan drawn is ₹ 499 crore. Outstanding Loan of ₹ 449.10 crore was pre-closed on 27.01.2021. Outstanding amount as on 31.03.2021 is Nil.

d) 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.

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
	iv. 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 @ 6.62% p.a (on the basis of 5 year G-Sec Rate i.e. 5.99% plus 0.63% fixed spread). Repayment for the same started from October 2018, amount drawn is ₹ 481 crore and outstanding amount is ₹ 192.40 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.The last installment falls due on March 2023.
	v. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with a) Axis Bank Ltd. for an amount of ₹ 500 crore @7.41% p.a (on the basis of 5 Year G-Sec rate i.e. 6.19% plus 1.22% fixed spread). Repayment for the loan has commenced from September'2019 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2021 is ₹ 300 crore. b) Axis Bank Ltd. for an amount of ₹ 450 crore @ 7.39% p.a (On the basis of 5 Year G-Sec Rate i.e. 6.19% plus 1.20% fixed spread). Repayment for the loan starts from March' 2020 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2021 is ₹ 315 crore. c) Federal bank Ltd. for an amount of ₹ 456 crore @ 7.27% p.a. (on the basis of 5 Year G-Sec rate i.e. 6.07% plus 1.20% fixed spread). Repayment for the loan starts from March' 2020 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2021 is ₹ 319.20 crore. The loans are secured by pari-passu charge on the project assets to the extent of the facility.
	vi. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with State Bank of India for an amount of ₹ 2552 crore @ 6.95% p.a (on the basis of 6 months MCLR rate @ 6.95%) repayable in 20 equal half- yearly installments of ₹ 127.60 crore each. The first repayment has made on 31.12.2020. Out of total facility, ₹ 2319 crore has been drawn and the outstanding amount as on 31.03.2021 is ₹ 2191.40 crore. The loan is secured by a pari-passu charge on the project assets to the extent of facility.
	vii. 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 @ 6.95% p.a (on the basis of 6 Month MCLR rate) repayable in 20 equal half- yearly installments of ₹ 84.04 crore starting from 30.09.2021. Out of the facility, ₹ 593 crore is drawn. The loans is secured by pari-passu charge on the project assets to the extent of the facility.
	viii. To meet the General Funding arrangement, an unsecured inter corporate borrowing agreement was tied up with Mahanadi Coalfields Limited for ₹ 2000 crore. This is unsecured loan repayable in 48 equal monthly installments commencing from July' 2018. ₹ 2000 crore has been drawn as at the end of current Financial Year. The Amount outstanding as on 31.03.2021 is ₹ 625 crore. This loan carries a Fixed Interest at 7% p.a.
	ix. Bi- annual equal repayment(€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany @ 0.75% p.a, commenced from 30-12-2001, ending on 30-06 2036.
	x. Bi-annual equal repayment(€ 1.401 Million each) of Foreign Currency loan -II from KfW Germany, @ 0.75% p.a, commenced from 30-06-2002, ending on 30-06-2037.
	xi. A portion of KfW Germany loan which was used for renovation of TPS-I, has not been repaid in full. The balance outstanding as on 31.03.2020 was ₹ 21.25 crore for all the units of TPS-I. Petition has been filed for recovery of balance outstanding loan from TANGEDCO. Pending order from CERC, the outstanding loan balance has been carried forward.
	xii. **In respect of NTPL:** (a) Power Finance Corporation Ltd - Rupee term loan I - Sanctioned - ₹ 1184.92 crore repayable in Twenty (20) equal half-yearly installments from January 2016 and the rate of interest on the loan as on 31.03.2021 is 7.74% p.a. (on the basis of 3 year AAA Bond rate plus 1.59% fixed spread). (b) Power Finance Corporation Ltd - Rupee term loan II - Sanctioned - ₹ 3093.30 crore Repayable in Nineteen (19) equal half yearly installments from October 2016 and the rate of interest on the loan as on 31.03.2021 is 6.78% p.a. (on the basis of 3 year AAA Bond rate plus 1.21% fixed spread). (c) Bank of India - Rupee Term Loan - Sanctioned - ₹ 483.52 crore Repayable in Twenty (20) equal half yearly installments from March 2019 and the rate of interest on the loan as on 31.03.2021 is 7.48% p.a. (on the basis of 1 month MCLR plus 0.28% fixed spread). Out of the sanctioned amount of ₹ 483.52 crore, an amount of ₹ 123.92 crore is unavailed as on 31.03.2021. All the above Term Loans is secured by pari-passu charge on NTPL's project fixed assets financed. In addition to the charges on loans a Letter of comfort has been given by NLCIL in favor of Power Finance Corporation Ltd on the Rupee Term Loan - I and II and Bank of India on Long Term Loan availed by NTPL.
	xiii. **In respect of NUPPL :** Rupee Term Loan of ₹ 5,588.84 crore is tied up with Power Finance Corporation Ltd and ₹ 5,478.16 crore is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. The loan is secured by pari passu charge on NUPPL Project Assets, repayable on 20 equal Half Yearly installments. The first installment will become due on 15-Jul-2024 and the subsequent installment will become due for payment on 15th Jan & 15th Jul every year.

Note No.	Lease Liability of Right-of-Use Assets	As at March 31, 2021	As at March 31, 2020
b)	**Lease Liability on**		
	- Land	**0.44**	0.39
	- Building	**0.97**	0.95
	- Vehicle	**2.69**	2.12
		4.10	3.46
	Due to variable nature of payment for overburden removal, the right to use asset and lease liability under Ind AS 116 is not ascertainable.		

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
18	**Deferred tax liabilities (Net)**	**As at March 31, 2021**	As at March 31, 2020
	Deferred Tax Liabilities		
	On Depreciation	**4,950.84**	3,879.66
	Deferred Tax Assets		
	Deferred tax asset on tax losses/Provisions	**950.02**	827.43
	MAT Credit Entitlement	**1,262.94**	867.89
	Deferred Tax Liabilities (Net)	**2,737.88**	2,184.34
19	**Other Non-Current Liabilities**	**As at March 31, 2021**	As at March 31, 2020
	Capital purchase, Capital works-in-progress and other liabilities	**1045.73**	801.06
	Mine Closure Liability	**361.57**	267.18
	Deferred income	**119.03**	97.37
		1,526.33	1,165.61

a) 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.

b) Deferred income includes capital grant of ₹ 95.73 crore and ₹ 32.52 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 location 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 Profit and Loss account each year.

Current Liabilities

20 **Financial Liabilities**

Note No.	Particulars		
a)	**Borrowings**	**As at March 31, 2021**	As at March 31, 2020
	Loans Repayable on Demand		
	From Banks (Secured) :		
	- Cash Credit facility from Bank	**-**	241.42
	- Working Capital Demand Loan (WCDL)	**853.17**	3779.95
	- Treasury Bill linked WCL	**150.00**	-
	- Other Short term Loans	**230.00**	1000.00
	From Banks (Unsecured) :		
	- Commercial Paper	**5,050.00**	1000.00
		6,283.17	6,021.37

a. In respect of NLCIL:

i) a) The company has taken Cash credit facility from SBI with a maximum cap of ₹ 4000 crore with a rate of interest @ 6.95% p.a. Interest Rate are based on 6 month MCLR rate. The Cash Credit Facility is secured by entire Current Assets of the Company. Out of this facility as at 31.03.2021 ₹ 150 crore has been linked to Treasury bill. The undrawn borrowing as on 31.03.2021 is ₹ 3850 crore.

ii) Working Capital loan with SBI ₹ 150 crore 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. T-Bill based WCL is a part of SBI WC loan which carries interest rate of 4.50% p.a.

iii) Commercial Paper to the tune of ₹ 3550 crore is outstanding as on 31.03.2021 drawn at a coupon rate ranging from 3.35% to 3.68% p.a. These are unsecured loans repayable on respective due dates.

b. In respect of NTPL:

i) Bank of India Working Capital loan with full interchangeability between Fund based Limit of ₹1300.00 crore and Non-Fund based Limit of ₹ 200.00 crore is subject to the availability of drawing power. Secured by exclusive first charge on book debts, operating cash flows, receivables, including stock of coal, fuel, etc. and all other current assets, commission, revenues of whatsoever nature and wherever arising present & future relating to the project. The rate of interest as on 31.03.2021 is 7.20% p.a. (on the basis of 1 month MCLR) on Working capital demand loan and 7.40% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit.

Letter of comfort has been given by NLCIL in favor of Bank of India on the Working capital loan with Fund based Limit of ₹1300.00 crore and Non-Fund based Limit of ₹200.00 crore availed by NTPL.

ii) Short Term Loan of ₹1000.00 crore from Bank of India availed on 31.03.2020, secured by second charge on book debts, operating cash flows, receivables, including stock of coal, fuel, etc. and all other current assets, commission, revenues of whatsoever nature and wherever arising present & future relating to the project. Repayable in eight monthly installments of ₹110.00 crore starting from 30.09.2020 (the company has availed moratorium on principal installment amount for July, 2020 and August, 2020 as per RBI Circular) and last installment of ₹120.00 crore falling due on 30.05.2021. The rate of interest on the loan as on 31.03.2021 is 6.10% p.a. (on the basis of Repo rate plus 2.10% fixed spread).

iii) Commercial Paper to the tune of ₹1500 crore is outstanding as on 31.03.2021 drawn at a coupon rate ranging from 4.35 % to 4.50% p.a. These are unsecured loans repayable on respective due dates.

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
b)	**Trade payables**	**As at March 31, 2021**	As at March 31, 2020
	Trade Payables :		
	- Towards Micro and Small Enterprises	**40.53**	22.97
	- Other than Micro and Small Enterprises *	**1855.16**	3264.72
		1,895.69	3,287.69
	* Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 45.38 crore (previous year ₹ 21.19 crore). Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note No-56.		
c)	**Other Financial Liabilities**	**As at March 31, 2021**	As at March 31, 2020
	Current maturities of Long Term Debt		
	Secured		
	Term Loans :		
	- Banks	**740.26**	990.34
	-Power Finance Corporation Ltd.	**744.42**	744.42
	Unsecured		
	i. Inter Corporate Loan-MCL	**500.00**	500.00
	ii. Foreign Currency loan from KfW	**27.89**	26.91
	Interest Accrued but not due Loans		
	i. NLCIL Bonds	**134.34**	107.57
	ii. KfW-Germany	**0.86**	0.88
	iii. Term Loans from Banks & FI's	**3.14**	7.63
	iv. Working Capital Demand Loan (WCDL)	**1.54**	4.29
	v. Commercial Paper	**-**	3.27
	vi. Treasury Bill linked WCL	**0.11**	-
		2,152.56	2,385.31
21	**Other Current Liabilities**	**As at March 31, 2021**	As at March 31, 2020
	Unclaimed Dividend	**2.46**	3.00
	Unutilised Revenue Grant	**4.81**	5.05
	Staff Security Deposit	**0.01**	0.01
	Advance for Fly ash sales	**15.24**	
	Other liabilities		
	- Employees	**403.76**	435.86
	- Statutory	**119.19**	112.11
	- Others	**727.61**	78.26
		1,273.08	634.29
	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.		
22	**Provisions**	**As at March 31, 2021**	As at March 31, 2020
	Short-term Benefit of Leave Salary	**114.55**	179.18
	Post Retirement Medical Benefit	**15.76**	13.91
	Provision for Gratuity & Other Employment Benefits	**276.88**	529.20
	Provision for Loss on Assets	**18.46**	9.56
	Provision for Contingencies	**41.28**	17.53
	Other Provisions	**13.33**	8.05
		480.26	757.43
23	**Regulatory Deferral Account Credit Balances**	**As at March 31, 2021**	As at March 31, 2020
	Deferred Foreign Currency Fluctuation	**30.57**	34.26
	CERC Order / Petition filed with APTEL/Others	**2,591.05**	2,530.79
		2,621.62	2,565.05
	(a) Truing up petition for lignite transfer price for tariff period 2014-19 has been filed with CERC in FY 2019-2020. Pending order from CERC, regulatory liability created for lignite transfer price amounting to ₹ 544.37 crore is carried forward under the head Regulatory Deferral Account Credit Balances. (b) Other regulatory liability includes the impact of various regulatory orders including period cost pending at APTEL / Other Authorities.		

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)		
24	**Revenue from Operations**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Sale of Power	**9422.14**	9,774.45
	Sale of Lignite	**351.38**	517.46
	Sale of Coal	**78.87**	-
	Sale of Fly Ash & other by-products	**86.33**	46.87
	Other Operating Revenue		
	- Consultancy charges	**0.47**	0.19
		9939.19	10338.97
	Less: Transfer to Capital Work-in-Progress	**90.09**	4.31
	Less: Rebate on sale of Power	**3.01**	14.10
		9846.09	10320.56

a) Sales includes Sale of Power through Trading of ₹ 454.04 crore (31 March 2020: ₹1130.67 crore)

b) The Company raised debit note in January 2021 on beneficiaries for Deferred Tax Materialized till 31st March 2019 amounting to ₹ 218.95 crore and the same has been considered under revenue from operations. Deferred Tax Liability materialised for the periods ended March 31, 2020 and March 31, 2021 has not been considered, as the quantum of amount is yet to be ascertained and pending for reconciliation and confirmation from beneficiaries.

c) On account of COVID- 19 pandemic, Ministry of Power vide Letter No. 23/22/2019-R&R Part-4 dated 06.04.2020 clarified that late payment surcharge shall apply at reduced rate for the period between 24.03.2020 to 30.06.2020 on those payments that become overdue during the period 24.03.2020 to 30.06.2020 and from 01.07.2020 onwards, the delayed payment surcharge shall be payable at the rate given in the PPA/regulations. Accordingly, Group has charged surcharge at the rate of 12% instead of 18% for the said period.

d) Transfer to Capital Work-in-Progress represents sale of Coal in Talabira Mine before CoD and Power sales of Unit-II of NNTPS (2 X 500 MW) project before CoD.

e) The revenue from operation included ₹ 171.10 crore revenue earned by TPS-I till its retirement from operation i.e., 30th September, 2020. Details containing such expenditure has been provided in Note No. 57

Note No.	Particulars		
25	**Other Income**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	(a) Interest on		
	i) Bank Deposits	**43.60**	36.11
	ii) Employees Loans	**4.77**	5.74
	iii) Mine Closure Deposits	**15.20**	14.32
	iv) Others	**49.86**	41.20
	(b) Recoveries Toward Rent & others	**22.38**	24.93
	(c) Profit on Sale of Assets	**3.60**	2.65
	(d) Provision Written Back	**112.34**	0.05
	(e) Surcharge on sale of power	**1,561.37**	1,068.21
	(f) Exchange Fluctuation	**12.33**	0.05
	(g) Deferred Income on Govt. Grant	**10.48**	9.35
	(h) Miscellaneous	**172.04**	96.65
		2,007.97	1299.26
	Less: Transfer to Capital Work in Progress	**40.69**	18.03
	Less: Transfer to Mine Closure Liability (net of tax)	**14.95**	9.09
		1,952.33	1272.14

a) Interest others includes ₹ 41.98 crore (PY ₹ 28.56 crore) towards interest on income tax refunds and ₹ 7.69 crore (PY ₹ 10.95 crore) towards interest on advances to vendors.

b) The other income include ₹17.49 crore of TPS-I till its operation upto 30th September, 2020. Details of such expenditure has been provided in Note No. 57.

c) Provision written back includes reversal of provision on receipt of one arbitration award in favor of the Group.

d) Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Group.

e) The insurance claim w.r.t. to TPS-II fire incident has been lodged with the Insurer and the Insurer has acknowledged minimum ₹ 50 crore as interim claim subject to final assessment of loss and settlement there on. This claim has been disclosed under Misc. Income. A payment of ₹ 9.50 crore received in June 2021.

Note No.	Particulars		
26	**Cost of fuel consumed**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Coal Consumption	**1,554.18**	1,524.49
	Oil Consumption	**9.12**	9.10
		1,563.30	1,533.59

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
27	**Changes in inventories of Raw Material**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	OPENING STOCK		
	Raw Material		
	Lignite	**828.42**	910.41
	Coal	-	
	CLOSING STOCK		
	Raw Material		
	Lignite	**882.89**	828.42
	Coal	**20.60**	
	Less: Transfer to Capital Work in Progress	**20.60**	-
	Increase (-) /Decrease in Stock	**(54.47)**	81.99
28	**Employee Benefit Expenses**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Salaries, Wages and Incentives	**2,300.91**	2,491.76
	Contribution to Provident and other funds	**380.87**	387.80
	Gratuity	**34.21**	27.15
	Welfare expenses	**121.88**	122.80
		2,837.87	3029.51
	Less: Transfer to Capital Work-in-Progress	**83.06**	154.55
		2,754.81	2874.96
	a) Employee benefit expenditure includes ₹ 121.46 crore towards salaries and other employee benefits paid to employees of TPS-I which was discontinued from operation as on 30th September, 2020. Details of such expenditure has been provided in Note No. 57. b) Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note No. 46.		
29	**Finance costs**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Interest Expenses		
	KfW - Foreign Currency Loan	**3.86**	3.46
	NLCIL Bonds	**184.73**	107.57
	Loan from Banks	**471.25**	531.84
	Loan from Power Finance Corporation	**673.50**	762.79
	Loan from Rural Electrification Corporation (REC)	**262.58**	199.13
	Treasury Bills linked to WCL	**66.04**	-
	Others (includes interest on Cash Credit & WCDL)	**123.28**	325.52
	Interest on Lease Liability	**0.33**	0.18
	Inter Corporate Loan		
	- Mahanadi Coal Field Ltd. (MCL)	**62.62**	97.87
	Others		
	Discount on Commercial Papers	**155.70**	3.27
	Guarantee Fees on KfW loan	**5.61**	5.55
		2,009.50	2,037.18
	Less: Transfer to Capital Work-in-Progress	**696.93**	862.80
		1,312.57	1,174.38
	Finance cost included ₹ 18.46 crore of interest expenditures for TPS-I till its discontinuation from operation as on 30.09.2020. Details of such expenditure has been provided in Note No. 57		
30	**Depreciation and Amortisation expense**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Property, Plant and Equipment	**1,561.33**	1,293.51
	Mine Development and other Amortisations	**45.87**	45.77
	Amortisation of ROU Asset	**2.85**	2.47
		1,610.05	1,341.75
	Less: Transfer to Capital Work in Progress	**25.84**	7.60
		1,584.21	1,334.15
	a) Depreciation and amortisation includes ₹ 1.54 crore for FY 2020-21 in respect to TPS-I till its discontinuation from operation till 30th September, 2020. Details of such expenditure has been provided in Note No. 57. 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 No.	Particulars	(₹ in crore)	
31	**Other Expenses**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	Consumption of Stores and Spares	**512.56**	406.14
	Fuel	**93.57**	240.57
	Mine Closure	**63.73**	45.43
	Rent	**1.53**	1.71
	Rates and Taxes		
	- Electricity Tax	**0.76**	1.64
	- Others	**19.39**	15.19
	Repairs and Maintenance		
	- Plant and Machinery	**344.80**	347.64
	- Buildings	**28.18**	28.74
	- Others	**418.58**	281.34
	Overburden Removal Expenditure	**233.00**	325.44
	Insurance	**89.17**	30.41
	Payments to Auditors		
	- Audit fees	**0.65**	0.43
	- Tax Audit fees	**0.06**	0.06
	- Other Certification Fees	**0.22**	0.63
	- Reimbursement of expenses	**0.08**	0.38
	Travelling Expenses	**23.37**	32.77
	Training Expenses	**16.79**	28.09
	Advertisement	**0.22**	0.69
	Legal Charges	**0.69**	2.15
	Professional charges	**1.07**	0.14
	Family Welfare Expenses	**18.02**	22.75
	Selling Expenses - Commissions	**27.92**	31.86
	Afforestation Expenses	**23.25**	14.20
	Royalty	**386.94**	489.00
	Central Industrial Security Force Expenses	**184.17**	172.03
	Corporate Social Responsibility	**52.79**	89.77
	Provision for Unspent CSR	**3.71**	-
	Exchange Fluctuation	**0.38**	3.00
	Miscellaneous Expenses	**88.11**	68.33
	Transit and Handling loss	**5.56**	3.14
	Consultancy Charges	**6.12**	5.75
	Electricity Expenses	**10.16**	6.76
	Loss on assets disposed/written off/discarded	**0.71**	2.65
	Provision for Stores & Materials	**13.95**	3.14
	Provision on Fixed Assets	**8.90**	0.32
	Provision for Preliminary Expenses	**0.03**	1.59
	Provision for Doubtful Debt	**336.76**	10.95
		3,015.90	2,714.83
	Less: Transfer to Capital Work-in-Progress	**240.18**	332.30
		2,775.72	2,382.53

a) Other expenses under various heads includes a cumulative amount of ₹ 186.14 crore in FY 2020-21 spent towards TPS-I till its retirement from operation as on 30th September , 2020. Details of such expenditure has been provided in Note No. 57.

b) Provision for doubtful debts includes ₹ 322.76 crore towards loss allowances on outstanding debtors on provisional basis.

c) provision for stores and spares includes ₹ 11.61 crore towards non moving stores and spares arised due to change in accounting policy.

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
32	**Net Movement in Regulatory Deferral Account Balances Income/(Expenses) Net**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Income		
	a) CERC Regulations	**199.59**	145.02
	b) Deferred Foreign Currency	**19.98**	26.13
	c) Mine Closure	**165.78**	-
	d) CERC Orders	**137.85**	131.72
	Expenses		
	a) Deferred Foreign Currency	**-**	2.93
	b) Gratuity	**-**	42.23
	c) CERC/SERC orders	**60.26**	120.26
	Net Movement	**462.94**	137.45

(a) The group has filed petition for determination of Tariff of its new NNTPP (2 X 500 MW) before CERC. Based on petition an amount of ₹ 52.11 crore has been considered under regulatory deferral Account.

(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, 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 recognised 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.

(c) 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 under regulatory income pending filing of the claim with "Coal Controller".

(d) The group undertakes review of regulatory assets and liabilities at the end of 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.

Note No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
33	**Exceptional Items**		
	Employee Remuneration-VRS Compensation	**0.14**	3.44
	Power Sales - Rebate	**70.68**	-
		70.82	3.44

Ministry of Power has issued an Order dated 15.05.2020 and Corrigendum dated 16.05.2020 directing the Central Public Sector Generation Companies under Ministry of Power to consider to offer rebate of about 20% to 25% on power supply billed (fixed charges) to DISCOM's for the lock down period. Accordingly, the group proposed to offer a rebate of 20% on power supply billed (Fixed Charges) which works out to ₹ 70.68 crore.

Note No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
34	**Other Comprehensive Income**		
	a) Remeasurement of Actuarial Gains / (Losses)	**33.63**	(192.69)
	b) Tax expenses/(savings) remeasurement of Actuarial Gains / (Losses)	**7.02**	(67.33)
		26.61	(125.36)

Note No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
35	**Earning Per Share from continuing operations - Basic and Diluted (Before Net Regulatory Deferral Adjustments)**		
	Profit After Tax (₹ in crore)	**965.24**	1338.98
	Weighted Avg. Number of Shares	**1,386,636,609**	1,386,636,609
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**6.96**	9.66
	Earning Per Share from continuing operations - Basic and Diluted (After Net Regulatory Deferral Adjustments)	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Profit After Tax (₹ in crore)	**1345.44**	1452.98
	Weighted Avg. Number of Shares	**1,386,636,609**	1,386,636,609
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**9.70**	10.48

The Company 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 No.	Particulars		(₹ in crore)
36	**The Effect of Foreign Exchange Fluctuation**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	a) The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	**(7.80)**	1.09
	b) The amount of exchange rate difference Adjustment and debited /(credited) to the carrying amount of fixed assets & WIP	**16.06**	29.71
		8.26	30.80
	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 in the current year.		
37	**Expenditure on Research & Development**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Capital Expenditure	**6.58**	10.65
	Revenue Expenditure	**15.12**	13.80
		21.70	24.45

38 **Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'**

Movements in provisions	As at 01.04.2020	Additions	Withdrawals	As at 31.03.2021
Provision for loss on Assets	9.56	8.90	-	**18.46**
Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	**16.60**
Power Tariff adjustment - Deemed export benefit	(1.91)	-	-	**(1.91)**
Miscellaneous provision	2.84	-	-	**2.84**
Other provisions	8.05	37.07	8.05	**37.07**
	35.14	45.97	8.05	**73.07**

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 recognising these provisions.

Note No.	Particulars		
39	**Consumption of Raw Material and Spare Parts**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Value of Indigenous and Imported Raw Material & Spares consumed		
	a. INDIGENOUS		
	Raw Material	**1,342.32**	1120.43
	Spare parts	**396.42**	314.02
	Percentage	**89.07%**	77.94%
	b. IMPORTED		
	Raw Material	**211.85**	404.06
	Spare parts	**1.47**	1.93
	Percentage	**10.93%**	22.06%

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
40	**C.I.F. Value of Imports**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Raw Material	**30.98**	498.23
	Capital Goods	**36.19**	141.24
	Components and Spares	**3.61**	1.34
		70.78	640.81
41	**Expenditure in Foreign Currency**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Travelling Expenses	**-**	0.19
	Professional and Consultancy	**0.03**	1.20
	Subscriptions/ Periodicals	**0.13**	-
	Interest Charges	**3.86**	3.46
		4.02	4.85
42	**CSR expenditure**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	Medical-health & family welfare	**6.56**	22.70
	Drinking water facility	**1.51**	1.35
	Education & scholarship	**14.71**	6.71
	Construction of link road	**0.72**	1.86
	Promotion of sports	**0.05**	0.42
	Community development center	**0.45**	0.85
	Afforestation & environment sustainability	**0.15**	0.10
	Sanitation & other Basic Amenities	**2.31**	11.70
	Construction of school ,library & hostel	**0.06**	2.25
	Vocational Skill Centre development	**0.89**	1.42
	Irrigation facilities	**5.15**	7.16
	Electricity including solar & non conventional energy	**0.75**	0.39
	Relief on natural calamities	**0.20**	-
	Others	**19.28**	32.87
		52.79	89.78

(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 ₹ 17237.80 crore) as recurring cost per annum till operation of the Ghatampur Thermal Power Plant. On account of this NUPPL has spent ₹ 2.92 crore (PY: ₹ 9.93 crore), which is included in the above schedule.

(b) In respect of NTPL - CSR expenditure ₹ 3.71 crore relating to on going projects has been deposited in unspent CSR account in April, 2021

43 Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:

a) List of related parties

i) Key Managerial Personnel (KMP):

(A) Parent Company

Whole Time Directors

Shri. Rakesh Kumar	Chairman-cum-Managing Director
Shri. R. Vikraman	Director (Human Resources)
Shri. Nadella Naga Maheswar Rao	Director (Planning and Projects)
Shri. Prabhakar Chowki	Director (Mines)
Shri. Shaji John	Director (Power)
Shri. Jaikumar Srinivasan	Director (Finance)

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
	Independent Directors		
	Shri. Indrajit Pal	Non Executive Director	Relinquished w.e.f 06.09.2020
	Dr. P Vishnu Dev	Non Executive Director	
	Dr. V Muralidhar Goud	Non Executive Director	
	Shri. N K Narayanan Namboothiri	Non Executive Director	
	Nominee Directors		
	Shri. Vinod Kumar Tiwari	Non Executive Director	
	Shri. A. Karthik	Non Executive Director	Relinquished w.e.f 15.06.2020
	Shri. S.K. Prabakar	Non Executive Director	Appointed w.e.f 02.07.2020
	Chief Financial Officer and Company Secretary		
	Shri. Jaikumar Srinivasan	Chief Financial Officer, NLCIL	
	Shri. K. Viswanath	Company Secretary, NLCIL	
	(B) Subsidiary Companies		
	NLC Tamilnadu Power Limited (NTPL)		
	Shri. Rakesh Kumar	Chairman	
	Shri. Nadella Naga Maheswar Rao	Director	
	Shri. Shaji John	Director	
	Shri. Jaikumar Srinivasan	Director	
	Shri. Mahendra Pratap	Director	
	Shri. A.Ashok Kumar	Director	
	Shri. K.S.Gopalakrishnan	Chief Executive Officer	
	Shri. D.Dhanapal	Chief Financial Officer	
	Shri. R.Jayasarathy	Company Secretary	Relinquished w.e.f 30.09.2020
	Smt. K Suganyaa	Company Secretary	Appointed w.e.f 01.10.2020
	Neyveli Uttar Pradesh Power Limited (NUPPL)		
	Shri. Rakesh Kumar	Chairman	
	Shri. Shaji John	Director	
	Shri. Jaikumar Srinivasan	Director	
	Shri. Narender Kumar Singh	Director	Relinquished w.e.f 22.07.2020
	Shri. Ajit Kumar Tewary	Director	
	Shri. Rajnish Kwatra	Director	Appointed w.e.f 30.07.2020
	Shri. Bibhu Prasad Mahapatra	Director	Appointed w.e.f 21.08.2020
	Shri. Subir Chakravorty	Director	Relinquished w.e.f 14.08.2020
	Shri. Mohan Reddy K	Chief Executive Officer	
	Shri. Ashok Kumar Mali	Chief Financial Officer	
	Shri. Nikhil Kumar	Company Secretary	
	ii) Subsidiaries, Joint Ventures and Associates		
	- 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	
	iii) Post Employment Benefit Plans		
	- NLC Employees PF Trust		
	- NLC Employees Pension Fund		
	- NLC Post Retirement Medical Assistance Fund		
	- NLC Employee Gratuity Fund		
	iv) Entities under the control of the same government: The Group 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.		

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

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:

i) **Key Management Personnel Compensation**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Short Term Employee Benefit	**5.28**	5.66
Post-employment benefits	**0.43**	0.32
Other long-term benefits	**0.61**	0.69
Termination benefits	**-**	-
Share-based payments	**-**	-
Sitting fees	**0.23**	0.37
	6.56	7.04

ii) **Transactions with Post Employment Benefit Plans**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Contributions made during the year	**352.62**	404.46

iii) **Transactions with the related parties under the control of the same government:**

Name of the Company	**Nature of transaction**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Bharat Heavy Electricals Limited	Purchase of Stores and spares	**27.26**	41.54
Bharat Heavy Electricals Limited	Package contracts	**99.26**	110.01
BEML Limited	Payment for FMC contract	**26.23**	20.84
BEML Limited	Purchase of Stores and spares	**0.09**	0.08
BEML Limited	Payment for procuring CMEs	**5.78**	13.39
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	**77.83**	129.84
Bharat Petroleum Corporation Ltd	Purchase of furnace oil	**130.73**	136.96
Indian Oil Corporation Limited	Purchase of furnace oil	**155.80**	66.57
NBCC India Limited	Purchase/Construction of Asset	**-**	6.04
Steel Authority Of India Limited	Purchase of Steel	**44.69**	14.44
Rashtriya Ispat Nigam Ltd	Purchase of Steel	**4.49**	2.34
Balmer Lawrie & Co Ltd	Purchase of Lubricants	**4.24**	6.95
Balmer Lawrie & Co Ltd	Purchase of Air Ticket	**0.39**	3.85
MSTC Ltd	E-auction agent Commission	**3.04**	4.28
Mecon Ltd	Consultancy Services-MOEF norms	**0.45**	0.01
Instrumentation ltd	Supply of spares	**0.88**	1.05
Mahanadi Coalfields Ltd	Loan Received	**-**	-
Mahanadi Coalfields Ltd	Loan repayment	**500.00**	500.00
Power Grid Corporation Of India Limited	Maintenance Contract	**0.03**	11.95
Central Mine Planning & Design Institute	Testing/consultancy	**0.13**	0.37
Power Grid Corporation Of India Limited	Transmission charges	**5.91**	0.81
Central Power Research Institute (CPRI)	Testing Fee	**0.00**	0.42
Projects Development India Limited	Consultancy Services-Methanol Project	**0.24**	-
EDCIL India Limited	Recruitment Process	**9.16**	-

Notes to Consolidated Financial Statements

Note No.	Particulars			(₹ in crore)
	Name of the Company	**Nature of transaction**	**For the year ended March 31, 2021**	For the year ended March 31, 2020
	LIC India Limited	Risk Insurance Policy Premium	**1.80**	2.51
	National Insurance company Ltd	PRMI Insurance / (Mega Insurance)	**15.32**	73.51
	New India Assurance Company Limited	Insurance Premium (Group insurance)	**1.28**	0.85
	United India Insurance Company Limited	Insurance Premium (Mega insurance)	**96.79**	-
	Railtel Corporation of India Limited	Internet Services	**0.03**	0.11
	Electronics Corporation of India Limited	Secret Ballot election voting machine	**0.04**	0.03
	Rites Limited	Consultancy for Railway siding	**7.59**	10.39
	Stock Holding Corporation of India Limited	Payment of Stamp Duty	**1.66**	-
	Mahanadi Coalfields Ltd	Sale of Coal	**91.03**	-
	Bharat Sanchar Nigam Limited (BSNL)	Land Line and Internet Services	**0.20**	0.18
	Central Institute of Mining and Fuel Research	Sampling and analysis of Coal	**4.03**	2.38
	V.O Chidambaram Port Trust	Wharfage Charges	**12.01**	12.13
	Mahanadi Coalfields Ltd.	Purchase of Coal	**381.72**	286.32
	National Insurance Company Limited	Insurance premium	**-**	25.01
	Oriental Insurance Company Limited	Insurance premium	**23.14**	-
	Eastern Coal Fields Limited	Purchase of Coal	**342.53**	246.96

c) Outstanding balances with related parties are as follows:

i) Key Managerial Personnel	Transactions value for the year ended March 31,		Balance outstanding as at March 31,	
	2021	2020	**2021**	2020
Shri.Rakesh Kumar / CMD - towards HBA	**-**	0.06	**-**	-
Shri.Shaji John / Director (Power) - towards CAR Loan	**0.00**	0.02	**0.02**	0.03
Shri.Viswanath K / Company Secretary				
- CAR Loan	**0.01**	0.02	**0.02**	0.01
- Festival Advance	**0.00**	0.00	**-**	0.00
Shri.S.Gopalakrishnan - Chief Executive Officer				
- towards CAR Loan	**-**	0.01	**-**	-
Shri.D.Dhanapal - Chief Financial Officer				
- Festival Advance	**0.00**	0.00	**0.00**	0.00
Shri.R.Jayasarathy - Company Secretary				
- Car advance	**-**	0.00	**-**	-
Shri.Ashok Kumar Mali / CFO / NUPPL				
- Car advance	**0.01**	0.01	**0.04**	0.05

ii) Post Employment Benefit Plan:

Description	**Balance outstanding as at March 31, 2021**	Balance outstanding as at March 31, 2020
- Receivable	**-**	-
- Payable	**29.08**	30.19

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 group towards superannuation and employee benefits are recovered from these 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, 2021 and March 31, 2020 the Company has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken in 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 Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
44	Non-Controlling Interests (NCI)

March 31, 2021	NLC Tamilnadu Power Ltd.	Neyveli Uttar Pradesh Power Ltd.	Intra-group Eliminations	Total
NCI %	**11%**	**49%**		
Non Current Asset	5,096.25	11,533.15	-	16,629.40
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	2,784.37	3,245.89	-	6,030.26
Net Assets attributable to NCI	**306.28**	**1,590.49**	**-**	**1,896.77**
Revenue	2,958.87	0.05	-	2,958.92
Profit	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**

Non-Controlling Interests (NCI)

March 31, 2020	NLC Tamilnadu Power Ltd.	Neyveli Uttar Pradesh Power Ltd.	Intra-group Eliminations	Total
NCI %	11%	49%		
Non Current Asset	5,407.74	9,266.80	-	14,674.54
Current Asset	3,027.62	44.05	-	3,071.67
Non-Current Liability	2,559.91	5,322.88	-	7,882.79
Current Liability	3,384.21	940.35	-	4,324.56
Net Asset	2,491.24	3,047.62	-	5,538.86
Net Assets attributable to NCI	**274.04**	**1,493.33**	**-**	**1,767.37**
Revenue	2,670.95	0.34	-	2,671.29
Profit	143.15	(1.28)	-	141.87
OCI	-	-	-	-
Total Comprehensive income	**143.15**	**(1.28)**	**-**	**141.87**
Profit Allocated to NCI	15.75	(0.63)	-	15.12
OCI allocated to NCI	-	-	-	-
Cash flows from Operating Activity	253.71	(16.09)	-	237.62
Cash flows from Investment Activity	(29.84)	(2,884.30)	-	(2,914.14)
Cash flows from Financing Activity	(224.61)	2,900.38	-	2,675.77
Net increase (decrease) in cash and cash equivalents	**(0.74)**	**(0.01)**	**-**	**(0.75)**

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
45	**Disclosure in respect of the Equity Accounted Investees as per Ind AS-112 is furnished as under:**

(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 has entered into a joint venture agreement namely Coal Lignite Urja Vikas Private Limited (CLUVPL) with 50 : 50 equity participation. The newly formed company is 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.

Particulars	March 31, 2021
Interest in Coal Lignite Urja Vikas Private Limited	0.01
Balance as at March 31,	0.00

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 Group's interest in Coal Lignite Urja Vikas Private Limited.

Particulars	March 31, 2021
Percentage ownership interest	50.00%
Non-current assets	-
Current assets	0.02
Non-current liabilities	-
Current liabilities	0.02
Net assets (100%)	-
Group's share of net assets (50%)	-
Elimination of unrealised profit and loss (if any)	-
Carrying amount of interest in associate	-
Revenue	-
Other Income	-
Depreciation & amortization	-
Finance cost	-
Employee benefit	-
Other expenses	0.02
Profit before tax	(0.02)
Income tax expense	-
Profit from continuing operations (100%)	(0.02)
Total comprehensive income (100%)	(0.02)
Total comprehensive income (50%)	(0.01)
Elimination of unrealised profit and loss (if any)	-
Group's share of total comprehensive income	(0.01)
Carrying amount of interests in associates	
Share of:	
Profit from continuing operations	(0.01)
OCI	-

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

(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 inTalabira in the State of Odisha. The Talabira II & III coal blocks allocated for this purpose have been cancelled pursuant to the judgement dated 25th August 2014 of Hon'ble Supreme Court of India and the coal Mines(Special Provisions) Ordinance 2014 dated 21st October 2014. The JV Company has proposed for the winding up and necessary formalities are being worked out by them.

Particulars	March 31, 2021	March 31, 2020
Interest in MNH Shakti	13.59	13.51
Balance as at March 31,	**13.59**	13.51

The following table summarises the financial information of MNH Shakti 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 Group's interest in MNH Shakti.

Particulars	March 31, 2021	March 31,2020
Percentage ownership interest	**15.00%**	15.00%
Non-current assets	**0.01**	0.01
Current assets	**91.63**	90.01
Non-current liabilities	**-**	-
Current liabilities	**0.95**	0.61
Net assets (100%)	**90.69**	89.41
Group's share of net assets (15%)	**13.59**	13.51
Elimination of unrealised profit and loss (if any)	**-**	-
Carrying amount of interest in associate	**13.59**	13.51
Revenue	**-**	-
Other Income	**2.11**	6.57
Depreciation & amortization	**-**	0.00
Finance cost	**0.02**	0.01
Employee benefit	**0.29**	0.20
Other expenses	**0.09**	0.08
Profit before tax	**1.71**	6.28
Income tax expense	**0.43**	1.45
Profit from continuing operations (100%)	**1.28**	4.83
Total comprehensive income (100%)	**1.28**	4.83
Total comprehensive income (15%)	**0.08**	0.82
Elimination of unrealised profit and loss (if any)	**-**	-
Group's share of total comprehensive income	**0.08**	0.82
Carrying amount of interests in associates	**13.59**	13.51
Share of:		
Profit from continuing operations	**0.08**	0.82
OCI	**-**	-

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
46	**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 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. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

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 upto maximum of 240 days. 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.

	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	-
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**

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

	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, 2019	1,277.75	1,186.48	91.27	519.42	494.03	25.39
Included in profit and loss						
Current Service Cost	23.81	89.32	(65.51)	235.43	-	235.43
Past service cost and gain or loss on settlement						
Interest cost (income)	92.95	-	92.95	39.32	38.30	1.02
Included in OCI						
Remeasurement of loss (gain):						
Actuarial loss (gain) arising from Demographic assumptions	-	-	-	-	-	-
Financial assumptions	87.80	-	87.80	40.87	-	40.87
Experience adjustment	99.41	-	99.41	(172.94)	-	(172.94)
Return on plan asset excluding interest income	-	(5.48)	5.48	-	(2.29)	2.29
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/ disinvestment/transfer	0.31	0.31	-	0.48	0.48	-
Other						
Contributions Paid by the employer	-	91.25	(91.25)	-	25.39	(25.39)
Benefits paid	(231.67)	(231.67)	-	(61.88)	(61.88)	-
Balance as at March 31, 2020	**1,350.36**	**1,130.21**	**220.15**	**600.70**	**494.03**	**106.67**

	Gratuity		Leave Benefit	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Represented by:				
Net defined benefit asset	**1,240.53**	1,130.21	**576.54**	494.03
Net defined benefit liability	**1,237.32**	1,350.36	**618.57**	600.70

i) Plan Asset

Plan assets comprises the followings:

	Gratuity		Leave Benefit	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Equity Securities	**5.85%**	5.00%	**5.71%**	5.00%
Govt. Bonds	**94.15%**	95.00%	**94.29%**	95.00%

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

Details of the employee benefits and plan assets are provided below :

	Gratuity		Leave Benefit	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Present value of funded obligation	**1,237.32**	1,350.36	**618.57**	600.70
Fair value of plan assets	**1,240.53**	1,130.21	**576.54**	494.03
Present value of net obligations	**(3.21)**	220.15	**42.03**	106.67
Unrecognised past service cost	**-**	-	**-**	-

ii) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	Gratuity		Leave Benefit	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Discount rate per annum	**6.50%**	6.52%	**6.50%**	6.52%
Expected return per annum on plan asset	**6.50%**	7.50%	**6.50%**	7.70%
Salary escalation per annum	**5.00%**	5.00%	**5.00%**	3% to 5 %
Mortality	**IALM 2012-14 ULT**	IALM 2012-14 ULT	**IALM 2012-14 ULT**	IALM 2012-14 ULT
Attrition rate	**1%**	1% to 3%	**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.

	Gratuity				Leave Benefit			
	March 31, 2021		March 31, 2020		**March 31, 2021**		March 31, 2020	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	**1,210.36**	**1,265.44**	1,320.07	1,383.56	**603.47**	**634.48**	587.02	615.72
Salary escalation per annum (+/- 50 BP)	**1,243.47**	**1,229.93**	1,361.44	1,337.67	**634.63**	**603.19**	634.38	604.17

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

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.

Expected maturity analysis of the defined benefit plans in future years

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March 2021					
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**

Expected maturity analysis of the defined benefit plans in future years.

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March 2020					
Gratuity	210.15	174.96	493.70	1,064.45	1,943.26
Leave Benefit	78.43	78.42	243.13	472.75	872.73
Total	**288.57**	**253.38**	**736.83**	**1,537.20**	**2,815.99**

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 GOI. 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:

	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) / liability	
	2021	2020	**2021**	2020	**2021**	2020
Balance as at April 1	**3,082.17**	2,909.97	**3,111.07**	2,945.01	**(28.90)**	(35.04)
Current Service Cost	**163.39**	70.66	**163.39**	-	**-**	70.66
Interest cost (income)	**216.54**	235.32	**263.29**	244.44	**(46.75)**	(9.12)
Actuarial loss (gain)	**110.25**	12.51	**-**	-	**110.25**	12.51
Expected return on plan assets	**-**	-	**45.16**	67.92	**(45.16)**	(67.92)
Contributions Paid by the employer	**426.12**	443.84	**426.12**	443.84	**-**	0.00
Benefits paid	**(791.57)**	(590.13)	**(791.57)**	(590.13)	**-**	-
Balance as at March 31	**3,206.91**	3,082.17	**3,217.46**	3,111.07	**(10.56)**	(28.90)

Notes to Consolidated Financial Statements

Note No.	Particulars

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 adjusted 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 ₹ 10.56 crore (Previous year ₹ 28.90 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 Company.

i) Plan Asset

Plan assets comprises the followings:

	March 31, 2021		March 31, 2020	
	(₹ in crore)	% of total assets	(₹ in crore)	% of total assets
Equity Securities	**49.21**	**1.53%**	47.58	1.53%
Fixed Income/Debt Securities	**3,168.25**	**98.47%**	3,063.49	98.47%
	3,217.46	**100.00%**	3,111.07	100.00%

ii) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	March 31, 2021	March 31, 2020
Discount rate per annum	**6.54%**	6.50%
Expected return per annum on plan asset	**8.50%**	8.30%
Superannuation age	**60 Years**	60 Years
Remaining work life	**Average of 8.53 Years**	Average of 7.49 Years
Mortality	**IALM 2012-14 ULT**	IALM 2012-14 ULT

ii. 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 spouses 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 the trust every year for the purpose.

	March 31, 2021	March 31, 2020
Disclosure in respect of Defined contribution plan in respect of PRMA:		
i. Amount recognised in the statement of Profit and Loss as premium paid to the Insurance Company.	**14.84**	15.34
ii. Liability provided for the fixed Medical Assistance	**15.76**	13.91

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)
47	**Financial Instruments - Fair value disclosures**	

March 31, 2021	Carrying Amount			
Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
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**

March 31, 2020	Carrying Amount			
Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
A. Financial Assets				
Investments	13.51	-	-	13.51
Loans	70.42	-		70.42
Trade Receivables	8,509.79	-	-	8,509.79
Cash and Cash Equivalents	16.96	-	-	16.96
Other Bank Balances	415.72	-	-	415.72
Other Financial Assets	65.39	-	-	65.39
B. Financial Liabilities				
Borrowings	24,964.56	-	-	24,964.56
Lease Liability	3.46	-	-	3.46
Trade Payable	3,287.69	-	-	3,287.69
Other Financial Liabilities	2,385.31	-	-	2,385.31

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..

Note No.	Particulars
48	**Disclosure as per Ind AS 23 on 'Borrowing Costs'** Borrowing costs capitalised during the year is ₹ 696.93 crore (previous year ₹ 862.80 crore).

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
49	**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 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 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 & 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.

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 ‘loans and borrowings’ 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, when it is new. 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 recognizes lease payments received under operating leases as income on a straight-line basis over lease term as part of ‘other income’.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate.

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

i. As a lessee

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2021:

Right-of-use assets	Building	Vehicles	Land	Total
Balance at 1st April 2020	0.90	2.09	29.29	32.28
Additions	0.71	0.99	-	1.70
Deductions	-	-	-	-
Depreciation charge	0.64	0.53	1.69	2.86
Balance at 31st March 2021	**0.97**	**2.55**	**27.60**	**31.12**

Lease Liabilities	2020-21	2019-20
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**1.31**	1.14
One to five years	**3.23**	2.65
More than five years	**1.83**	1.95
Total undiscounted lease liabilities as at 31st March 2021	**6.37**	5.73
Lease liabilities included in the balance sheet as at 31st March 2021	**4.10**	3.46
Current	**1.02**	0.88
Non-current	**3.08**	2.58

Amounts recognised in profit or loss	2020-21	2019-20
Interest on lease liabilities	0.33	0.18
Expenses relating to leases of low-value assets	-	-
Total	**0.33**	0.18

Amounts recognised in the statement of cash flows	As at 31.03.2021	As at 31.03.2020
Total cash outflow for leases	1.36	0.93

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.

50 **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 and generation of power by using lignite 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 period 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.

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

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 recognised 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.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

i) demand risk - Availability of alternative and cheaper sources of power may result in reduced demand.

ii) 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.

iii) 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.

(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:

a) Regulatory deferral account debit balance

Particulars	As at March 31, 2021	As at March 31, 2020
A. Opening balance	**1,735.21**	1,476.10
B. Recognised during the current year	**519.88**	301.34
C. Amount Adjusted/collected/refunded during the year	**9.04**	42.23
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	**523.20**	257.71
E. Closing balance	**2,246.05**	1,735.21

b) Regulatory deferral account credit balance

Particulars	As at March 31, 2021	As at March 31, 2020
A. Opening balance	**2,565.05**	2,438.81
B. Recognised during the current year	**76.92**	126.24
C. Amount Adjusted/collected/refunded during the year	**20.35**	-
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	**60.26**	120.26
E. Closing balance	**2,621.62**	2,565.05

c) Total amount recognised in the Statement of Profit & Loss during the year

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total amount recognised in the Statement of Profit & Loss during the year	**462.94**	137.45

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.

51 **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:

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

Loan from PFC - Debt service coverage ratio not less than 1.50

NLCIL Bond - Minimum asset coverage ratio of 1.00

The capital structure of the Group consists of net debt (borrowings as detailed in notes 17(a) , 20(a) & (c) 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

Particulars	As at March 31, 2021	As at March 31, 2020
Debt	**27,230.18**	27,226.23
Less: Cash and bank balances*	**157.34**	16.96
Net debt	**27,072.84**	27,209.27
Total equity*	**13,479.85**	12,275.78
Net debt to total equity ratio	**2.01**	2.22

* excludes earmarked deposits/reserves

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, credit ratings from international credit rating agencies 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, 2021, the Group's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 4930.02 crore of the trade receivables (₹ 5356.16 crore of the trade receivables as at March 31st, 2020).

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.

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

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 collectable in full. However considering various regulatory and other disputes including historical payment behavior 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 Power (Thermal & Renewables), Mines and also other debtors. As a policy, the Group does an ageing analysis of Power 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.

The ageing analysis of the trade receivables is as below:

Period	Ageing as at	
	March 31, 2021	March 31, 2020
Power debtors		
0-30 days past due	**821.55**	779.79
31-60 days past due	**626.13**	1,441.47
61-90 days past due	**764.62**	1,015.66
91-120 days past due	**634.77**	469.16
More than 120 days past due	**4,648.28**	4,704.02
Total	**7,495.35**	8,410.10
Lignite and other	**26.15**	99.69
Total debtors	**7,521.50**	8,509.79

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

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:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating-rate borrowings		
-Expiring within one year		
Working capital Loan (SBI)	**3,850.00**	1145.96
HDFC NNTPS ₹ 821 crore	**-**	322.00
Solar 709MW	**233.00**	233.00
SBI loan -Talabira project	**1,087.75**	1,192.75
Bank of India	**767.15**	178.91
Rural Electrification Corporation limited (REC)	**1,844.46**	3,194.76
Power Finance Corporation (PFC)	**1,894.60**	2,694.47
Total	**9,676.96**	8,961.85

a) The HDFC ₹ 821 crore has been taken for NNTPS project which has been fully repaid and the loan has been closed during FY 2020-21. Thus represents undrawn borrowing as Nil in FY 2020-21. Ref note 17 (a).

b) SBI ₹ 1680.75 crore facility has been taken for Talabira project. Out of the entire facility as on 31.03.2021 the undrawn amount is ₹ 1087.75 crore. Ref note 17 (a).

c) SBI term loan of ₹ 2552 crore has been taken for solar 709 MW , out of which ₹ 2319 crore has been utilised till date and the undrawn amount is ₹ 233 crore as on 31.03.2021. ref note 17 (a).

d) A working capital cash credit facility of ₹ 4000 crore availed from SBI, out of which ₹150 crore has been utilised and the undrawn amount of ₹3850 crore is available as on 31.03.2021. Ref Note no. 20 (a).

e) A rupee term loan of ₹ 5478.16 crore and ₹ 5588.84 crore respectively from REC and PFC has been tied up for NUPPL project . out of the total facility ₹ 1844.46 crore and ₹ 1894.60 crore is undrawn as on 31.03.2021.

f) In respect of NTPL a rupee term loan and a working capital loan amounting to ₹ 483.53 crore and ₹ 1500 crore has been tied up with Bank of India. The undrawn borrowing of both loans as on 31.03.2021 is ₹ 767.15 crore.

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:

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	317.21	456.69
PFC NNTPS ₹ 3000 crore	-	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 crore Axis Bank - Solar 500 MW	-	100.00	100.00	100.00	-	300.00
RTL ₹ 450 crore Axis Bank - Solar 500 MW	-	90.00	90.00	135.00	-	315.00
RTL ₹ 456 crore Federal Bank - Solar 500 MW	-	91.20	91.20	136.80	-	319.20
RTL ₹ 2552 crore SBI - Solar 709 MW	127.60	127.60	255.20	757.60	923.40	2,191.40
RTL ₹ 1680.75 crore SBI - Talabira Mine	-	59.30	59.30	177.90	296.50	593.00
Rupee Loan Mahanadi Coalfields Ltd	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
Treasury Bill linked WCL	150.00	-	-	-	-	150.00
Power finance Corporation						
- Rupee Term Loan I	-	118.81	118.81	297.02	-	534.63
- Rupee Term Loan II	162.81	162.81	325.61	976.83	-	1,628.05
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
PFC Term Loan	-	-	-	738.85	2,955.39	3,694.24
REC Term Loan	-	-	-	726.74	2,906.96	3,633.70
TOTAL	**5,859.35**	**1,583.22**	**1,637.57**	**6,847.40**	**10,449.46**	**26,377.01**

March 31, 2020	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)	13.45	13.45	26.91	80.72	332.88	467.42
PFC NNTPS ₹ 3000 crore	-	300.00	300.00	900.00	1,350.00	2,850.00
RTL HDFC ₹ 1135 crore - NNTPS	-	113.50	113.50	340.50	510.75	1,078.25
RTL HDFC ₹ 821 crore - NNTPS	-	49.90	49.90	149.70	224.55	474.05
RTL HDFC Solar 130 MW	-	48.10	96.20	144.30	-	288.60
RTL ₹ 500 crore Axis Bank - Solar 500 MW	-	100.00	100.00	200.00	-	400.00
RTL ₹ 450 crore Axis Bank - Solar 500 MW	-	90.00	90.00	225.00	-	405.00
RTL ₹ 456 crore Federal Bank - Solar 500 MW	-	91.20	91.20	228.00	-	410.40
RTL ₹ 2552 crore SBI - Solar 709 MW	-	115.95	231.90	695.70	1,275.45	2,319.00
RTL ₹ 1680.75 crore SBI - Talabira Mine	-	-	48.80	146.40	292.80	488.00
RTL ₹ 1000 crore SBI - GPL	-	333.33	333.33	166.66	-	833.33
Rupee Loan Mahanadi Coalfields Ltd	125.00	375.00	500.00	125.00	-	1,125.00
NLCIL Bonds 2019 - Series I	-	-	-	-	1,475.00	1,475.00
NLCIL Bonds 2020 - Series I	-	-	-	-	525.00	525.00
Commercial Paper I	-	500.00	-	-	-	500.00
Commercial Paper II	500.00	-	-	-	-	500.00
PFC Rupee Loan 1	-	118.81	118.81	356.42	59.40	653.44
PFC Rupee Loan 2	162.81	162.81	325.61	976.83	325.61	1,953.66
Bank Of India	-	48.36	48.36	145.08	39.13	280.93
PFC Term Loan	-	-	-	289.44	2,604.94	2,894.37
REC Term Loan	-	-	-	228.34	2,055.06	2,283.40
TOTAL	**801.26**	**2,460.41**	**2,474.52**	**5,398.10**	**11,070.57**	**22,204.86**

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

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 ₹ 3000 crore	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 crore Axis Bank - Solar 500 MW	5.54	14.38	12.52	5.12	-	37.56
RTL ₹ 450 crore Axis Bank - Solar 500 MW	5.80	15.80	14.95	9.98	-	46.53
RTL ₹ 456 crore Federal Bank-Solar 500 MW	5.79	15.75	14.90	9.95	-	46.38
RTL ₹ 2552 crore SBI - Solar 709 MW	37.95	105.46	125.67	271.01	144.39	684.49
RTL ₹ 1680.75 crore SBI - Talabira Mine	10.28	29.90	36.05	83.52	56.67	216.41
Rupee Loan Mahanadi Coalfields Ltd	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 2021 - Series I	-	71.09	71.09	213.26	-	355.44
Treasury Bill linked WCL	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**	**9,536.57**

March 31, 2020	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)	0.88	2.53	3.20	7.74	15.45	29.80
PFC NNTPS ₹ 3000 crore	57.86	167.48	200.97	456.75	274.05	1,157.10
RTL HDFC ₹ 1135 crore - NNTPS	19.30	55.85	67.03	152.33	91.40	385.91
RTL HDFC ₹ 821 crore - NNTPS	7.00	20.27	24.33	55.30	33.18	140.08
RTL HDFC Solar 130 MW	4.93	13.43	12.06	5.76	-	36.18
RTL ₹ 500 crore Axis Bank - Solar 500 MW	7.59	20.87	20.87	18.98	-	68.31
RTL ₹ 450 crore Axis Bank - Solar 500 MW	7.66	21.29	22.14	25.55	-	76.65
RTL ₹ 456 crore Federal Bank - Solar 500 MW	7.66	21.29	22.14	25.55	-	76.64
RTL ₹ 2552 crore SBI - Solar 709 MW	46.03	135.79	165.72	386.67	278.49	1,012.71
RTL ₹ 1680.75 crore SBI - Talabira Mine	9.46	28.37	36.87	87.93	73.75	236.38
RTL ₹ 1000 crore SBI - GPL	16.54	43.01	33.08	6.62	-	99.25
Rupee Loan Mahanadi Coalfields Ltd	18.96	43.75	27.71	1.46	-	91.88
NLCIL Bonds 2019 - Series I	29.83	89.50	119.33	357.98	496.41	1,093.05
NLCIL Bonds 2020 - Series I	9.66	28.98	38.64	115.92	184.25	377.45
PFC Rupee Loan 1	15.44	41.32	45.50	68.97	1.62	172.85
PFC Rupee Loan 2	38.21	107.14	117.87	188.87	7.94	460.03
Bank Of India	5.62	15.90	17.64	29.64	2.12	70.92
PFC Term Loan	65.12	195.37	260.49	770.63	1,074.54	2,366.15
REC Term Loan	51.38	154.13	205.51	607.96	847.71	1,866.68
TOTAL	**419.14**	**1,206.27**	**1,441.10**	**3,370.58**	**3,380.90**	**9,817.99**

Notes to Consolidated Financial Statements

Note No.	Particulars

Financial risk management (Cont'd)

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 Group executes import agreements for the purpose of purchase of capital goods. Upto 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, 2021 and March 31, 2020. (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
Financial liabilities		
Borrowings - KfW*	**456.69**	467.42

* 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.

March 31, 2021	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	**45.67**	**(45.67)**
March 31, 2020	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	**46.74**	**(46.74)**

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 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 Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
	At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	March 31, 2021	March 31, 2020
Financial assets		
Fixed-rate instruments		
Employee Loans	**60.46**	70.42
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	**4,149.69**	7,977.56
- Power Finance Corporation (PFC)	**8,406.93**	8,351.48
- Working Capital loan	**1,083.17**	1,379.95
- Rural Electrification Corporation	**3,633.70**	2,283.40
- BOI Short term loan	**230.00**	-
Fixed-rate instruments		
Commercial Paper	**5,050.00**	1,000.00
Inter Corporate Loan (MCL)	**625.00**	1,125.00
Bonds		
- Series-I-2019	**1,475.00**	1,475.00
- Series-I-2020	**525.00**	525.00
- Series-II-2020	**500.00**	-
- Series-I-2021	**1,175.00**	-
Rupee term loans		
- Cash Credit	**-**	241.42
- Working Capital Demand Loan	**853.17**	2,400.00
- Treasury Bill linked WCL	**150.00**	-
Foreign Currency Loan		
- KfW	**456.69**	467.42

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.

Notes to Consolidated Financial Statements

Note No.	Particulars		
		Profit or loss	
		50 bp increase	50 bp decrease
	March 31, 2021		
	Rupee term loans		
	- 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
	March 31, 2020		
	- From Banks	(39.89)	39.89
	- Power Finance Corporation (PFC)	(41.76)	41.76
		(81.65)	81.65

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate instruments are carried at amortised 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.

52 **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
Lignite mining	Mining of lignite
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 consolidated financial statements.

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

B. Information about reportable segments:

	Lignite 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, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
REVENUE								
External Sales	**351.36**	517.46	**9,494.73**	9,803.10	**-**	-	**9,846.09**	10,320.56
Inter-segment sales	**4,191.01**	5,423.87	**428.02**	434.80	**4,619.03**	5,858.67	**-**	-
Total Revenue	**4,542.37**	5,941.33	**9,922.75**	10,237.90	**4,619.03**	5,858.67	**9,846.09**	10,320.56
RESULT								
Segment Result	**631.29**	1,655.66	**1,384.52**	982.10	**-**	-	**2,015.81**	2,637.76
Other Income							**1,726.56**	1,174.72
Unallocated Corporate expenses							**821.70**	522.73
Operating Profit							**2,920.67**	3,289.75
Interest Expense							**1,312.57**	1,174.38
Interest Income							**113.43**	97.37
Exceptional Items							**70.82**	(3.44)
Income taxes							**909.03**	892.95
Profit from Ordinary activities							**883.32**	1,316.35
Net Movement in regulatory deferral account balance income/(expenses)							**462.94**	137.45
Other Comprehensive Income							**26.61**	(125.36)
Net Profit							**1,372.05**	1,327.62
OTHER INFORMATION	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Segment Assets	**5,405.26**	5,098.62	**34,043.71**	32,491.45			**39,448.97**	37,590.07
Unallocated Corporate assets(Including Capital Work-in-Progress)							**14,457.39**	15,898.06
Total Assets							**53,906.36**	53,488.13
Segment liabilities	**3,224.55**	2,091.96	**10,053.99**	3,220.26			**13,278.54**	5,312.22
Unallocated Corporate liabilities							**26,527.43**	35,270.78
Total liabilities							**39,805.97**	40,583.00
Capital Expenditure	**25.86**	260.73	**2,692.99**	7,396.77			**2,718.85**	7,657.50
Depreciation	**324.19**	306.86	**1,210.90**	962.47			**1,535.09**	1,269.33
Non-cash expenses other than depreciation	**31.00**	11.01	**14.59**	4.34			**45.59**	15.35

Note: 1. Since the business operation is within India 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 Centers Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
	C. Information about major customers: Revenue from one major customer under "generation of energy" segment is ₹ 4609.48 crore (March 31, 2020 : ₹ 3978.47 crore) which is more than 10% of Company's total revenues.
53	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) Performance Achieve Trade (PAT) - TPS-I, exemption from PAT liability was granted upto March 31, 2017. The Group has requested for extension of time to Ministry of Coal (MOC) and Ministry of Power (MOP), pending such extension the group has provided penalty as applicable under Sec.26 of Energy Conservation Act, 2001. c) 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 54

Particulars	As at April 1, 2020	Additions	Deletions/ Settlement	As at March 31, 2021
A. Contingencies				
1. Claims against the Group 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	1,988.61	437.01	178.81	**2,246.81**
(iv) From Statutory Authorities/State Govt/ Govt Departments	1,949.18	519.50	238.22	**2,230.46**
(v) From CPSEs	-	-	-	**-**
(vi) From Others	1,384.82	2,020.82	689.72	**2,715.92**
Sub-Total Claims not acknowledged as debt	5,322.61	2,977.32	1,106.75	**7,193.19**
2. Guarantees issued by Company	595.66	7.38	142.17	**460.87**
Sub-Total Contingencies (A)	5,918.27	2,984.70	1,248.92	**7,654.07**
B. Commitment				
Estimated value of contracts remaining to be executed on capital accounts not provided for	8,050.11	1,727.34	2,252.79	**7,524.66**
Sub-Total Commitments (B)	8,050.11	1,727.34	2,252.79	**7,524.66**
Total Contingencies and Commitments (A+ B)	13,968.38	4,712.04	3,501.70	**15,178.73**

The above Contingent liabilities does not include 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.

NQ : Not Quantifiable

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
55	**Disclosure as per Ind AS 12 'Income taxes'**

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2020
Current tax expense		
Current year	**274.90**	325.39
Adjustment for earlier years	**(40.14)**	15.66
Pertaining to regulatory deferral account balances	**82.74**	23.45
Total current tax expense	**317.50**	364.50
Deferred tax expenses		
Origination and reversal of temporary differences	**948.59**	768.94
Less: MAT credit	**357.06**	240.49
Total deferred tax expense	**591.53**	528.45
Total income tax expense	**909.03**	892.95

ii) Income tax recognised in other comprehensive income

Particulars	March 31, 2021			March 31, 2020		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	**33.63**	**7.02**	**26.61**	**(192.69)**	**(67.33)**	**(125.36)**

iii) Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate

	March 31, 2021	March 31, 2020
Profit before tax	**2,288.03**	2,152.42
Tax using the Company tax rate @ 34.944%		
(31 March 2020 - 34.944%)	**799.53**	771.00
Tax effect of:		
Non-deductible tax expenses	**706.74**	517.41
Tax deductions/allowances	**(1,405.26)**	(1,170.61)
Tax on business loss	**(101.00)**	(58.78)
Previous year tax liability	**(40.13)**	(2.67)
Interest	**7.58**	0.33
Deferred Tax expenses/(income)	**591.53**	528.45
MAT credit entitlement	**357.06**	240.49
Total tax expense in the Statement of Profit and Loss	**916.05**	**825.62**

(b) Tax losses carried forward

Particulars	March 31, 2021	Expiry date	March 31, 2020	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

The Directors of NLCIL have recommended the final dividend @15% i.e., ₹ 1.5 per share for FY 2020-21 (31st March 2020 : Nil), subject to approval of Shareholders. Further more the Board of Directors of NTPL (subsidiary of NLCIL) has recommended the final dividend @ 10% i.e., ₹ 1 per share for FY 2020-21 (31st March 2020 : ₹ 3 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 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 No.	Particulars		(₹ in crore)
56	**Information in respect of micro, small and medium enterprises as at 31 March 2021 as required by Micro, Small and Medium Enterprises Development Act, 2006**		
	Particulars	**March 31, 2021**	March 31, 2020
	a) Amount remaining unpaid to any supplier:		
	Principal amount	**45.38**	21.19
	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	**-**	-
57	**Thermal Power Station-I (retired from operation)**	for the Period ended	
	Particulars	**31.03.2021**	**31.03.2020**
	INCOME		
	Revenue from Operations	**171.10**	796.29
	Other Income	**17.49**	114.19
	Total Income	**188.59**	910.48
	EXPENSES		
	Cost of Fuel Consumed	-	-
	Changes in Inventories	-	-
	Employee Benefit Expenses	**121.46**	152.60
	Finance Costs	**18.46**	35.63
	Depreciation and Amortization Expenses	**1.54**	2.41
	Other Expenses	**186.14**	906.56
	Total Expenses	**327.60**	1,097.19
	Profit / (Loss) before Exceptional & Rate Regulatory Activity	**(139.01)**	(186.71)
	Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	**-**	(9.48)
	Profit / (Loss) before Tax	**(139.01)**	(196.19)
58	**Disclosure as per Ind AS 33 'Earnings per Share'**		
	(i) Basic and diluted earnings per share for the year ended	**March 31, 2021**	March 31, 2020
	From operations including regulatory deferral account balances (a)	**9.70**	10.48
	From regulatory deferral account balances (b)	**2.74**	0.82
	From operations excluding regulatory deferral account balances (a)-(b)	**6.96**	9.66
	Nominal value per share	**10.00**	10.00
	(ii) Profit attributable to equity shareholders (used as numerator)	**March 31, 2021**	March 31, 2020
	From operations including regulatory deferral account balances (a)	**1,345.44**	1,452.98
	From regulatory deferral account balances (b)	**380.20**	114.00
	From operations excluding regulatory deferral account balances (a)-(b)	**965.24**	1,338.98

Notes to Consolidated Financial Statements

Note No.	Particulars	March 31, 2021	March 31, 2020
	(iii) Weighted average number of equity shares (used as denominator)	**March 31, 2021**	March 31, 2020
	Opening balance of issued equity shares	**1,38,66,36,609**	1,38,66,36,609
	Effect of shares issued /bought back during the year, if any	**-**	-
	Weighted average number of equity shares for Basic and Diluted EPS	**1,38,66,36,609**	1,38,66,36,609

59 **(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 shall be applicable from FY 2020-21.

(b) Rounding off & Regrouping in Financials

Amount in the financial statements are presented in ₹ Crore (upto 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 have been regrouped/reclassified wherever necessary.

(c) Other regulatory matters

As per the directives of Ministry of Coal, NLCIL Board has decided lignite transfer price guideline for the tariff period 2019-24 in consultation with stakeholders during October'2019 and billed to beneficiaries. On the petition filed by M/s KSEB, challenging Lignite Transfer Price Guidelines 2019-24 issued by NLCIL, CERC in its record of proceeding issued in Feb'2021 directed NLCIL to keep the said guideline in abeyance and continue to bill lignite @ ₹ 2132/Ton till issue of final order and /or notification of new regulation by CERC for integrated mines. Accordingly, in line with CERC directives, NLCIL has considered billing @ ₹ 2132/Ton since Feb'2021 without any adjustment for the earlier periods.

60 **(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 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) Covid-19 Disclosures

Significant disruptions have taken place worldwide due to COVID-19 pandemic. The Group is engaged in Mining and Power Generation. Considering power an essential service management believes there is not much material impact due to this pandemic on the business of the Group in the year 2020-21. However, the impact of the same in subsequent periods is being monitored.

Information on Subsidiary Companies and Associates
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 (₹ in crore)	As % of Consolidated Profit or Loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % total comprehensive Income	Amount (₹ in crore)
(A) Parent								
NLC India Limited								
March 31, 2021	**96.27%**	**13,574.68**	**73.09%**	**983.37**	**120.40%**	**32.04**	**74.01%**	**1,015.41**
March 31, 2020	99.87%	12,639.51	90.61%	1,316.48	100.00%	(125.36)	89.72%	1,191.12
(B) Subsidiaries								
NTPL								
March 31, 2021	**3.77%**	**531.33**	**26.98%**	**363.00**	**-13.23%**	**(3.52)**	**26.20%**	**359.48**
March 31, 2020	2.09%	269.84	9.85%	143.15	0.00%	-	10.78%	143.15
NUPPL								
March 31, 2021	**-0.05%**	**(6.45)**	**-0.07%**	**(0.97)**	**-7.18%**	**(1.91)**	**-0.21%**	**(2.88)**
March 31, 2020	-0.04%	(4.97)	-0.51%	(7.47)	0.00%	-	-0.56%	(7.47)
(C) Joint Venture (Indian)								
Coal Lignite Urja Vikas (P) Ltd.								
March 31, 2021	**0.00%**	**(0.01)**	**0.00%**	**(0.01)**	**0.00%**	**-**	**0.00%**	**(0.01)**
March 31, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
(D) Associate (Indian)								
MNH Shakti Ltd.								
March 31, 2021	**0.01%**	**0.84**	**0.00%**	**0.05**	**0.00%**	**-**	**0.00%**	**0.05**
March 31, 2020	0.01%	0.74	0.06%	0.82	0.00%	-	0.06%	0.82
Total								
March 31, 2021	**100.00%**	**14,100.39**	**100.00%**	**1,345.44**	**100.00%**	**26.61**	**100.00%**	**1,372.05**
March 31, 2020	100.00%	12,905.13	100.00%	1,452.98	100.00%	(125.36)	100.00%	1,327.62

Part "A": Subsidiaries

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures.

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014.

			(₹ in crore)
Sl.No.	Particulars	1	2
	Name of the subsidiary	NLC Tamil Nadu Power Limited	Neyveli Uttar Pradesh Power Limited
1	Reporting Period	2020-21	2020-21
2	Reporting Currency	₹	₹
3	Share Capital	2188.04	3258.53
4	Reserves and Surplus	597.03	-12.64
5	Total Assets	8379.43	11677.89
6	Total Liabilities	5594.36	8432.00
7	Investments	-	-
8	Total Income	2958.87	0.05
9	Profit before taxation	560.40	-0.96
10	Provision for taxation	197.40	0.01
11	Profit for the period	363.00	-0.97
12	Total comprehensive income	359.48	-2.88
13	Proposed Dividend	0.00	-
14	% of Shareholding	89%	51%
	Remarks		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. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460

Place : Neyveli
Date : 28-06-2021

Part "B": Associates and Joint Venture

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures.

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014.

Sl.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	12765000
3	Amount of investment in Associate (₹ in crore)	0.01	12.77
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 (₹ in crore)	0.001	13.59
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	Liquidation process in progress

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. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

R H S Ramakrishnan
Partner
M No. 021651

For M/s. R SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
Firm Regn. No.004137S/S200041

R. Subramanian
Partner
M No.008460

Place : Neyveli
Date : 28-06-2021

BUSINESS RESPONSIBILITY REPORT 2020-21

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN)**	:	L93090TN1956GOI003507
2.	**Name of the Company**	:	NLC India Limited
3.	**Registered Address**	:	No. 135, EVR Periyar High Road, Kilpauk, Chennai- 600010, Tamil Nadu.
4.	**Website**	:	www.nlcindia.in
5.	**E-mail id**	:	investors@nlcindia.in
6.	**Financial Year Reported**	:	2020-21
7.	**Sector(s)**	:	Mining & Power Generation
8.	**Key products**	:	i. Lignite Mining ii. Coal Mining iii. Thermal Power Generation iv. Renewable Energy Generation (Solar & Wind) v. Power Trading
9.	**Total number of locations where business activity is undertaken by the Company**		
	A. Number of International Locations	:	None
	B. Number of National Locations	:	**Lignite Mines:** i) Mine-I, Mine-IA & Mine-II- Neyveli, Cuddalore-Dist., Tamil Nadu State. ii) Barsingsar Lignite Mine Project- Barsingsar, Rajasthan State. **Coal Mine:** Talabira-II & III Coal Open Cast Mines - Jharsuguda & Sambalpur District, Odisha State. **Thermal Power Stations (Lignite as fuel):** i) TPS-I Expn., TPS-II, TPS-II Expn. and NNTPP- Neyveli, Cuddalore-Dist., Tamil Nadu State. ii) Barsingsar Thermal Power Station- Barsingsar, Rajasthan State. **Renewable Energy Stations: SOLAR** i) 1350.06 MW- Neyveli and Southern Districts of Tamil Nadu (Tirunelveli, Ramanathapuram, Virudhunagar and Tuticorin). ii) 20 MW- Attampahad & Dollygunj, South Andaman District, Andaman & Nicobar Islands. **Renewable Energy Stations: WIND** 51MW- Kazhuneerkulam, Tirunelveli Dist. Tamil Nadu. Liaison/Inspection offices are located in Chennai, Hyderabad, Mumbai, Kolkata, Bhubaneswar and New Delhi. Talabira II&III, Coal Mine Project office in Sambalpur, Odisha.
10.	Markets served by the Company	:	Tamilnadu, Karnataka, Andhra Pradesh, Telangana, Kerala, Pondicherry, Rajasthan and Andaman & Nicobar Islands.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (2020-21)	₹ 1386.64 crore
2	Total Revenue from Operation (2020-21)	₹ 7249.63 crore
3	Total Profit/(loss) After Tax (2020-21)	₹ 1041.79 crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of PAT	During the FY 2020-21, ₹ 46.74 crore was spent on CSR which is 4.49% of PAT.
5	List of activities for which the expenditure stated in para 4 above have been incurred	• Promoting Healthcare & Nutrition including COVID-19 preventive measures. • Providing Safe Drinking Water, Sanitation facilities • Promoting Education & Employment Enhancing Skills • Promoting Gender Equality, Empowering Women • Promoting Environmental Sustainability • Protection of national heritage, art and culture • Measures for the benefit of armed forces veterans • Promoting Rural Sports • Providing Infrastructure facilities for Rural Development including Water Resource Augmentation • Administrative Overheads

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes. The Company has two Subsidiary Companies as on 31.03.2021.

A. NLC Tamil Nadu Power Limited (NTPL)

B. Neyveli Uttar Pradesh Power Limited (NUPPL)

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).

Yes. Two Subsidiary Companies.

The Business Responsibility Initiatives of the parent Company are applicable to above mentioned Subsidiary Companies also.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

No other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participation in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of the Director/Directors responsible for implementation of the BR policy/policies

a.

Particulars	Details
DIN Number	07601778
Name	Mr. R.VIKRAMAN
Designation	Director/Human Resource
Telephone number	04142-252220
e-mail id	dir.hr@nlcindia.in

b.

Particulars	Details
DIN Number	08148117
Name	Mr. NADELLA NAGA MAHESWAR RAO
Designation	Director/Planning & Projects
Telephone number	04142-252384
e-mail id	dpp.co@nlcindia.in

c.

Particulars	Details
DIN Number	08199813
Name	Mr. PRABHAKAR CHOWKI
Designation	Director/Mines
Telephone number	04142-252270
e-mail id	director.mines@nlcindia.in

d.

Particulars	Details
DIN Number	08418401
Name	Mr. SHAJI JOHN
Designation	Director/Power
Telephone number	04142-252570
e-mail id	dir.power@nlcindia.in

e.

Particulars	Details
DIN Number	01220828
Name	Mr. JAIKUMAR SRINIVASAN
Designation	Director/Finance
Telephone number	04142-252240
e-mail id	df@nlcindia.in

f. **Details of the BR head**

Particulars	Details
DIN Number	NA
Name	Mr. ABRAHAM GEORGE
Designation	DGM/Management Services
Telephone number	04142-212411
e-mail id	gmms@nlcindia.in

2. Principle-wise (as per NVGs) BR Policy/policies

Principle No.	Description	Policy/Policies	Director(s) Responsible
Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	1. Code of conduct* 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. Archival Policy 7. Policy for Materiality of Event 8. Policy on Material Subsidiaries 9. Policy on Related Party Transaction 10. Dividend Distribution Policy 11. Policy for investment in STD 12. Environment Policy 13. CSR Policy 14. Integrated Risk Management Policy	All Functional Directors
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	1. Environment Policy 2. Safety Policy	Director(Mines) Director(Power) Director(P&P)
Principle 3 (P3)	Businesses should promote the well-being of all employees.	1. Sabbatical Policy 2. Child care leave Policy 3. Scheme for Paternity leave to employees 4. Post-Retirement Medical Assistance Scheme	Director (HR)
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	1. R&R Policy 2. CSR Policy	Director (Mines) Director(HR)
Principle 5 (P5)	Businesses should respect and promote human rights.	1. Sexual Harassment of working woman Policy 2. Compliant Handling Policy	Director (HR)
Principle 6 (P6)	Business should respect, protect, and make efforts to restore the environment.	1. Environment Policy 2. Sustainable Development Policy	Director (P&P) Director (Mines)

Principle No.	Description	Policy/Policies	Director(s) Responsible
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	1. Company values & objectives	Director (HR)
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.	1. R&R Policy 2. CSR Policy 3. Sustainable Development Policy	Director (HR) Director (Mines)
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	• To maximise the Revenue, adopt prudent commercial systems and procedures in accordance with the directions of the Regulatory bodies	Director (Fin)

* - Code of Conduct for Board Members and Senior Management Personnel.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy /policies for the principles	Y	Y	Y	Y	Y	Y	Y	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	-
3	Does the policy conform to any National / International Standards?	Y	Y	Y	Y	Y	Y	Y	Y	-
4	Has the policy being approved by the Board? If yes, has it been signed by CMD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	-
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	-
6	Indicate the link for the policy to be viewed online?	← Please see (i) below →								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	-
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	-
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	-

(i) Web link for the Policies available in NLCIL website:

a. Whistle blower policy - https://web.nlcindia.in/webcount/Document/whistleblow.pdf

b. Complaint handling policy - https://web.nlcindia.in/webcount/Document/Complaint_Policy.pdf

c. Archival Policy - https://www.nlcindia.in/investor/ArchivalPolicy.pdf

d. Nomination and Remuneration Policy - https://www.nlcindia.in/investor/Remuneration-policy13032019.pdf

e. Policy for Materiality of Event - https://www.nlcindia.in/investor/policy_materiality_event.pdf

f. Policy on Material Subsidiarie - https://www.nlcindia.in/investor/policy_on_material_subsidiaries.pdf

g. Policy on Related Party Transaction - https://www.nlcindia.in/investor/policy_on_related_party_transactions.pdf

h. Dividend Distribution Policy - https://www.nlcindia.in/investor/dividenddistributionpolicy_15042017.pdf

i. Policy for Investment in STD - https://www.nlcindia.in/investor/policyforSTD07122018.pdf

j. Environment Policy of NLC - https://www.nlcindia.in/new_website/env-policy-2019.pdf

k. CSR Policy - https://www.nlcindia.in/new_website/csr_new/csr_policy_2021.pdf

l. Code of Conduct - https://www.nlcindia.in/news/conduct.pdf

m. Code of conduct for prevention of Insider Trading - https://www.nlcindia.in/investor/code_conduct_trading.pdf

n. 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

o. Policy on Safety & Health - https://www.nlcindia.in/new_website/NLC%20Safety%20policy.pdf

Apart from the above, other policies mention in P1 to P9 are available for internal stakeholders only.

2a. If answer against any principle, is 'No', please explain why?

Principle-9 is duly adhered by NLCIL by adopting prudent commercial systems and procedures in accordance with the directions of the Regulatory bodies.

- The CERC, while finalizing Tariff and other Regulations engages all Stakeholders and their suggestions are also considered. CERC Tariff Regulations and relevant orders are being displayed on CERC Website www.cercind.gov.in
- NLCIL being a PSU is governed by various regulatory authorities like CERC, DPE and subjected to various checks and balances mechanisms such as Audit etc.
- CERC while determining the tariff of NLCIL stations does prudence check on the costs of NLCIL.
- NLCIL exports power to beneficiaries of Southern Region State Governments and State Government of Rajasthan after entering into Power Purchase Agreement (PPA) which has strict provisions and are being complied with.

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

CEO assesses the BR performance of the company annually.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published.**

The Company publishes BR report as part of its Annual Report and the same is available in the following link https://www.nlcindia.in/investor/AnnualReport2021.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1)

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policy/rules relating to ethics, bribery and corruption cover the Company and extended to the Group/Joint Ventures/Suppliers/Contractors/NGOs. The Code of Conduct has been prescribed by the Company as well as by its subsidiaries applicable for Senior Management Personnel and Board Level Executives. The Company and its subsidiaries are also governed by the guidelines issued by CVC, Government of India and provisions as per applicable Acts.

In addition, the Company has signed a Memorandum of Understanding with Transparency International India for implementation of Integrity Pact Programme.

The Integrity Pact Programme has been covered in 223 tenders for the year 2020-21 for the tenders which are more than ₹ 1 crore in value.

i. The Integrity Pact system is reviewed frequently by conducting review meeting with IEMs & Stake holders.

ii. NLCIL Vigilance Department has formed an "Ethical Forum" comprising of Students from Neyveli Schools & College and as well as in NTPL project to promote Vigilance Awareness among students' community. Around 2000 students were covered under this programme.

iii. To enhance preventive measures, NLCIL Vigilance Department has identified the thrust areas in form of corruption Mapping and these areas are concentrated by conducting surprise checks, regular checks & CTE type examination.

iv. As a part of Preventive Vigilance exercise, Customised Training programmes were conducted to sensitize the officials on Contracts, Purchase and CVC guidelines through video conference mode. Due to COVID-19, only 4 Nos of Programmes were conducted during the year, covering 245 employees.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year 2020-21, 347 complaints were received in addition to 17 pending complaints of previous year (Total of 364 complaints). Out of 364 complaints 343 (94%) have been disposed off. Out of 343 complaints disposed, 208 complaints were Anonymous/Pseudonymous, 79 complaints have been sent for Administrative action to the respective units and investigation was done for 56 Nos. of complaints by Vigilance Department and disposed off.

Principle 2 (P2)

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

I. Lignite

ii. Coal

iii. Power Generation

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional).**

   a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Resources consumption in Lignite mining

Name of the resource	Unit	2020-21	2019-20	% change
Energy	Kwh/T of Lignite	32.71	28.08	16.49

Resources consumption in Power Generation in Thermal

Name of the resource	Unit	2020-21	2019-20	% change
Lignite	Kg/Kwh (gross generation)	1.04	1.11	(-)6.31

Name of the resource	Unit	2020-21	2019-20	% change
Raw Water	Ltr./Kwh (gross generation)	4.035	4.57	(-)11.71

   b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   Not Applicable.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   Yes.

   If yes, what percentage of your inputs was sourced sustainably?

   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.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company takes following key measures for the development of the small scale industries and communities surrounding the place of work and improve their capabilities:

   - Workmen in and around Neyveli are engaged for service sector.
   - Cleaning Products such as soaps, broom sticks etc., are procured from local societies run by Project Affected Persons (Land Displaced).

- All repair to the office chairs is carried out through Neyveli Health Promotion and Social Welfare Society which is patronised by the Company.
- Complies with the Public Procurement Policy of the Government in procurement of goods from MSMEs.
- Conducts District Level and Local vendor development programmes to enlighten and empower the new and existing vendors.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

   Yes (>10%). Since inception, the Company has taken up several projects for the reclamation of mined out land and re-cycling of wastes like Fly Ash, etc.

   Some of the key initiatives are as given below:

   - The Company's mining operations are preserving valuable top soil 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.
   - The Company utilises 100% of fly ash.
   - Also the Company is exploring possibilities of recovering iron, sand and unburnt carbon from the bottom slag of the power plant. Iron separation plant was erected and separated the iron from bottom slag. For separation of sand and unburnt carbon from bottom slag, a pilot plant is under operation.
   - 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 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.
   - The excess water from Mines is treated in the Water Treatment Plant and used for domestic consumption of the residents in Township.
   - A pilot scale project to demonstrate cultivation under Hydroponic farming mode has been developed with the assistance of a start-up group registered under Incubation centre in CARD. This soil less farming under 'temperature controlled atmosphere' has the advantage of increased cycle of cultivation of leafy vegetables. The pilot project work has already started in Block 16 Horticulture in approximately 210 Square meter area and is functioning in full swing.
   - Under new Initiatives, OB to sand, feasibility study on Lignite to Methanol, extraction of Diesel from Lignite and study on briquetting of lignite are under way.

Principle 3 (P3)

1. **Please indicate the total number of employees.**

   Total number of employees as on 31st March 2021 is 11,379.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

   The Company does not directly employ temporary/ contractual/ casual employees. However, works are awarded to private contractor employers for executing certain non-perennial nature of works. The contractor employers deploy 15,102 contract workmen for executing such works.

3. **Please indicate the number of permanent women employees.**

   Total number of permanent women employees as on 31st March 2021 is 911.

4. **Please indicate the number of permanent employees with disabilities.**

   Total number of permanent employees with disabilities as on 31st March 2021 is 197.

5. **Do you have an employee association that is recognised by Management?**

   Two Trade Unions are recognised by the Management to function as Collective Bargaining agents.

6. What percentage of your permanent employees is members of this recognized employee association?

Approximately 55% of the permanent employees in the workmen category are members of recognized employees trade unions. This does not include executives and non-unionised supervisors.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment filed in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Details of training imparted to the employees during the Year 2020-21.

a) Safety training programs across organisation:

Description	Total Trained	Percentage
Permanent Employees	4,326	38.02
Casual / Temporary / Contractual Employees	3,778	25.02
Women permanent employees	205	22.50

b) Details of Skill Upgradation program at NLCIL:

Description	Total Trained	Percentage
Permanent Employees	2,325	20.43
Casual / Temporary / Contractual Employees	206	1.36
Women permanent employees	68	7.46

Principle 4 (P4)

1. Has the Company mapped its internal and external stakeholders?

The stakeholders have been mapped as under:

I. Government and regulatory authorities

II. Customers

III. Employees

IV. Shareholders

V. Vendors

VI. Peripheral population

VII. Project Affected Persons (PAPs)

VIII. Workers engaged by Contractors.

IX. Lenders

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders with the help of socio-demographic data of the community through base line surveys.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stake holders? If so, provide details thereof.**

The Company covers the well-being of disadvantaged, vulnerable and marginalized stakeholders under its Corporate Social Responsibility policy.

Principle 5 (P5)

1. **Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company is not having any separate and specific policy on Human Rights. But, NLCIL is following all the principles enshrined in the Constitution of India and the laws enacted by GoI on Human Rights like, RTI, Child Labour Prohibition, Sexual Harassment at Work place, Labour Laws etc. The same are also followed by Joint ventures of NLCIL and by contractors employed.

2. **How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?**

No stakeholder complaint was received during the year 2020-21 with regard to human rights.

Principle 6 (P6)

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The policy related to Principle 6 covers its Joint Ventures also.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

The Company has undertaken several initiatives to address global environmental issues, for instance,

- Efforts are being taken to augment the capacity addition in Renewable Energy segment. The Renewable projects are expected to reduce the greenhouse gas emissions to a large extent. NLCIL has made its presence in 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.
- The detail regarding these initiatives is published at https://www.nlcindia.in/new_website/SUSTAIN.htm

3. Does the Company identify and assess potential environmental risks?

NLCIL firmly believes that its responsibility lies in environment friendly mining and delivering cleaner, more reliable and affordable energy. The Company identifies and assesses potential environmental risks arising from its operations in its Mines and Thermal Power Plants and mitigation measures to prevent them too.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

NLCIL has a Renewable Energy Project capacity to the tune of 1421.06 MW (Solar- 1370.06 MW, Wind-51 MW). The projects are related to Clean Development Mechanism. Actions are underway for registration of these NLCIL projects with CDM. Upon completion of registration formalities, environment compliance reports will be filed.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.

The initiatives of the Company are listed below:

a. Clean Technology

· The project on Lignite to Methanol

b. Energy Efficiency

- Energy Conservation Committees formed in 14 Industrial/Service Units for identifying and implementing the energy conservation measures.
- The conventional lights are being replaced with contemporary energy saving LED lights.
- Capacitor banks are being introduced in phased manner in motors of conveyor systems, Special Mining Equipment and transformers to improve power factor thereby reducing reactive power energy losses.

c. Renewable Energy

· NLCIL contemplates to enhance its Renewable energy share. NLCIL has formed a Joint Venture Company (CLUVPL) with Coal India Limited for developing Renewable Projects on pan India basis. NLCIL is participating in the IREDA's CPSU Scheme tender and SECI's Rajasthan tender for development of Solar projects. NLCIL eyes to develop RE projects through the tenders being floated by the nodal agencies IREDA & SECI in the future.

https://www.nlcindia.in/new_website/SUSTAIN.htm

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emission and the waste generated by the Company were within the permissible limit given by CPCB/SPCB in the financial year 2020-21.

7. **Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There is no pending or unresolved show cause/legal notices received from CPCB/SPCB in the financial year 2020-21.

Principle 7 (P7)

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   The Company is member of

   - The Employers Federation of Southern India (EFSI)
   - Quality Circle Forum of India (QCFI)
   - All India Management Association (AIMA)
   - Power Sector Skill Council (PSSC).
   - Skill Council for Mining Sector (SCMS)
   - National Institute of Personnel Management (NIPM)
   - Standing Conference of Public Enterprises (SCOPE)
   - Central Board of Irrigation and Power (CBIP)
   - Project Management Associates (PMA)
   - Public Relations Society of India (PRSI)
   - National Safety Council (NSC)
   - All India Organization of Employer's (AIOE)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.**

   NLCIL takes active participation in promoting Women Empowerment through its association with SCOPE and WIPS.

   NLCIL is also actively associated with bodies like PSSC and SCMS. Based on these association, NLCIL's Learning & Development Centre offers training courses through Recognition of Prior Learning (RPL) and Skill development to external stakeholders of the company. The effort of NLCIL is driven towards a sustainable and inclusive society further enabling skill development in varied areas leading to generating livelihood.

Principle 8 (P8)

1. **Does the Company have specified programme Initiatives / projects in pursuit of the policy related to Principle 8? If Yes, details thereof.**

   The Company follows a CSR policy for Social welfare of the society. The Company has specific initiatives in pursuit of inclusive growth and equitable development. The Company has carried out several projects for the development of local communities though providing social infrastructure in the peripheral villages.

In FY 2020-21, the Company focused on following projects in pursuit of inclusive growth and equitable development.

Sl.No.	CSR Focus Area
1	Promoting Healthcare including COVID-19 preventive measures
2	Providing Safe Drinking Water, Sanitation facilities
3	Promoting Education & Employment Enhancing Skills
4	Promoting Gender Equality, Empowering Women
5	Promoting Environmental Sustainability
6	Protection of National heritage, art and culture
7	Measures for the benefit of armed forces veterans
8	Promoting Rural Sports
9	Providing Infrastructure facilities for Rural Development including Water Resource Augmentation
10	Administrative Overheads

Rehabilitation & Re-settlement:

Your Company takes care of the Project Affected Persons (PAPs) through appropriate R&R measures and the trauma of displacement is thereby minimised. Your Company follows the guidelines issued by the Government of India, from time to time on R&R for the on-going projects. Apart from development of Re-settlement Centres (RCs) in the Project vicinity, these centres are being provided with good infrastructure facilities. As a result, the eligible project affected families have smoothly re-settled in these RCs. Apart from the rehabilitation measures, legal compensation with enhanced compensation for loss of assets as directed by the appropriate Government have been provided with the co-operation of the District administration. Peripheral developmental works viz., formation and improvement of existing village roads, skill development programmes for PAPs have been carried out during the year.

The Tamil Nadu Government has revived the "TN acquisition of land for Industrial Purposes Act, 1997" through the "Tamil Nadu Land Acquisition Laws (Revival of operation, Amendment and Validation) Act, 2019."

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) is applicable since 01.01.2014.

2. **Are the programmes / projects undertaken through in-house team/own foundation/external NGO/Government structures / any other organization?**

The Company has undertaken CSR project through in-house teams.

3. **Have you done any impact assessment of your initiative?**

The Company has done evaluation and impact assessment of the CSR activities through external agency M/s Institute of Public Enterprises (IPE), Hyderabad.

4. What is your Company's direct contribution to community development projects – Amount in Rs. and the details of the projects undertaken?

The Company has spent ₹ 4,674.47 lakh under various CSR Projects/Programs/ Activities in 2020-21, details of which are shown in the below table:

CSR Expenditures in 2020-21

(₹ in lakh)

Sl.No.	CSR Focus Area	Expenditure
1	Promoting Healthcare including COVID-19 preventive measures	712.10
2	Providing Safe Drinking Water, Sanitation facilities	1,678.71
3	Promoting Education & Employment Enhancing Skills	1,530.63
4	Promoting Gender Equality, Empowering Women	12.05
5	Promoting Environmental Sustainability	23.70
6	Protection of National heritage, art and culture	128.22
7	Measures for the benefit of armed forces veterans	5.00
8	Promoting Rural Sports	17.94
9	Providing Infrastructure facilities for Rural Development including Water Resource Augmentation	534.36
10	Administrative Overheads	31.76
	TOTAL	**4,674.47**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community, Please Explain?

The Company has followed a participatory approach for all its CSR Initiatives.

- It conducts Baseline Survey before commencement of all the CSR Projects to understand the requirements of the Community.
- Based on the Baseline Survey, the CSR initiatives are planned and framed to fulfill the requirements.
- The completed CSR Projects are handed over to the community in proper form taking all the necessary steps for ensuring proper and efficient usage.
- To ensure successful adoption of the completed community development initiatives, inspections are carried out periodically/through surprise checks.
- Evaluations of all the CSR initiatives are carried out by engaging external agency.
- Impact assessments are being done on the completed CSR activities.

Principle 9 (P9)

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   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.

   Total appeals pending before CERC are 06 nos. (other than tariff & trued up petitions).

   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.

   Total appeals pending before APTEL are 12 nos.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   NLCIL deals with the sale of Power and Lignite. Display of product label is not applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof.**

   There is no such case filed by any stakeholder.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Regular interactions through meetings, correspondences and periodical reconciliation exercises are carried out with the customers regarding issues related to Power Sales & Accounts by the Commercial Department to maintain cordial relationship with the customers and for smooth dispute redressal.

   Other than this, no separate consumer survey or analysis of customer satisfaction was carried out.

   Further, Regulatory mechanism which governs NLCIL gives equal opportunities to the stakeholders in all regulatory precepts, including voicing of difference of opinions and dispute resolution in a fair manner.

   Consumer Survey pertaining to Marketing issues:

   - Annual Customer Meet was conducted on 05.11.2020 during the Vigilance Awareness week to interact and getting feedbacks from the customers of Raw Lignite to conduct e-Auctions in a transparent manner. This Customer meet is continuously being conducted for the past 12 years.
   - Customer network for Coal based customers for Talabira Coal Mines and 6 new customers for Raw Lignite from Neyveli Mines were developed for widening the Sale network throughout India during the FY 2020-21.
   - Separate Marketing SOP's, strategy for Open sale for Coal from Talabira Mines was developed in the FY 2020-21 with the help of NLCIL's Service Provider M/s. M-Junction Services Limited/Kolkata.
   - Sales promotional visits to customer plants were made to survey the latest Marketing trends, Prices, Process methodology changes to maintain good relationship with Customers and to augment sale.

SOCIAL OVERHEAD ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in crore)

Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Expenses:												
Consumption of Materials												
Stores & Spares	17.10	22.24	-	-	0.96	1.28	0.03	0.02	0.00	0.01	18.09	23.55
Power	42.85	50.95	-	-	-	-	-	-	-	-	42.85	50.95
Employees' Remuneration and Benefits												
Salaries, Wages, Bonus and Incentives	97.12	114.21	3.86	3.44	17.25	16.35	15.68	15.25	4.53	4.60	138.44	153.85
Contribution to Provident and other Funds	17.26	17.39	0.68	0.64	2.85	2.90	1.82	1.81	0.76	0.77	23.37	23.51
Gratuity	2.14	1.91	-	-	-	-	-	-	-	-	2.14	1.91
Welfare Expenses	6.01	7.07	0.06	0.07	0.51	0.20	0.31	0.16	0.00	0.02	6.89	7.52
Rent, Rates & Taxes	-	0.67	-	-	-	-	-	-	-	-	-	0.67
Repairs & Maintenance												
Buildings	12.47	15.93	-	-	-	-	0.11	-	-	-	12.58	15.93
Others	28.82	21.66	0.00	0.01	1.06	0.25	0.10	0.10	0.01	0.01	29.99	22.03
Depreciation	17.95	17.48	0.04	0.04	0.21	0.30	0.01	0.01	-	-	18.21	17.83
Travelling Expenses	0.78	0.82	0.03	-	-	-	0.01	0.05	-	0.03	0.82	0.90
Miscellaneous	10.00	8.67	0.01	0.04	0.38	-	0.06	8.94	0.02	0.50	10.46	18.15
Total	**252.50**	**279.00**	**4.68**	**4.24**	**23.22**	**21.28**	**18.12**	**26.34**	**5.32**	**5.94**	**303.85**	**336.80**
Receipts:												
Recoveries:												
Rent	21.01	19.96	-	-	-	-	-	0.04	-	1.01	21.01	21.01
Electricity Charges	18.88	19.44	-	-	-	-	-	0.02	-	1.05	18.88	20.51
Water Charges	1.24	1.04	-	-	-	-	-	-	-	0.01	1.24	1.05
Grant-in-aid	-	-	-	-	-	-	4.81	5.08	-	-	4.81	5.08
Bus Receipts	-	-	-	-	0.18	1.23	-	-	-	-	0.18	1.23
Misc. Receipts	1.78	4.36	0.00	0.02	0.00	0.01	-	0.02	-	0.18	6.59	4.59
Total	**42.91**	**44.80**	**-**	**0.02**	**0.19**	**1.24**	**4.81**	**5.16**	**-**	**2.25**	**52.72**	**53.47**
Net Expenditure	**209.59**	**234.20**	**4.68**	**4.22**	**23.03**	**20.04**	**13.31**	**21.18**	**5.32**	**3.69**	**251.13**	**283.33**

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 .