NLC INDIA LIMITED

('Navratna' - A Government of India Enterprise)
Regd. Office: First Floor, No.8,Mayor Sathyamurthy Road,
FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600 031
Corporate Office: Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu.
Phone: 04142/252205. Fax: 04142-252645, 252646
CIN:L93090TN1956GOI003507
Web-site:www.nlcindia.com: e-Mail:cosec@nlcindia.in

CREATING WEALTH FOR WELLBEING

150 YEARS OF CELEBRATING THE MAHATMA

Lr.No.Secy/Reg.34/2020

Dt. 07.09.2020

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** Security name: **NLC29, NLC30 & NLC25**	Scrip Code : **513683, 958806, 959237, 959834**

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 2019-20.

This is for your information and records.

Thanking you.

Yours faithfully
for NLC India Limited

07/09/2020

Company Secretary

CHAIRMAN-CUM-MANAGING DIRECTOR
Shri. Rakesh Kumar

DIRECTORS
Shri. Vinod Kumar Tiwari
Shri. S.K. Prabakar
Shri. R. Vikraman
Shri. Nadella Naga Maheswar Rao
Shri. Prabhakar Chowki
Shri. Shaji John
Shri. Jaikumar Srinivasan
Shri. Indrajit Pal
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. Bhandawat and Company,
Chartered Accountants,
Khetan Bhavan, M.I. Road,
Jaipur - 302 001.

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. A.K. Jain & Associates,
Practising Company Secretaries,
No 2 (New No 3), Raja Annamalai Road,
First Floor, Purasawalkam, Chennai - 600 084.

PRINCIPAL BANKERS & FINANCIAL INSTITUTIONS
State Bank of India
Axis Bank
Federal Bank
HDFC Bank
Power Finance Corporation Limited

TRUSTEES TO THE 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
First Floor, No.8, Mayor Sathyamurthy Road,
FSD, Egmore Complex of Food Corporation of India,
Chetpet, Chennai - 600 031.

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.

CONTENTS

DIRECTORS' PROFILE

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

Shri Rakesh Kumar assumed charge of the post of Chairman-cum-Managing Director of NLC India Limited (NLCIL) on 28.09.2018 and prior to his assumption as CMD, he was the Director (Finance) in the Company for more than 6 years. Shri Rakesh Kumar also holds the position of Chairman of NLCIL's subsidiaries viz. NLC Tamilnadu Power Limited (NTPL) and Neyveli Uttar Pradesh Power Limited (NUPPL).

Shri Rakesh Kumar is a Bachelor of Commerce and holds Masters in Business Administration in Finance. He carries rich and varied experience for over 35 years with 5 CPSEs (including Board Level position for more than a decade) and worked for various mega projects of National importance primarily in Energy Sector - Petroleum, Petrochemicals, Mining and Power including Renewables. Some of the important projects he has associated with include HVJ Pipeline Project, RGPPL (Erstwhile Enron), Assam Gas Cracker Project, NLCIL's Mining and Power Projects across India. Under his Chairmanship, NLCIL has grown manifold, diversifying from Lignite to Coal and to Renewables. He spearheaded the commissioning of the Unit – I of NNTPP of 500 MW capacity, coal production from Talabira mines, commissioning of 709 MW & 20 MW solar power plant in Tamilnadu & Andaman & Nicobar islands respectively thereby raising the status of NLCIL as the first CPSE to cross one Giga-Watt of solar power generation in India.

Shri Rakesh Kumar while giving thrust on digitization & IT enablement had also introduced three pronged strategies viz., Reduction of Cost, Enhancing the Revenue and Enhancing Excellence & Efficiency which enabled the Company for better business prospects. Under his leadership, NLCIL has received CBIP Award from the Hon'ble Union Minster for Power for 'The Best Performing Utility' in Thermal Power Stations in recognition of the outstanding contribution to the Nation by setting new bench mark in generation and maintenance practices.

Shri Rakesh Kumar has been nominated as Convener of the Energy PSU Task Force to achieve cost optimization by consolidation of demand in Energy CPSEs. He was also part of the Five-member team to finalize the agenda on 'Reviewing the Governance Mechanism of CPSEs and Financial Architecture of CPSEs'. Shri Rakesh Kumar is recipient of many awards including 'Most Influential CFO's of India Award' twice by Chartered Institute of Management Accountants of India and the 'Cost Excellence Award' by Institute of Cost Accountants of India.

Shri Rakesh Kumar is the Chairman of SCOPE (Standing Conference of Public Enterprises) an apex Body of PSEs in India from 01.04.2019. He is also on the Board of Governors of the Institute of Public Enterprise, Hyderabad.

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

Shri Vinod Kumar Tiwari, Additional Secretary, Ministry of Coal (April, 2019) is 1986 Indian Forest Service officer of HP Cadre, who holds double masters in Geology and in Forestry. 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. He has served State Power Sector in various capacities for a decade including directorship in HP Power Corporation Ltd. He has voluntarily done two year's stint in climatically harsh, remote and difficult tribal area (Pangi Sub-Division, Chamba district) of H.P. He has travelled far and wide and is trained in various subjects in India and abroad. 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. He has been a Director on the Board of NLCIL from 03.05.2019.

Shri. S K Prabakar, Part-time Official Director (DIN 01238040)

Shri. S K Prabakar is a Graduate in Electrical Engineering and a Member of Indian Administrative Service (1989 Batch), has held various important positions in Government Departments and is presently serving as the Principal Secretary to Government of Tamil Nadu, Energy Department, Chennai. He has been a Director on the Board of NLCIL from 02.07.2020.

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 NLC's 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 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 more recently.

Contribution of Shri R.Vikraman enabled him to be awarded with 'Top Rankers Excellence Award for HR Leadership-2019' by Top Rankers Management, 'Global HR Leadership Award' instituted by the World HRD Congress and 'Pride of HR' in CPSE category instituted by the World Human Resource Development Congress.

Shri. Nadella Naga Maheswar Rao, Director (Planning & Projects) (DIN 08148117)

Shri Nadella Naga Maheswar Rao, is a Graduate in Electrical & Electronics Engineering. He holds a Post Graduate Degree (M.Tech) in Power Generation Technology from IIT, Delhi and also Masters Degree in Business Administration.

Shri Nadella Naga Maheswar Rao has assumed the charge as Director(Planning & Projects) in NLC India Ltd w.e.f. 29.06.2018. Before joining NLC as General Manager in the year 2013, he has worked with NTPC Ltd in various positions in the Project Execution of Thermal Power Plants and subsequently with Reliance Power Ltd for about 4 years in Project Execution & O&M of Thermal Power Plants. On joining NLC he was posted in Barsingsar Thermal Power Project, Rajasthan and subsequently assumed the charge as Project Head of NLCIL Barsingsar Mine-cum-Thermal Power Project and Chief Project Officer for NLCIL Bithnok Thermal Power Project and Barsingsar Thermal Power Station Extension Project. He had successfully implemented the necessary modifications in the Barsingsar Thermal Power Project to achieve the rated capacity of the Plant. He has vast experience in Thermal Power Plants and also in administrating the Mine-cum-Thermal project and was instrumental in many achievements in the area of his work.

Shri Nadella Naga Maheswar Rao is credited with focused efforts in achieving the goals which enabled timely completion of major Solar projects without time or cost overrun ensuring revenue generation to the company.

Shri Nadella Naga Maheswar Rao is a Council Member of Institution of Engineers' (India) Kolkata and is also the Chairman of Neyveli Local Centre of the Institution of Engineers. Under his adorable leadership, several Seminars and Lecture programs were conducted in the Local Centre to promulgate knowledge in various fields for the participants.

Shri. Prabhakar Chowki, Director (Mines) (DIN 08199813)

Shri. Prabhakar Chowki is a Graduate in Mining and holds First Class Certificate of Competency under the Indian Mines Act. He started his career in Coal India Limited in the year 1984 and has worked in different capacities in Western Coalfields Limited, Central Coalfields Limited and Coal India Limited. Shri. Prabakar Chowki has rich experience in the field of mine planning, production, management, supervision, direction & control of Underground Mine as well as Opencast Coal Mines. He was instrumental in introduction of Surface Miners in CCL in the year 2003 which is a green mining activity. He has taken initiatives for qualitative reclamation in the de-coaled areas. He has assumed charge as Director (Mines) on 28.11.2018. Coal mining has commenced under his supervision in NLCIL at Talabira Project.

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

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

Shri Jaikumar Srinivasan has assumed charge as Director (Finance) of NLC India Limited on 5th February 2020 and he is also the Chief Financial Officer of the Company. Shri Jaikumar Srinivasan is a B.Com. graduate from the University of Nagpur and Associate Member of Cost & Management Accountants of India.

Shri Jaikumar Srinivasan has more than 28 years of experience in Power Sector including the power sector reforms and unbundling and Restructuring of the State Discom. Prior to his appointment he served for 2 years as Director (Finance) of M/s. Maharashtra State Electricity and Distribution Company Limited (Mahavitaran), prior to which he was the Director Finance of Maharashtra State Power Generation Company (Mahagenco), Govt of Maharashtra entities. He also served as part time Director in Mahaguj Colliery Company Limited, UCM Coal Company Ltd. and other subsidiary companies of MAHAGENCO.

He was instrumental in achieving financial closure for all generation projects of MAHAGENCO commissioned between 2009-2014 including financial assistance from multilateral agencies viz IBRD and KfW. He has vast knowledge on all Financial, Regulatory and Commercial aspects of Power generation and distribution business and have concluded several PPAs and also project development through competitive bidding route. Experience of participation in selection of MDO for development of captive coal mine. He was part of the steering committee which successfully implemented SAP system in MAHAGENCO. He has undergone a study on Best Practices in Power Sector at SDA Bocconi University in Milan and ESCP Business School in Torino & Paris.

Shri. Indrajit Pal, Independent Director (DIN 00163967)

Shri. Indrajit Pal is an Honors Graduate in Chemistry with a Post Graduate degree in Organic Chemistry, both from Delhi University. Shri. Indrajit Pal also holds a Post Graduate Diploma in Public Administration from Indian Institute of Public Administration and a M.Phil in Social Science from Panjab University. He was a Member of the Indian Administrative Service (1977 batch, Andhra Pradesh Cadre) and had held various important positions in the Government of Andhra Pradesh, Government of India, Public Sector Undertakings etc., before retiring as the Secretary to Government of India, Department of Chemicals & Petrochemicals, in the year 2014. He has been a Director on the Board of NLCIL from 06.09.2017.

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 the Osmania University, Hyderabad, India. Presently, he is serving as State NSS Officer, Higher Education Department, Government of Telangana. He is also a Visiting Professor at the Department of Indology and Comparative Religions, Tübingen University, Germany. His extensive field work experience and several research projects carried out on Tribal communities in India have broaden the proper understanding of Foragers in the context of modern development model. 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 Religious Studies. He combines academic pursuits with various administrative experiences in service to the youth and marginalised communities. Previously, Dr. P. Vishnu Dev held several administrative positions such as 'Chairman', Board of Studies, Department of Sociology, Osmania University; 'Director', Empaneled 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. He has been a Director on the Board of NLCIL from 19.12.2018.

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 N.K. 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.

Executive Directors


Hemant Kumar
Executive Director (Mines)


Kaushal Kishore Anand
Executive Director (Safety)


N. Sadish Babu
Executive Director (HR)


A. Ravindran
Executive Director (Thermal)

Chief General Managers


K. Mohan Reddy
CEO (NUPPL)


R. Mohan
CGM (CSR)


C. Thiagaraju
CGM (HR/CO)


N. Raguraman
CGM(NNTPP)


Y. Joe Stephen Dominic
CGM(HR/CO)


S. Gurusamynathan
CGM(Vigilance)


V. Manoharan
CGM(CARD)


Jagadish Chandra Mazumdar
CGM(Mine-II)


S. Harikrishnan
CGM(Mine-II)


Suresh Chandra Suman
CGM/PH (Talabira Project)


Ramachandra R Parashar
CGM (Computer Services/CO)


A. Rajasekhara Reddy
CGM(Mine-I)


A. Gothandam
CGM(Mgt. Services)


P. Ashok Raj
CGM(Mine-I)


E. Esaikkimuthu
CGM (Project Head/Barsingsar)


K. Ganesan
CGM (P&BD)

Chief General Managers


Mukesh Agrawal
CGM (Finance/CO)


K.S. Gopalakrishnan
CEO (NTPL)


K. Viswanath
Company Secretary


N. Karthigai
CGM (MM & DISPOSAL)


B. Manivannan
CGM (System Monitoring)


C. Duraikannu
CGM (MD/INDCOSERVE)


M. Vijayalakshmi
CGM (CPPM)


K. Athinamilagi
CGM (Power Station Engg.)


G. Kannan
CGM (TPS-I Expansion)


M. Govindan
CGM(CMD Sectl.)


R. Mariyappan
CGM (Mine-I)


S. Gauthaman
CGM(TPS-II)


V. Naganathan
CGM(NNTPP)

PHYSICAL AND FINANCIAL CHARTS

YEAR 2019-20 AT A GLANCE

PHYSICAL

Lignite production
248.64 LT

Power Generation (gross)
21922.98 MU

Power Export
18840.84 MU

FINANCIAL

₹ in crore

Revenue from Operations
7916.30

Profit Before Tax
2,204.59

Profit After Tax
1,413.85

Dividend
70.60%

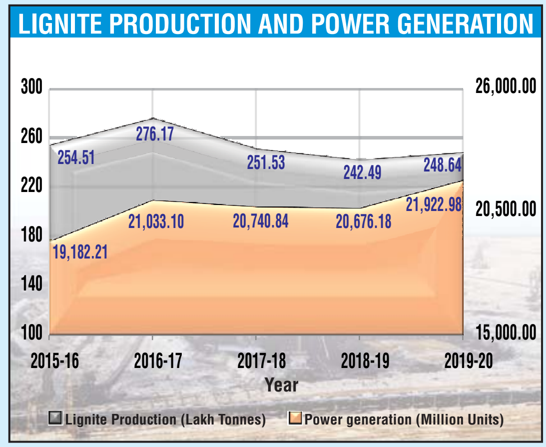
Reserves & Surplus
11,252.87

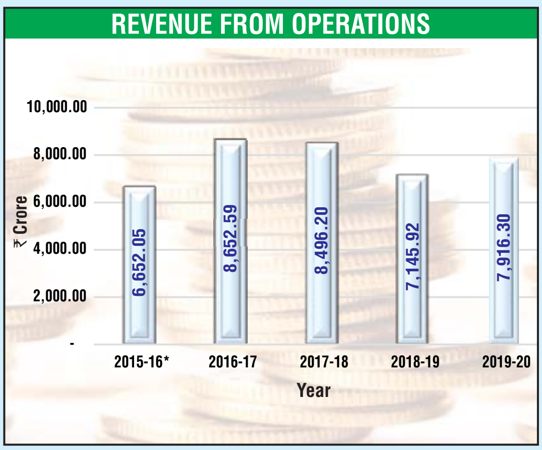
Net Worth
12,511.84

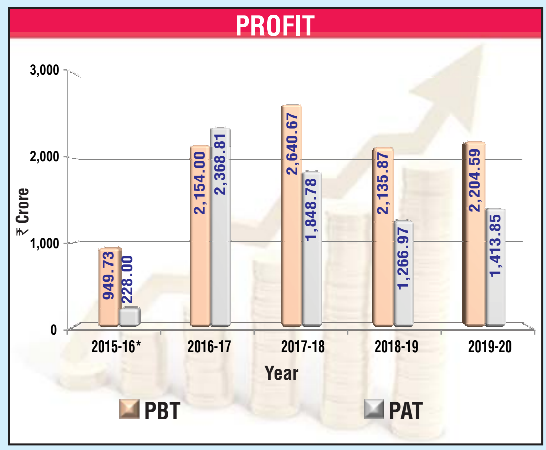
Value Added Per Employee (₹)
51,81,696

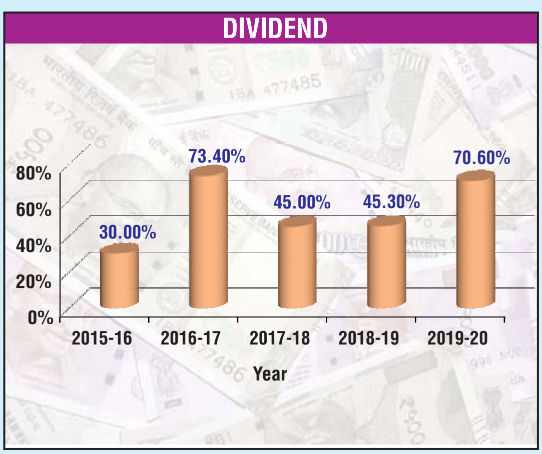
Book Value (₹)
90.23

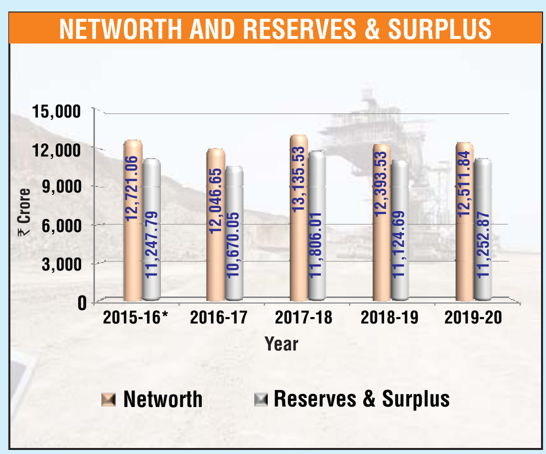
Earning Per Share (₹)
10.20







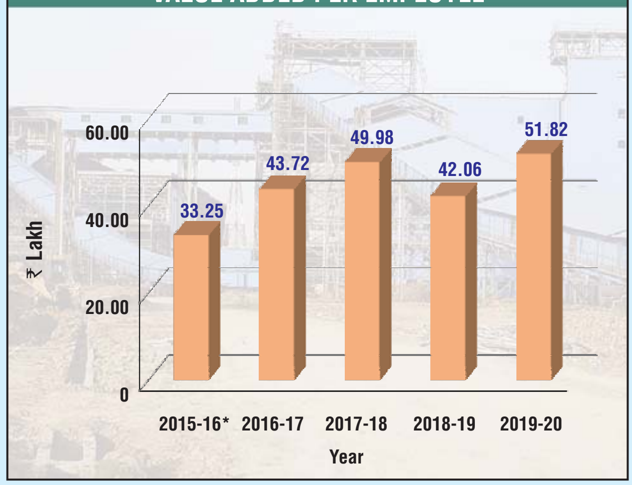




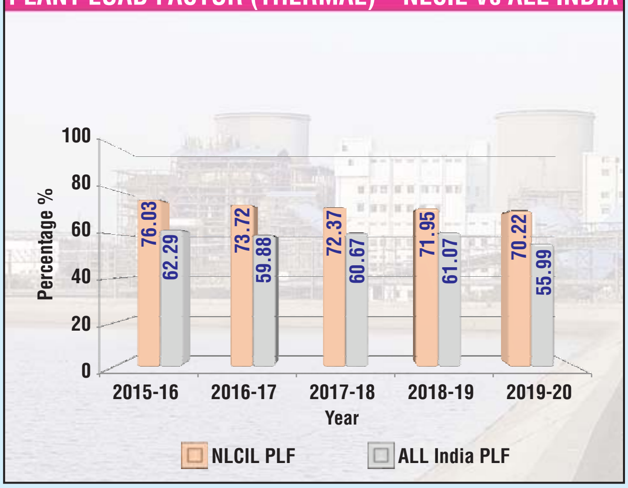
* 2015-16 Financial Figures are Re-stated as per Ind AS

PHYSICAL AND FINANCIAL CHARTS

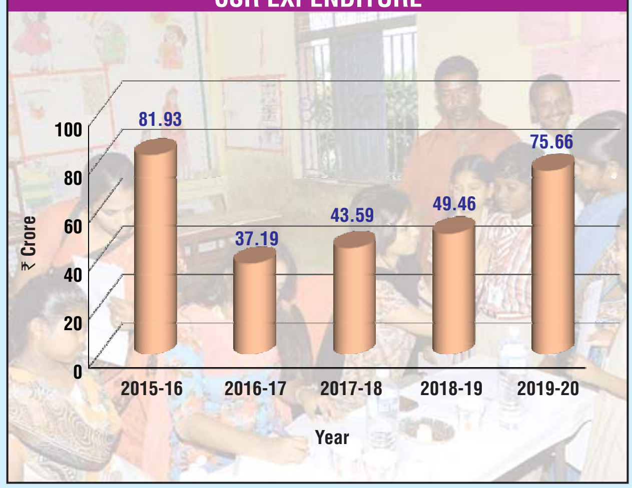
VALUE ADDED PER EMPLOYEE



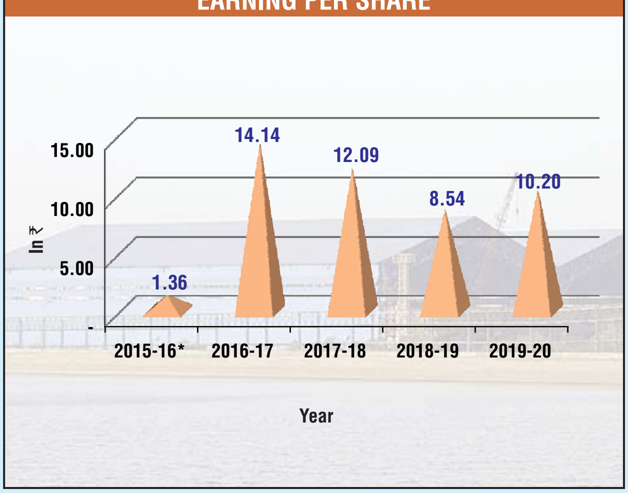
PLANT LOAD FACTOR (THERMAL) – NLCIL Vs ALL INDIA



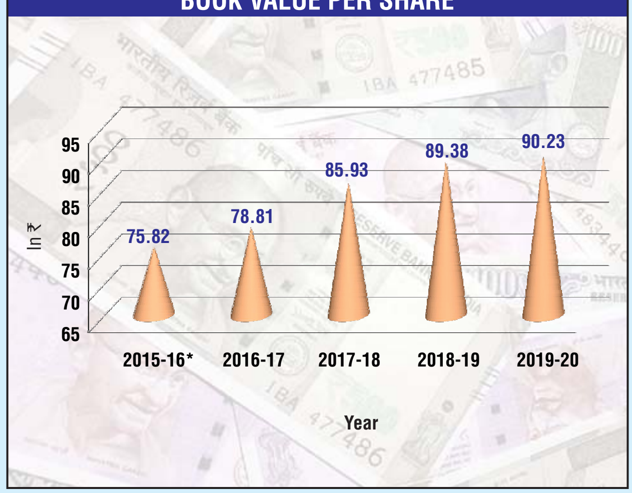
CSR EXPENDITURE



EARNING PER SHARE



BOOK VALUE PER SHARE



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10 Years Performance at a glance - Financial

(₹ in crore)*

	2019-20	2018-19	2017-18	2016-17	2015-16 (Restated)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
INCOME STATEMENT											
Sales	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	4,295.95
Other Income	1,216.98	913.35	586.85	674.57	525.15	525.15	709.29	1,024.76	582.95	748.36	571.69
Total Income	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	4,867.64
Operating Expenses	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	2,674.47
Depreciation	958.39	745.72	861.15	683.07	641.49	599.23	440.62	517.28	512.31	430.18	412.87
Interest	820.38	390.09	204.98	169.06	188.36	188.36	156.06	181.58	193.39	149.54	112.77
Net Movement in Regulatory Deferral Account Balances	4.41	(859.41)	49.03	873.56	906.34	-	-	-	-	-	-
Profit/(Loss) before Exceptional items and Tax	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	1,667.53
Exceptional Items	(3.44)	(35.21)	59.44	(180.08)	(28.38)	(28.38)	345.57	(72.97)	161.34	78.15	17.02
Profit Before Tax	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	1,684.55
Provision for Tax	790.74	868.90	791.89	(214.81)	721.73	721.73	803.65	707.25	587.90	572.56	386.22
Profit for the Year	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	1,298.33
Other Comprehensive Income	(125.36)	(34.20)	61.03	(26.61)	12.62	-	-	-	-	-	-
Total Comprehensive Income	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	1,298.33
Earning Before Exceptional Item, Int., Deprn.& Tax (including Regulatory)	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	2,193.17
Dividend	978.97	669.42	646.58	1,121.97	503.32	503.32	469.76	469.76	469.76	469.76	385.87
Dividend - tax	181.21	137.60	127.67	228.42	101.50	101.50	96.94	79.83	78.55	76.21	62.60
BALANCE SHEET											
Equity Capital	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	1,677.71
Reserves & Surplus	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	9,496.82
Free Reserves	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	9,216.01
Networth	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	11,121.40
Loans Outstanding	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	4,004.04
Net Fixed Assets	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	6,795.82
Investments	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	964.75
Net Current Assets	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	5,268.07
Capital Employed #	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	12,063.89
RATIOS											
Operating Margin(OPM)(%)	35.04	21.47	36.60	39.12	32.91	33.24	31.62	32.78	35.94	35.69	37.74
Return on Capital Employed (ROCE)(%)	5.98	8.28	12.16	18.95	1.69	7.50	12.81	12.11	11.50	10.22	10.76
Return on Networth (RONW)(%)	11.30	10.22	14.07	19.66	1.79	7.89	10.69	10.82	11.29	11.77	11.67
Debt Equity (%)	134.12	106.24	66.38	57.77	27.83	23.18	21.42	22.69	27.27	31.86	36.00
Current Ratio	1.83	1.57	1.39	1.41	1.70	3.19	3.55	3.44	3.78	3.17	3.04
Quick Ratio	1.63	1.35	1.20	1.15	1.47	2.75	3.16	3.16	3.46	2.97	2.85
Value added per employee (in ₹ lakh)	51.82	42.06	49.98	43.72	33.25	33.36	29.61	28.42	26.43	22.04	19.34
BOOK VALUE PER SHARE (in ₹)	90.23	89.38	85.93	78.81	75.82	91.02	88.05	82.74	77.04	71.46	66.29
EARNING PER SHARE (in ₹) after adjustment of net regulatory deferral balances	10.20	8.54	12.09	14.14	1.36	7.18	9.42	8.95	8.70	8.41	7.74
DIVIDEND - (%) **	70.60	48.00	42.30	73.40	30.00	30.00	28.00	28.00	28.00	28.00	23.00

* Except other wise stated # 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.

10 Years Performance at a glance - Physical

PARTICULARS	UNIT	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
PRODUCTION :											
LIGNITE											
MINE-I	LT	**79.76**	74.02	81.53	94.01	91.01	90.55	90.03	79.60	77.34	83.05
MINE-IA	LT	**29.70**	29.97	27.46	27.80	28.17	29.15	30.01	29.40	28.77	27.19
MINE-II	LT	**125.70**	126.42	126.70	140.23	123.09	132.21	130.52	139.44	130.96	117.11
Barsingsar Mine	LT	**13.48**	12.08	15.84	14.13	12.24	13.52	15.53	13.79	8.83	4.09
TOTAL	**LT**	**248.64**	242.49	**251.53**	**276.17**	**254.51**	**265.43**	**266.09**	**262.23**	**245.90**	**231.44**
POWER											
TPS - I	GROSS MU	**2710.81**	3105.78	3379.15	3696.70	3160.98	3631.05	4058.14	4035.43	3987.85	3878.65
	NET MU	**2327.65**	2691.04	2939.29	3256.99	2776.89	3192.95	3594.55	3569.44	3510.55	3400.54
TPS - I EXPN.	GROSS MU	**3328.58**	2949.60	3247.15	3337.33	3268.16	3385.03	3292.10	3319.77	3042.68	2997.04
	NET MU	**3047.59**	2707.32	2972.80	3055.32	3000.07	3107.27	3013.59	3035.58	2809.97	2743.44
TPS - II	GROSS MU	**10425.38**	10745.08	10259.02	11052.17	10583.15	11131.33	11179.16	11238.09	11087.65	10739.78
	NET MU	**9392.09**	9692.52	9245.40	9988.05	9546.47	10063.06	10104.37	10152.16	10018.96	9701.51
Barsingsar Thermal	GROSS MU	**1527.82**	1357.97	1648.09	1463.49	1285.57	1380.71	1438.24	1280.85	617.68	265.61
	NET MU	**1333.05**	1179.76	1435.43	1275.20	1106.09	1255.79	1256.96	1118.40	514.29	193.45
TPS - II EXPN.	GROSS MU	**1616.96**	1932.71	2007.86	1375.25	851.46	199.57	21.01	28.20	53.58	0.00
	NET MU	**1345.89**	1639.31	1685.20	1130.16	660.77	125.38	14.00	19.81	39.34	0.00
NNTPS	GROSS MU	**827.40**	-	-	-	-	-	-	-	-	-
	NET MU	**783.42**	-	-	-	-	-	-	-	-	-
Wind Power	GROSS MU	**84.61**	113.89	129.04	91.28	24.02	1.44	-	-	-	-
	NET MU	**81.18**	103.68	123.90	88.11	23.72	1.44	-	-	-	-
Solar Power	GROSS MU	**1401.42**	471.14	70.52	16.88	8.87	-	-	-	-	-
	NET MU	**1401.42**	471.14	70.52	16.88	8.87	-	-	-	-	-
TOTAL POWER	**GROSS MU**	**21922.98**	20676.18	20740.84	21033.10	19182.21	19729.13	19988.65	19902.34	18789.44	17881.08
TOTAL POWER	**NET MU**	**19712.29**	18484.77	18472.55	18810.71	17122.88	17745.89	17983.47	17895.39	16893.11	16038.94
SALES :											
LIGNITE	LT	**23.87**	30.90	16.16	13.26	17.16	25.48	32.54	27.56	27.18	21.68
POWER	MU	**18840.84**	17505.30	17418.83	17719.46	16104.02	16671.23	16956.40	16841.51	15810.67	14971.26

LT - Lakh Tonnes MU - Million Units

DIRECTORS' REPORT FOR THE YEAR 2019-20

Dear Members,

It is indeed my proud privilege on behalf of our Board of Directors to present the 64th Directors' Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2020 together with Auditors' Report and comments on the Accounts by the Comptroller and Auditor General (C&AG) of India.

Major Highlights

The Financial Year 2019-20 has been a year of good achievements for your company with all round performance. The significant highlights of achievements during the year 2019-20 and during the current year to date are as follows:

- ✓ Commissioning of the entire 709 MW Solar Power Projects in Tamil Nadu. With the completion of this project, the Company has become the first CPSE in the Country to achieve solar power generation capacity of more than one GW.
- ✓ 20 MW Solar Power Projects in Andaman & Nicobar Island in which 2.5 MW was commissioned in December 2018 and the balance 17.5 MW was commissioned on 30.06.2020.
- ✓ Commissioned Unit 1 of 2x500 MW Neyveli New Thermal Power Station on 28th December 2019, the first of its kind for this capacity in Lignite based Thermal plants in India.
- ✓ Mining Operation commenced from the 20.0 MTPA Talabira II & III Coal Mine at Odisha on 11th December 2019 and Coal excavation started on 26th April 2020 amidst COVID – 19 restrictions.
- ✓ Achievement of average Thermal Plant Load Factor (PLF) of 70.22 % against the national average PLF of 55.99%.
- ✓ Trading of Thermal Power in Real Time Market (RTM) on Real Time Market basis in the exchange commenced through IEX on 1st June 2020 to trade the surrendered power, aiming towards full trading and almost zero power surrender professionally.
- ✓ A Memorandum of Understanding (MoU) was reached between the Trade Unions representing contract workmen and contractor employers in the presence of representatives of the Company for wage settlement of Contract employees effective from 1st January 2020.
- ✓ Entered an agreement with Coal India Limited, a Maharatna Central Public Sector Enterprise on 3rd July 2020, also under the Ministry of Coal, to form a Joint Venture Company to develop Solar and Thermal power assets to the tune of 5,000 MW on pan-India basis.

OPERATIONAL PERFORMANCE

Power


Aerial view of NNTPS

Your Company has added 1209 MW during 2019-20 and 17.5 MW on 30.06.2020 and retired 400 MW to its installed capacity. With this addition and retirement, the total installed capacity has become 4661.06 MW.

Power Generation – Lignite based Thermal Power & Solar Power

During the year, the total Power Generation (Gross) of 21922.98 Million Units (MU) and Power Export of 18840.84 MU have been achieved in spite of Power surrender of 1945.71 MU witnessed from State DISCOMs.

The average Plant Load Factor (PLF) of the Thermal Power Plants of the Company as a whole during the year 2019-20 was 70.22% as against the National Average of 55.99%. During the year 2019-20, DISCOMS had surrendered 1945.71 MU as against 1891.47 MU during 2018-19 and considering this power surrender the overall power generation would have been still higher.

Mining - Lignite & Coal

Your Company is presently operating three open cast 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 excavation from Talabira II & III Coal Opencast Mines at Odisha from 26th April 2020 with a mining capacity of 20.0 MTPA. Coal production to the mining capacity is expected to reach in 2027-28.


Over view of Mine II

The total overburden (OB) removal of 1611.27 Lakh Cubic Meter (LM^3) from Lignite & Coal Mines and Lignite Production of 248.64 Lakh Tonne (LT) has been achieved from the Lignite Mines during the year 2019-20.

Productivity

The output per man shift achieved during the year 2019-20 as compared with the previous years are given below.

Product	Unit	2019-20	2018-19
Lignite	Tonne	15.99	14.11
Power	KwHr	29305	26197

Financial Performance

During the year ended 31st March, 2020, the Company had registered a revenue from operations of ₹ 7,916.30 crore as against ₹ 7,145.92 crore during the year 2018-19.The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2019-20 were ₹ 2,204.59 crore and ₹ 1,413.85 crore respectively, as against ₹ 2,135.87 crore and ₹ 1,266.97 crore respectively during the previous year ended 31st March, 2019.

On a Consolidated basis, the total revenue from operations for the year 2019-20, was ₹ 10,320.56 crore against ₹ 9,870.93 crore in 2018-19. The PBT and PAT for the year 2019-20 were ₹ 2,345.11 crore and ₹ 1,452.98 crore respectively as against ₹ 2,561.40 crore and ₹ 1,537.35 crore respectively in the year 2018-19.

The details of profit earned for the financial year 2019-20 and appropriation of the same are as follows:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	7,916.30	7,145.92	10,320.56	9,870.93
Profit Before Tax	2,204.59	2,135.87	2,345.11	2,561.40
Tax Provision	790.74	868.90	892.95	1,024.05
Profit /(Loss) for the Period (PAT)	**1,413.85**	**1,266.97**	**1,452.98**	**1,537.35**
Appropriation				
Transfer (to) / from Interest Differential Fund Reserve	(8.72)	(8.07)	(8.72)	(8.07)
Transfer from Bond Redemption Reserve	-	150.00	-	150.00
Transfer to PRMA Reserve Fund	(10.03)	(16.83)	(10.03)	(16.83)
Transfer to Contingency Reserve	(10.00)	(10.00)	(10.00)	(10.00)
Transfer to Capital Redemption Reserve	-	(141.93)	-	(141.93)
Buy back Premium	-	(1,107.07)	-	(1,107.07)
Dividend (Interim/ Final)	(978.97)	(669.42)	(978.97)	(669.42)
Tax on Dividend	(181.21)	(137.60)	(181.21)	(137.60)
Ind AS 116 Lease adjustment	(0.13)	-	(0.13)	-

Dividend

During the year 2019-20, the Board of Directors of your Company had declared an Interim Dividend of 70.60% (₹7.06 per equity share) amounting to ₹ 978.97 crore and the same has been treated as the Dividend for the year 2019-20.

Divestment of Shareholding by Government of India

The Government of India has from time to time, disinvested its stake in your Company. During the year under review, GOI has disinvested 2.71% shares as under:

S. No	Particulars	No. of shares divested during 2019-20	Percentage sold
1.	CPSE ETF during July 2019	1,46,64,119	1.06
2.	Bharat 22 ETF during October 2019	20,46,045	0.15
3.	CPSE ETF during February 2020	2,08,53,522	1.50

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

Capacity Addition:

Your Company has taken up several capacity addition projects which are under construction / implementation and the details of such projects are as under:

Description	Capacity (MW)	Project Cost (₹ in crore)	Cumulative CAPEX as on 31-03-2020 (₹ in crore)	Expected COD / Status
Power Sector				
Neyveli New Thermal Power Project (NNTPP) in Neyveli	2x500#	7,980.79	7,185.39	2020-21
Bithnok Lignite Thermal Power Project in Rajasthan	1x250	2,196.30	173.83	Presently on hold
Barsingsar Thermal Power Extn. Project in Rajasthan	1x250	2,112.59	158.25	
Renewable Sector				
Solar Power Project in Andaman Islands@	20	130.77	119.82	Completed in June 2020
Mining Sector	**MTPA**			
Expansion of Mine-I & IA Lignite Mines in Neyveli, Tamil Nadu	4.00	709.06	468.21	Presently on hold
Bithnok Lignite Mine in Rajasthan	2.25	513.63	175.30	
Hadla Lignite Mine in Rajasthan	1.90	522.45	9.88	
Talabira II & III	20.00	2401.07	712.91	Jan 2027 *

 # Unit – I of 500 MW has been commissioned in December 2019.

@ 2.5 MW has been commissioned in 2018-19 and 17.50 MW commissioned on 30th June 2020.

** attainment of full production capacity*

Projects under Formulation:

Various projects of your Company are under formulation and the details of such projects are as under:

Description	Capacity (MW)	Project Cost (₹ in Crore)	Expected COD/Status
Power Sector			
Talabira Thermal Power Project in Talabira, Odisha	3x800	17,636.78	2027
Thermal Power Project (JV of NLCIL & MCL)*	2x800	11,363.18	2026
Thermal Power Station-II Second Expansion in Neyveli	2x660	8,733.49	2026
Renewable Sector			
Solar Power Project (JV of NLCIL & CIL)*	1000	4,000.00	March 2023
Mining Sector	**MTPA**		
Mine-III in Neyveli, Tamil Nadu	11.50	2,130.30	-

* JV Agreement signed with CIL on 3rd July 2020 to set up 5000 MW of solar & thermal projects

Subsidiaries /Joint Venture 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 a 2x500 MW Coal based Thermal Power Plant at Tuticorin in Tamil Nadu. During the year 2019-20, the power generation was 4,844.40 MU (excluding surrender of 2,066.17 MU) as against 5,486.63 MU in the year 2018-19 with a PLF of 55.15%. The reduction in generation was mainly attributable to the failure of Generator in Unit-2, heavy power surrender and reserve shut down. NTPL has declared a dividend of 3% for FY 2019-20.

During the year ended 31st March, 2020, NTPL in its full year of operation registered a revenue from operations of ₹ 2,434.72 crore and the Profit Before Tax & Profit After Tax for the year 2019-20 were ₹ 226.49 crore and ₹143.15 crore respectively.

Neyveli Uttar Pradesh Power Limited (NUPPL) – A Joint Venture between NLCIL & UPRVUNL - Ghatampur Thermal Power Project (1980 MW) linked to Pachwara South Coal Block (11 MTPA) in Jharkhand

NUPPL, the Subsidiary Company is implementing the 3 x 660 MW Ghatampur coal based Thermal Power Project (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh at a cost of ₹ 17,237.80 crore with original commissioning schedule of Unit I in December, 2020, followed by other two units at an interval of 6 months each. However, due to COVID-19 impact, delay is expected in commissioning of Unit I.

NUPPL - under construction

The Company had signed a Power Purchase Agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL) for supplying 75% of the Power from GTPP. Since all the other Northern States are not in need of power from GTPP, Ministry of Power, Government of India (GoI) has allocated 1843.68 MW to State of Uttar Pradesh and NUPPL is pursuing for allocation of the remaining unallocated portion also with the Regulators. The Coal supply is linked to Pachwara South Coal Block. Bridge Coal Linkage of 0.5MT to Ghatampur Thermal Power Project (GTPP) for the year 2020-21 has been approved by Ministry of

Coal. The remaining quantity will be fulfilled from Talabira II and III Mine belonging to the Company till the commencement of till operation of Pachwara South Coal Block.

The project has achieved a CAPEX of ₹ 3,525.18 crore in the year 2019-20. The cumulative expenditure incurred since inception up to 31st March 2020 is ₹ 9,199.20 crore.

Pachwara South Coal Block (11 MTPA) in Jharkhand

NUPPL has been allotted with the Pachwara South Coal Block, in the State of Jharkhand and the same is proposed to be developed with a capacity of 9.0 MTPA (Normative) &11.00 MTPA (Peak) at an estimated cost of ₹ 1795 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 and the Mine Plan have been submitted to MoC. Civil survey and site survey have been completed. The cumulative expenditure incurred up to 31st March 2020 was ₹ 29.02 crore.

MNH Shakti Limited

Mahanadi Coal Fields Limited, your Company and Hindalco jointly formed MNH Shakti Limited with equity participation of 70:15:15 to implement 20.0 MTPA Coal Mining Project in Talabira, in the State of Odisha. The Talabira II & III Coal Blocks allocated for this purpose have been cancelled pursuant to judgment 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.

Joint Venture Agreement with Coal India Limited

Your Company has inked an agreement with Coal India Limited, a Maharatna Central Public Sector Enterprise on 3rd July 2020, also under the Ministry of Coal, to form a Joint Venture Company to develop Solar and Thermal power assets to the tune of 5,000 MW on pan-India basis.

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.

Borrowing & Credit Rating

Bonds

During the Financial year 2019-20 and subsequently during the financial year 2020-21, your Company has issued the following bonds:

Particulars	Face value	Issue Size (₹ Crore)	Coupon Rate	Date of Allotment	Date of Maturity	Trustee
Secured, Non-Cumulative, Non-Convertible, Redeemable, Taxable Bonds (in the nature of Debentures) - Series I 2019	₹10,00,000/-	1475	8.09%	29-05-2019	29-05-2029	SBICAP Trustee Company Limited
Secured, Non-Cumulative, Non- convertible, Redeemable, Taxable Bonds (in the nature of Debentures) - Series I 2020.	₹10,00,000/-	525	7.36%	27-01-2020	25-01-2030	SBICAP Trustee Company Limited
Unsecured, Non-Cumulative, Non- convertible, Redeemable, Taxable Bonds (in the nature of Debentures) - Series II 2020.	₹10,00,000/-	500	5.34%	31-07-2020	11-04-2025	IDBI Trusteeship Services Ltd.

Commercial Paper

During the Financial Year 2019-20 and during the current year, your Company has mobilized funds by issue of Commercial Papers in various tranches with different tenures to optimise the finance cost. The details of Commercial Papers issued by your company during 2019-20 and subsequent issues as on 01.09.2020 are summarized below:

Issue date	No. of Days	Maturity Date	Issue Amount (₹ crore)	Coupon Rate
06-03-2020	175	28-08-2020*	500	5.45%
12-03-2020	78	29-05-2020*	500	5.10%
20-04-2020	88	17-07-2020*	1000	4.89%
29-05-2020	90	27-08-2020*	500	3.59%
03-06-2020	90	01-09-2020*	600	3.73%
03-06-2020	268	26-02-2021	600	4.40%
02-07-2020	90	30-09-2020	500	3.40%
20-07-2020	65	23-09-2020	500	3.37%
14-08-2020	76	29-10-2020	1000	3.38%
27-08-2020	76	11-11-2020	800	3.38%
01-09-2020	91	01-12-2020	750	3.38%

* Redeemed on respective maturity dates.

Credit Rating for Borrowings

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

Commercial

Power Dues / Realisation:

The outstanding power dues including March 2020 month invoices of the Company as on 31st March, 2020 was ₹7288.33 crore against ₹ 5131.32 crore for the corresponding period of the year ended 31st March, 2019. The dues beyond the 45 days limit as on 31st March, 2020 was ₹ 5919.17 crore as against ₹ 3,991.36 crore for the corresponding period of the previous year ended 31st March, 2019.

Sale of Power in Power Exchange:

During the year 2019-20, the power surrendered by the DISCOMs / Beneficiaries was 1945.71 MU as against 1891.47 MU in the year 2018-19. Lesser demand from Beneficiaries, availability of cheaper power in the open market etc. are the reasons attributable to Power Surrender.

The Un-requisitioned Surplus (URS) power was sold in the market. During the year under review 1167.85 MU of surrendered power were sold through Power Exchanges, thereby fetching a revenue of ₹324.87 crore.

Real time Market

Real-Time Market (RTM) for Electricity is a power market reform continuum by Central Electricity Regulatory Commission (CERC) to provide the market players an organized platform for energy trade closer to real time. This measure has been implemented from 01.06.2020.

The market facilitates your Company to sell the surrendered power in Power Exchange and this facility would be an enabler facility to reach zero surrender status in the coming months.

Your Company commenced the sale of Surrendered Power in Real Time Market segment of Power Exchanges from 01.06.2020, by setting up control room for bidding in the Real Time market round the clock. During the month of June 2020, 111.23 MU of surrendered power was sold in RTM and earned a revenue of ₹ 24.12 crore. Your Company's share in IEX is 21.24 % by volume as on 30th June, 2020.

Impact of COVID-19

Due to the outbreak of COVID 19 in India and globally, your Company is continuously monitoring the impact of the same in business operations and financials. An initial assessment was made and are as follows

a) The Company is engaged in the Business of Mining and Power Generation which are classified as an essential service. The Company has ensured the availability of its Thermal and Solar power plants including its subsidiary plant to generate power and has continued to supply power during the period of lockdown.

b) Due to the low demand of power during the period, there was huge power surrender and the Company have to operate its power plants with lower load factor, the same expected to be lower for some more period. However, as per the regulatory framework of business this would not have a significant impact on profitability.

c) In Neyveli, Tamil Nadu, open cast mining activity was stopped in all the three lignite mines from 25.03.2020 to 07.04.2020 and the pit head thermal stations requirements were met from the lignite stocks available. The mining activity was restored in all the three Mines with reduced workforce after ensuring social distancing, safety and health of the workforce.

d) The majority of the workforce engaged for mining was hailing from nearby villages. Many such villages were declared containment zones and hence the labour force from those villages was not engaged during such period.

e) As per the directions of Govt. of India, the wages of contract workmen were paid during their absence for a short period.

f) Regular mining activity was going on in Barsingsar mine in Rajasthan, which is fully outsourced and there was no disruptions and the productivity was ensured.

g) Talabira II & III OCP, Odisha has commenced its production during the difficult times of COVID on 26th April 2020. The mining activity in the initial days was slowed down to address social distancing and to equip with necessary safety measures and the same was resumed. The construction of railway line work related to first mile connectivity could not be progressed during the COVID-19 period.

h) Ministry of Power (MoP) directed CERC to reduce the rate of late payment surcharge (LPSC) for the payments which become delayed beyond a period of 45 days (from the date of presentation of the bill) during the period from 24 March 2020 to 30 June 2020, to contain the impact of COVID-19. On these directions CERC has issued order whereby it has been directed that LPSC shall apply at a reduced rate of 12% instead of normal rate of 18% on payments becoming overdue during the said period.

i) Ministry of Power also issued guidelines on 15th May'2020 for CPSE's for consideration of the followings :-

   i. Deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments.

   ii. Rebate of about 20-25% on power supply billed (fixed cost) to DISCOMs

j) The impact on account of the lower rate of surcharge (₹12.03 crore) as per the directives of CERC, deferment of capacity charges (₹0.86 crore) for the power not scheduled and rebate @20% on power supply billed (fixed cost) (₹42.09 crore) as per the guideline issued by MoP for the 40 days COVID period. The benefit as per MoP guidelines will be considered for pass on after detailed deliberation with the beneficiaries in this regard.

k) The construction and commissioning of Unit 2 (500MW) of New Neyveli Thermal Power Station/Project (NNTPP) in Neyveli is getting delayed and as the majority Inter State Migrant (ISM) workers had left the construction site to their native states. This is the major impact of Covid-19 lockdown and still your Company could not commit on the commissioning schedule of Unit-2. The impact towards additional IDC and IEDC during the period till 30th June is about ₹65 crore apart from loss of revenue due to delayed commissioning.

l) As the delay is on mainly account of the force majeure condition, your Company will request the same with CERC for fixing the Tariff for the Plant after considering the delay as force majeure with consequential impact on Project Cost.

m) There is a little impact of Covid-19, as all the solar plants are being operated in Solar Developer and Operator (SDO) model. The running plants have suffered due to disturbances in availability of critical spares because of the broken supply chain due to Covid-19. There are some disruptions in O&M plants for achieving full generations.

n) Your Company could commission the remaining 17.5 MW out of the total 20 MW in Andaman Islands along with 8 MWHr battery systems on 30th June 2020. The commissioning got delayed by three and half months because of Covid-19 impact. This project is covered under MNRE CFA scheme with a validity period till 31st March 2020. MNRE has issued office memorandum dated 17 April 2020 stating the time extension in scheduled commissioning date of Renewable Energy projects considering disruption due to lockdown time and additional thirty days for normalisation after end of such lockdown.

o) The impact on IDC and IEDC (about ₹1.85 crore) due to the above delay is expected to be suitably addressed by CERC while determining the tariff of the project and CFA scheme is expected to be extended for the said delayed period.

p) Your Company has started power trading in the Real Time Market (RTM) from 1st June 2020 onwards, which reduces the power surrender by trading the excess power that could be partially generated. Your Company's share in IEX is 21.24 % by volume.

q) The Internal Control over Financial Reporting has not been affected despite the country level lockdown since the company has been using SAP ERP platform. The HR department and Township Administration and NLCIL's General Hospital are working in full swing with task forces to combat Covid-19.

r) Moreover, the company has also implemented 'Work From Home' (WFH) policy and guidelines. The company has initiated remote working model through VPN access which is working well. Video conferencing mode of communication is being used across the Company for conducting various meetings, reviews and other activities.

s) On Neyveli Uttar Pradesh Power Ltd., the Subsidiary Company

   i. Ghatampur Thermal Power Project, UP is under construction of 3 units of 660 MW. The three units are scheduled to be commissioned by November 2020, May 2021 and November 2021. But owing to the lockdown, all the inter-state migrant (ISM) workers have left the construction site. The construction activities got hampered and hence the commissioning of the units is also going to get delayed further. All out efforts are being made to bring back the remaining ISM workers.

   ii. The impact towards additional IDC and IEDC, transmission charges etc during the period till 30th June is about ₹146 crore apart from loss of revenue due to delay in commissioning of the project. There is also likely impact beyond 30th June'2020 as mentioned above due to slow down of project activities in absence of requisite work force at site which will be evaluated suitably after normalisation of project activities.

t) On NLC Tamilnadu Power Ltd., the Subsidiary Company

The impact on account of the lower rate of surcharge (₹4.43 crore) as per the directives of CERC, and deferment of capacity charges for the power not scheduled (₹1.07 crore) and rebate @20% on power supply billed (fixed cost) (₹18.51 crore), as per MoP guidelines for the 40 day's period on the financials of the company. The benefit as per MoP guidelines will be considered for pass on after detailed deliberation with the beneficiaries in this regard.

The management does not anticipate any medium to long term risks in your Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Contribution to PM CARES Fund

Your Company has contributed ₹ 20 crore from its Corporate Social Responsibility Initiative Fund to the PM CARES Fund. Employees of your Company have contributed their one day's salary amounting to ₹ 5 crore to this fund. In addition, 135 employees have voluntarily contributed ₹ 7.46 lakh to this fund.

Relief Measures

In order to extend a helping hand to the surrounding population who are hit economically due to the lock down and as a social measure, your Company has provided relief materials such as masks, groceries and had also sanitised houses and community buildings wherever warranted.

Industrial Incidents

An unfortunate fire incident occurred on May 7, 2020 in Unit – VI Boiler area of Thermal Power Station – II in Neyveli,Tamil Nadu wherein two employees on Regular Rolls and six contract workmen / supervisor suffered burn injuries. Immediate first aid and higher treatment was also provided to the injured persons. Two employees and three contract workmen succumbed to burn injuries despite treatment. A committee was formed to investigate the incident and to give the findings for taking necessary action. Both internal and external committees submitted its reports. Appropriate relief measures and compensation were provided to the deceased and injured apart from giving employment to the immediate kin of the deceased.

While carrying out one of the recommendations of the above Committee, another fire incident occurred on July 1, 2020 in Unit V of Thermal Power Station – II, when the said Unit was under shutdown, where a fire broke out in the boiler area outside the furnace subsequent to an explosion. This incident resulted in burn injuries to the maintenance team comprising of one executive, two supervisors, three Non-executive employees & seventeen contract workmen and out of the 23 injured, 15 succumbed to injuries. A High Level External Committee and an Internal Committee were formed to investigate in to the above incident and the reports have been received. As per the Committee Reports when the cleaning operations were being carried out inside the Girders in Unit V, as was carried out in Unit –VI & VII, as recommended by the Investigation Committee of Unit –VI Fire Incident occurred in May, 2020, the above fire incident had occurred. The External Committee has also inter-alia observed in the Root Cause Analysis that this type of explosion in Boiler Box Type Girder Structure is Unique and may be first of its kind in the history of Thermal Power Stations in India. Appropriate relief measures and compensation were given to the deceased and the injured apart from giving employment to the immediate kin of the deceased.

Insurance

Your Company has taken a Mega Insurance Coverage through National Insurance Company Ltd for its assets - mining, thermal, solar, service units operating units at Neyveli and Barsingsar, Rajasthan for the first time as against the previously covered standalone Standard Fire & Special Perils Policy (SFSP) for FY 2019-20. The mega Insurance extends covers such as Machinery Breakdown (MBD), Fire Loss of Property (FLOP), Machinery Loss of Property (MLOP) for the operating thermal & solar units and Machinery Damage (MD) & Standard Fire & Special Perils Policy (SFSP) for its operating mining units.

Rehabilitation & Re-settlement

Your Company takes care of the Project Affected Persons (PAPs) through appropriate R & R Policy 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 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 "Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act – 2013" (RFCTLARR) is applicable since 01.01.2014.

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."

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. The major functions of CARD is to carry out Science & Technology Research Projects, Environmental Monitoring, Pollution level measurements, Quality control Testing & Consultancy & Technical services. Based on the R&D and Pilot Project outcome, technology development, patenting and commercialization are undertaken. It also Coordinates to S&T projects undertaken by Units, provides Institutional services to students, special studies for operation of new schemes and new Initiatives etc. CARD is rendering analytical services towards quality control of various products / materials used in mines, power stations and other service units as well as for outside agencies. CARD is also carrying out various 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 been granted NABL accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL) based on the international standard ISO/IEC 17025:2005. CARD has undertaken the formation of Innovation and Incubation Centre in collaboration with premier institutions of the Country.

The total R&D expenditure, incurred during the year 2019-20 was ₹ 24.45 crore.

Human Resource

Your Company strongly believes in Human Resource which is a major asset and key performer that drives the Company's growth. The Human Resource philosophy of your company is to create a holistic work environment where employees get opportunities to realise their skills and enhance their potential.

Training

Your Company believes that continual learning and development are the means of promoting employee growth and acquiring high skilled work force. Your Company embraced the training and development as an integral part of the human resource development activity for enhancing the knowledge and skill sets of the employees. During the year 2019-20, your Company had conducted various in-house / deputation training programmes, workshops, conferences, symposia etc, to boost the performance of the employees and also deputed employees to such similar programmes within India and abroad.

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

During the year, Trade Unions representing contract workmen submitted a charter of demand for revision of wages and other benefits. In order to look into the grievances/demands, a Joint Bi-partite Committee (JBC) comprising representatives of Trade Unions of contract workmen, Recognised Unions, representatives of Contractor Employers was constituted along with representatives from the Management. The formation of JBC was a new initiative in your Company in order to hold Bi-partite level of discussions to arrive at an amicable understanding in a peaceful atmosphere. As a milestone in the history of your Company, a Memorandum of Understanding (MoU) was reached between the Trade Unions representing Contract Workmen and Contractor Employers in the presence of representatives of NLCIL Management without any agitation/ strike/ loss of production.

In accordance with the order of Chief Labour Commissioner (Central), New Delhi, the contract workmen deployed in your Company are paid Minimum Wages and Dearness Allowance with increase in DA notified from time to time.

In general, the industrial relations scenario of your company remained peaceful and cordial during the year 2019-20.

Manpower

The total employee strength (including subsidiaries) stood at 12,486 as on 31st March, 2020 as against 13,464 as on 31st March 2019.

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, 2020 stood as follows:

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	3559	753	309	495*	21.16	8.68	13.91*
B	278	55	13	80	19.78	4.68	28.78
C	8078	1547	85	2679	19.15	1.05	33.16
D	571	117	2	332	20.49	0.35	58.14
Total	**12486**	**2472**	**409**	**3586**	**19.80**	**3.28**	**28.72**

**indicates the strength of OBCs on rolls after reservation for OBCs came in to effect (i.e 08-09-1993). However more than required percentage of employees (covered in the Central list of OBC category) were recruited on the strength of BC category prior to reservation for OBCs came in 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 4839 Nos. About 98% of the students studying in these schools are from the peripheral villages, wards of contract employees, daily wages workmen and others who are with very poor means.

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% slots are 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 for benefitting employees, contract workmen, CISF and their dependents. Further, for specialized treatment, facilities are provided at reputed empanelled Hospitals.

During the COVID-19 pandemic, your Company's General Hospital meticulously followed the advisories and instructions issued by the top management from time to time that enabled its 350 bed acute care facility to quickly innovate and adapt in dealing with COVID 19 pandemic and fall outs with remarkable success in containing its spread among the Neyveli community. Your Company's hospital developed new medical care processes, practices and re-equipped itself with medical arsenals required to gain upper hand over the epidemic and pin it down.

Sports

Your company conducts various sports and cultural activities through its Sports Development Centre for promoting sports and fitness, enhancing quality and lifestyle within the community. Your company sports persons have participated in various tournaments conducted across the country and won medals that earned honour to the Company. The Neyveli school students have made notable achievements in various State, National and International level tournaments / competitions and won medals and trophies.

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 and home care to the elders and help them to lead a happy and peaceful life with dignity. The employees lend a helping hand by contributing a fixed amount every month from their salary to run the 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 2020 stood at 204.

Some of the other initiatives taken by the Company for the welfare of the Physically and mentally challenged persons are as follows:

- Distribution of tricycles, wheel chairs, hearing aids to the disabled persons during Independence Day and Republic Day celebrations through a society called Neyveli Health Promotion and Social Welfare Society (NHPSWS), patronized by the Company.
- Imparting education and training to mentally challenged children in vocations viz., arts & crafts, candle making, paper cup/cover making, carpentry, gardening, doormat weaving etc, through SNEHA Opportunity Services and School, patronized by the Company. During the COVID-19 pandemic period, face masks have been stitched and supplied by SNEHA Opportunity Services.

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 2019-20, your Company was awarded with "RAJBHASHA FIELD" for the best performance among the member offices of Town Official Language Implementation Committee (TOLIC) / Pondicherry for successful Implementation of the Official Language.

Women Empowerment

The strength of women employees in your company as on 31st March 2020 stood at 958 constituting 7.67% 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 in SCOPE (Standing Conference of Public Enterprises) since 1990. During the year 2019-20, the WIPS forum of your company had organised various social welfare and awareness programmes for the wellbeing and empowerment of women community.

Safety & Environment

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

- Safety audit of all the Mines is conducted by ISO Team every year and Safety audit of Thermal plants is conducted by accredited external agencies once in two years
- Inspection on a monthly basis by the Central Safety Council members
- Scientific study for slope and bench stability of Neyveli Mines
- Conducting workshops & Training on Safety
- Introduction of Life saving Rules
- Revision of Mines Safety Manual

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

During the year 2019-20, mined out land to the extent of 225.74 Ha have been reclaimed at Neyveli and Barsingsar Mines. Mass tree plantations have been undertaken in 168.89 Ha in the reclaimed area. Slope stabilisation of the Mines Overburden dumps have been undertaken to convert the mine spoil into cultivable soil making it fit for habitation.

Your company continues to plant extensive trees in and around Neyveli Township and production Units, which helps in maintaining clean environment, dust suppression, noise control, lowering the atmospheric temperature and maintaining ecological balance.

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

ISO and OHSAS Certification

TPS I, TPS I Expn. & TPS II at Neyveli has been certified with Integrated Management System (IMS) comprising of Quality, Environment OHSAS Management Systems. TPS II Expn & Barsingsar Plant are in the process of getting IMS (including energy management) Certified.

Risk Management

During the year, your Company had re-casted its Risk Management Policy & Framework by factoring the changes in the current business scenario due to inclusion of diversified businesses like Coal & Renewables and new concepts in contractual business like MDOs and SDOs etc. Risk Management is being practiced by your Company in all units and the possible risks associated with the business are identified and mitigation plans are evolved.

In order to strengthen the Risk Management, an Internal Risk Review Committee (below Board level) has been constituted to review the Risks on a quarterly basis. Besides Risk Prioritization, the Roles and responsibilities of all the members have been clearly defined. The risks together with the mitigation plans and their implementation programs are reviewed by the Risk Management Committee, Audit Committee and Board periodically.

Vigilance

The activities undertaken by Vigilance Department is 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.

Vigilance Awareness Week (VAW 2019) was observed from 28th October to 2nd November, 2019 on the theme **"Integrity – A way of Life".**

As a long term measure, Vigilance Department has introduced "Ethical Forum/Integrity Club" in Schools and College around Neyveli,Tuticorin and at Barsingsar, Rajasthan to impart ethical awareness and ethical character education programme to the students. Around 2000 students have enrolled in the Ethical Forum/Integrity Club. The objective of the programme is to bring a higher order of Morality, Integrity, Honesty and Social Responsibility among budding citizens.

During the year 2019-20, Vigilance Department of the Company received 284 complaints in addition to 03 pending complaints of previous year (Totally 287 complaints). Out of 287 complaints 270 (94%) have been disposed off. Out of that 270 complaints disposed, 133 complaints were Anonymous/Pseudonymous, 78 complaints have been sent for Administrative Action to the respective Units and investigation was done for 59 Nos. of complaints by Vigilance Department and disposed off.

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 Rupees one crore and above are monitored and review meetings of Independent External Monitors (IEMs) with senior officials of the Company are held once in a quarter and IEMs meet with vendors and contractors are held once in a year.

MoU with Transparency International

Your Company has signed a Memorandum of Understanding with Transparency International India, part of Asia Pacific forum. 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 2019-20, one vendor meeting and three review meetings of the Independent External Monitors were held. Fourth review meeting scheduled in March 2020 could not be held due to Covid-19 Pandemic.

Cyber Security

To mitigate various risks associated with cyber security, your Company has taken various measures like implementing a comprehensive IT policy, undertaking STQC Audit, Emergency incident response plans, next generation firewall with newer rules for controlling website and application usage with advanced technologies, deeper inspection capabilities thereby establishing better control with redundancy and the way forward towards ISO 27000 certification.

Initiatives towards digital India

Your Company as a part of efforts towards Digital India inter-alia has taken the following initiatives:

1. Marching towards paperless office through E-Office implementation supported by digitization, leveraging electronic signatures, redacting confidential information with audit trails.
2. By implementing SAP for the core business, your Company is committed to a business transformation with re-defined and streamlined processes and new disciplines in operational level procedures.
3. Smart Cities Mission has been taken up to promote townships that provide core infrastructure with clean and sustainable environment and application of 'Smart' Solutions. Artificial ventures in the form of smart pump houses has been initiated.
4. Payment gateway is being enabled for total cashless remittance from all stakeholders.
5. Enhanced security with next generation Firewall with Security Event Management features are in place.
6. Procurement through Government e-market Place (GeM portal of GoI).

Monitoring Compliance

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 of sustainable socio-economic development.

Weblink for the Policy: https://www.nlcindia.com/new_website/index.htm.

Focus areas of your Company's CSR are 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.

- The CSR Committee of the Board is monitoring the implementation of the CSR Projects. The Board of Directors reviews the same and it is ensured that your Company spends, in every financial year, at least 2% of the average net profits of the Company for the last three years.
- Timeframes and milestones are fixed through Baseline Survey before commencement of the CSR Projects.
- Initiatives of State/ Central Government Departments/ Agencies are dovetailed/synergized with the CSR Activities of NLCIL.

During the year 2019-20, your Company had spent ₹ 75.66 crore (including contribution of ₹ 20 crore to PM CARES Fund) which is more than 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 2019-20:

- Platinum awards from GROW CARE INDIA for Environment Management.
- Green India Awards under the following 2 categories:
  - Best Sustainable Technology provider of the year 2019
  - Best Clean and Green Energy producer of the year 2019
- "National Project Excellence Award 2019" for successful commissioning of Clean and Green Solar Power Project
- PRSI National Awards for outstanding contributions in the field of RTI and CSR.
- Mine-I received the prestigious National Safety Award
- 'Best Enterprise Award' in the Navratna category instituted by the Forum of Women in Public Sector (WIPS)
- Apex India CSR Excellence Award 2019 in Platinum Category.
- Aqua Excellence Award 2019 for CSR

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 2019-20, under the above Act, 315 applications containing 1502 queries were received and 305 applications covering 1447 queries have been replied.

Compliance under Public Procurement Policy

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012. The total procurement made from MSMEs during the year 2019-20 was ₹ 154.85 Crore, which was 49.68% of total annual procurement of ₹ 311.71 Crore against target of 25% of total procurement made by your Company. Your Company has on boarded on Trade Receivable e-Discounting System (TReDS) platform. Trade Receivables Discounting System (TReDS) is the scheme for facilitating the financing of trade receivables of MSMEs from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers.

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 terms of notification no. G.S.R. 538 (E) dated 28th August, 2020 the copy of the Annual Return for the year 2018-19 is available at https://www.nlcindia.com/investor/AR1.pdf . The Extract of Annual Return for the year 2019-20 is also available in the same weblink.

Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered during the year 2019-20 were in 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, 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, 2020, 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 till the signing of financials i.e., 23.06.2020.

Sexual harassment of women at workplace

As required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, suitable mechanisms were put in place in 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 2019-20, three complaints were received, out of which one case was resolved and the other two cases are under process of further enquiry.

Auditors

Statutory Audit

M/s. PKKG Balasubramaniam & Associates, Chartered Accountants, Chennai and M/s. R Subramanian and Company, LLP, Chartered Accountants, Chennai were appointed by the Comptroller and Auditor General of India(C&AG) as the Joint Statutory Auditors for the year 2019-20 under Section 139 of the Companies Act, 2013.The Board of Directors of your Company has fixed ₹ 30 lakh plus applicable taxes as the Statutory Audit fees, to be shared equally by the Joint Statutory Auditors.

Branch Audit

M/s. Bhandawat & Co., Chartered Accountants, Jaipur has been appointed as the Branch Auditor for the year 2019-20 by C&AG for conducting the audit of Mine and Thermal Units at Barsingsar. The Board of Directors of the Company has fixed ₹ 2.5 lakh plus taxes as the Branch Audit fees for the year 2019-20.

Secretarial Audit

M/s. A.K. Jain & Associates, Practicing Company Secretaries, Chennai was appointed as the Secretarial Auditor for the year 2019-20. The Secretarial Audit report for the year 2019-20 and the reply to observations of the Secretarial Auditors are furnished in Annexure-6.

Cost Audit

M/s. Dhananjay V. Joshi & Associates, Pune was appointed as the Cost Auditor for the year 2019-20 to conduct cost audit for Mines & Power Stations of the Company. The Cost Audit report for the year 2018-19 was filed with Ministry of Corporate Affairs on 4th October 2019 against the due date of 12th October 2019.

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 C&AG on the Financial Statement of NLC India Ltd. for the year ended 31st March 2020 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 appointments of Directors on the Board of the Company are as under:

a. Shri Shaji John was appointed as Director (Power) w.e.f. 17.04.2019
b. Shri Vinod Kumar Tiwari, Additional Secretary, Ministry of Coal, was appointed as a Part-time Official Director w.e.f. 03.05.2019
c. Shri Dheeraj Kumar, Principal Secretary to Government of Tamil Nadu, Energy Department, was appointed as a Part-time Official Director w.e.f. 28.11.2019
d. Dr V. Muralidhar Goud, was appointed as an Independent Director w.e.f. 17.07.2019
e. Shri N.K. Narayanan Namboothiri, was appointed as an Independent Director w.e.f. 02.08.2019
f. Shri Jaikumar Srinivasan, was appointed as Director(Finance) w.e.f. 05.02.2020
g. Shri A. Karthik, Principal Secretary to Government of Tamil Nadu, Energy Department, was appointed as a Part-time Official Director w.e.f. 02.03.2020
h. Shri S.K. Prabakar, Principal Secretary to Government of Tamil Nadu, Energy Department, was appointed as a Part-time Official Director w.e.f. 02.07.2020.

Cessation

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

a. Shri Suresh Kumar, Part-time Official Director w.e.f. 10.04.2019
b. Shri Md. Nasimuddin, Part-time Official Director w.e.f. 26.09.2019
c. Shri Azad Singh Toor, Independent Director w.e.f. 17.11.2019 upon completion of tenure
d. Shri K. Madhavan Nair, Independent Director w.e.f. 17.11.2019 upon completion of tenure
e. Smt Nalini Padmanabhan, Independent Director w.e.f. 02.02.2020 upon completion of tenure
f. Shri Dheeraj Kumar, Part-time Official Director w.e.f. 10.02.2020
g. Shri A. Karthik, Part-time Official Director w.e.f. 15.06.2020.

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

Further, pursuant to Section 152 of the Companies Act, 2013, Shri. R Vikraman, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible to 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 Governments 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 (MCL) 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, 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, Regional Labour Commissioner, Regional Provident Fund Commissioner and other Statutory Authorities, the Company's Bankers, Financial Institutions and KfW of Germany need special mention and the Directors acknowledge the same.

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

For and on behalf of the Board of Directors

Place : Neyveli
Date : 04.09.2020

Rakesh Kumar
Chairman-cum-Managing Director

Annexure - 1

CSR REPORT FOR THE FINANCIAL YEAR 2019-20

1. A brief outline of NLCIL's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programme.

- 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 Policy is available in NLC's Website: https://www.nlcindia.com/new_website/index.htm
- 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:
  - Promoting Healthcare, Safe Drinking Water & Sanitation
  - Promoting Education & Employment Enhancing Skills including Special Education
  - Promoting Gender Equality, Empowering Women & Setting up homes for orphans
  - Ensuring Environmental Sustainability
  - Protection of National Heritage, Arts and Culture
  - Measures for the benefit of armed forces veterans
  - Promoting Rural Sports
  - Rural Development works including Water Resource Augmentation
- The CSR Committee of the Board of Directors of NLCIL monitors them.
- 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. The Composition of the CSR Committee

Shri. Indrajit Pal	-	Chairman
Shri. R.Vikraman	-	Member
Dr. P. Vishnu Dev	-	Member
Dr. V. Muralidhar Goud	-	Member
Shri. N.K. Narayanan Namboothiri	-	Member

Permanent Invitees

Director (Mines)
Director (Power)

3. Average net profit of NLCIL for last three financial years.

₹ 2,338.87 crore

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

₹ 46.78 crore

5. Details of CSR spent during the financial year 2019-20.

a) Total amount to be spent for the financial year 2019-20;

₹ 46.78 crore

b) Amount unspent : Nil

c) Manner in which the amount was spent during the financial year 2019-20 is detailed below.

CSR EXPENDITURE FOR THE YEAR 2019-20

(₹ in lakh)

Sl. No.	CSR project or activity identified	Sector in which the project is covered.		Projects or programme (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (Budget) project or programme-wise		Amount spent on the projects or programme Sub-heads : (1) Direct expenditure on projects or programme (2) Overheads	Cumulative expenditure up to the reporting period.		Amount Spent; (1) Direct or (2) Through implementing agency (*Details Given below)
(1)	(2)	(3)		(4)	(5)		(6)	(7)		(8)
1. Promoting Health Care										
1.1	"Contribution to 'PM CARES Fund' towards COVID - 19"	Health care	(1)	Other	2000.00	(1)	2000.00	2000.00	(1)	0.00
			(2)	Pan India		(2)	0.00		(2)	2000.00
1.2	Promoting Healthcare through Medical Camps, Blood Donation Camps including COVID-19 measures	Health care	(1)	Local Area	338.86	(1)	235.45	235.45	(1)	235.45
			(2)	"Cuddalore - Tamil Nadu, Bikaner- Rajasthan"		(2)	0.00		(2)	0.00
1.3	Providing Safe Drinking Water like providing buttermilk to general public, revitilisation of borewells.	Health care	(1)	Local Area	260.00	(1)	159.09	159.09	(1)	159.09
			(2)	Cuddalore - Tamil Nadu		(2)	0.00		(2)	0.00
1.4	Eradicating Hunger, poverty and malnutrition through POSHAK - Distribution of nutritious food supplements.	Nutrition	(1)	Local Area	57.00	(1)	41.24	41.24	(1)	41.24
			(2)	Cuddalore - Tamil Nadu		(2)	0.00		(2)	0.00
1.5	Promoting Sanitation through Swachta Pakhwada programs and infrastructure facilities; ODF measures etc.	Sanitation	(1)	Local Area	373.58	(1)	299.55	299.55	(1)	299.55
			(2)	"Cuddalore - Tamil Nadu, Bikaner- Rajasthan"		(2)	0.00		(2)	0.00
1.6	Contribution of fund for the work of construction of toilets in the circulating areas of Railway stations in southern region		1	Other	4255.00	(1)	1702.00	1702.00	(1)	0.00
			2	Pan India		(2)	0.00		(2)	1702.00
2. Promoting Education and Employment Enhancing Vocational Skills										
2.1	Promoting Education	Education	(1)	Local Area & Other	1437.23	(1)	839.04	839.04	(1)	763.14
			(2)	"Cuddalore, Villupuram, Virudhnagar, Ramanthapuram - Tamil Nadu, Bikaner- Rajasthan, Dharwad - Karnataka"		(2)	0.00		(2)	75.90
2.2	Promoting Employment Enhancing Skills	Skill Development	(1)	Local Area & Other	376.39	(1)	198.44	198.44	(1)	90.40
			(2)	"Cuddalore -Tamil Nadu Bikaner- Rajasthan, Rann of Kutch - Gujarat"		(2)	0.00		(2)	108.04
2.3	Promoting Special Education	Special Education	(1)	Local Area	22.60	(1)	18.58	18.58	(1)	18.58
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00

CSR EXPENDITURE FOR THE YEAR 2019-20

(₹ in lakh)

Sl. No.	CSR project or activity identified	Sector in which the project is covered.		Projects or programme (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (Budget) project or programme-wise		Amount spent on the projects or programme Sub-heads : (1) Direct expenditure on projects or programme (2) Overheads	Cumulative expenditure up to the reporting period.		Amount Spent; (1) Direct or (2) Through implementing agency (*Details Given below)
(1)	(2)	(3)		(4)	(5)		(6)	(7)		(8)
3. Promoting Gender Equality, Empowering Women										
3.1	Promoting Gender equality	Women Empowerment	(1)	Local Area & Other	128.98	(1)	125.67	125.67	(1)	105.30
			(2)	"Chennai, Cuddalore, Villupuram, Sivagangai - Tamil Nadu, Bikaner- Rajasthan"		(2)	0.00		(2)	20.37
3.2	Setting up oldage homes	Setting up homes	(1)	Local Area &Other	46.89	(1)	46.78	46.78	(1)	46.78
			(2)	"Cuddalore, - Tamil Nadu,"		(2)	0.00		(2)	0.00
4. Promoting Environmental Sustainability										
4.1	Promoting Environmental Sustainability	Environmental Sustainability	(1)	Local Area	210.04	(1)	106.48	106.48	(1)	106.48
			(2)	"Chennai, Cuddalore, Tamil Nadu, Bikaner- Rajasthan,"		(2)	0.00		(2)	0.00
5. Protection of National Heritage, Arts and Culture										
5.1	Protection of National Heritage, Arts and Culture	Heritage, Art & Culture	(1)	Local Area & Other	211.98	(1)	192.00	192.00	(1)	182.00
			(2)	"Cuddalore - Tamil Nadu, Bikaner- Rajasthan, Hubili - Karnataka"		(2)	0.00		(2)	10.00
6. Measures for the benefit of armed forces veterans,war widows and their dependents.										
6.1	Welfare of Armed forces	Welfare of Armed forces	(1)	Other	5.00	(1)	5.00	5.00	(1)	5.00
			(2)	Pan India		(2)	0.00		(2)	0.00
7. Promoting Rural Sports										
7.1	Promoting Rural Sports	Rural Sports	(1)	Local Area & Other	93.96	(1)	90.32	90.32	(1)	80.32
			(2)	Cuddalore, Dindugal - Tamil Nadu		(2)	0.00		(2)	10.00
8. Rural Development Projects										
8.1	Community Development Projects	Rural Development	(1)	Local Area	808.57	(1)	258.43	258.43	(1)	154.85
			(2)	"Cuddalore - Tamil Nadu, Bikaner- Rajasthan"		(2)	0.00		(2)	103.58
8.2	Water Resource Augmentation through De-silting of Lakes.	Rural Development	(1)	Local Area	1302.04	(1)	1196.38	1196.38	(1)	1196.38
			(2)	Cuddalore - Tamil Nadu		(2)	0.00		(2)	0.00
9. Administrative overheads										
9.1	Administrative Overheads	Administrative overheads	(1)	Local Area	64.25	(1)	0.00	51.19	(1)	51.19
			(2)	"Cuddalore - Tamil Nadu, Bikaner- Rajasthan"		(2)	51.19		(2)	0.00
					11,992.37	(1)	**7514.45**	**7,565.64**	(1)	**3535.75**
						(2)	**51.19**		(2)	**4029.89**
					TOTAL		**7565.64**			**7565.64***

* Including contribution of ₹ 20 crore to PM CARES Fund.

CSR EXPENDITURE FOR THE YEAR 2019-20

Details of Implementing Agency			
Sl.No.	**Name of the project/program/activity**	**Implementation Agency**	**Amount spent through implementation agency (₹ in Lakh)**
1	Construction of Public toilet blocks in the circulating areas of Railway Stations of Southern Railway Zone in Tamil Nadu	M/s. RITES, Government of India Enterprise	1702.00
2	Conducting workshops on Gender equality and constitutional rights	SAKSHI Organization, New Delhi	18.37
3	Livelihood enhancement of Salt formers by setting up Solar panels at Kutch region in Gujarat	Grassroot Trading Network for women, Gujarat	100.00
4	Setting up smart classrooms in Govt. schools and colleges at Dharwad region in Karnataka State	GramVikas Society, Dharwad	27.90
5	Promoting tribal arts and culture at Hubli	Guru Institute, Hubli	10.00
6	Development of sports infrastructure in Govt Higher Secondary school, Polathur	Govt Higher Secondary School, Polathur	10.00
7	Financial Assistance towards purchasing digital camera for conducting skill development programs	Sri Durga Prasad Charitable Trust, Chennai	8.04
8	Part-financial assistance to under previleged families towards constructing PMAY houses in Villupuram District	District Administration, Villupuram	103.58
9	Conducting workshop on vision planning exercise for SHG leaders	Dhan Foundation, Madurai	2.00
10	Promoting Education through digital media	Kalvi Tholaikatchi, Chennai	48.00
11	Contribution to 'PM CARES Fund' towards COVID - 19	PM CARES FUND	2000.00
		Total	**4029.89**

6. In case NLCIL has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, NLCIL shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of NLCIL.

The Responsibility Statement of the CSR Committee is given below.

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of NLC.

Sd/- xx xx xx
(Chairman-cum-Managing Director)

Sd/- xx xx xx
(Chairman of CSR Committee)

Annexure - 2

A. Conservation of Energy

i. The steps taken or impact on Conservation of Energy

1. 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.
2. Multifarious methods were adopted to inculcate and imbibe the energy conservation measures in the Industrial and Service units.
3. During the financial year 2019-20, 17 meetings/training programmes were organized in observance with promotion of energy conservation and about 792 employees were inculcated and imbibed the concept of energy conservation.
4. The conventional lights are being replaced with contemporary energy saving LED lights.
5. Capacitor banks are being introduced in phased manner in motors of conveyors, Special mining equipment's and transformers to improve power factor thereby reducing reactive power energy losses.
6. Dynamic loading system is being introduced in conveyors in Mines for energy conservation.
7. Measures taken to reduce the consumption of diesel in various sectors (surface transport, mining equipment's, cranes etc.)
8. R&D Projects: Integrated Solar Street Light

   CARD has installed 25 Nos. of 20 Watt Solar Street light with intelligent controller in the peripheral areas of the CARD campus.
9. During the Financial Year 2019-20, by adopting energy conservation measures, about 124 Million Units of energy was 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:

1. Solar panels are erected in Library, TPS-IE, Mine-II etc.
2. Solar Heaters are erected in General Hospital and Guest House.
3. 51 MW Wind Mills were commissioned inside Tamil Nadu.
4. 1.06 MW Solar Rooftop PV Panels were installed on Non-Residential Buildings in Neyveli Township.
5. 10 MW & 130 MW Solar Power Plants were installed inside Neyveli Township and synchronized with Grid.
6. Solar Power Plants with a total capacity of 1209 MW were installed and commissioned in other Districts of Tamil Nadu.
7. 20 MW Solar Power Plant is commissioned in Andaman & Nicobar Islands with Battery Energy Storage System.

8. 4x5 KW Micro Hydel project at TPS-II was commissioned as pilot project.
9. 200 KW floating Solar Power Panels were erected and commissioned in NNTPS lake.
10. Your Company and Coal India Limited have signed joint venture agreement on 03.07.2020 for implementing Power Projects of 5000MW capacity. The approximate capacity of solar projects to be developed under Joint venture mode is 3000 MW.

iii. The capital investment on energy conservation equipment

During the Financial Year 2019-20, for implementing various Energy Conservation measures, your Company has invested ₹ 3.75 crore in the various Production 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. 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. The calorific values of solar drying of Lignite have been increased from about 2700 Kcal/Kg to around 4600 Kcal/Kg. The trial run, and characterization of the product is in progress.

b. Development of Micro hydro power Generation.

R&D initiatives were taken up for hydel power generation using the free flowing water discharge points in Thermal power stations & Mines. The Micro hydel technology is identified for power generation from free flowing water with low velocity. In this pilot scale 4x5 kw Micro kinetic/velocity turbine equipment's installation at cooling tower fore bay area in TPS II have been completed, commissioned and the Project has been completed.

c. Development of alternative materials for pebbles / aggregate using waste materials.

Your Company is operating three open cast mines. To carry out dewatering process bore wells are constructed and operated in mines where in pebbles are being filled in the bore wells as a filter medium. The pebbles are from natural material, considerable difficulties are faced in getting the material. To develop alternative material, R&D initiatives has been undertaken. MoU has been signed between your Company and IIT Madras, Chennai. Different size of pebbles were developed using the clay from OB material and the properties evaluation and the Project has been completed.

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. It is planned to set up a floating solar system to generate electricity to run the pump for drawing water from lake and for lighting applications. 200 KW floating Solar Pilot project at NNTPS installation has been completed after successful tests and trial run. Generation of power from the same had been commenced.

e. Electronification of GWC bore wells & Conveyor systems

As the area of mine is vast expanding, it has become a necessity to monitor and control the full network electronically. Coal S&T funded project is jointly taken up with NIT Trichy. Pro-active input for Ground water controlling system will enhance Mines production. Automation of Mining conveyor system will reduce break-downs. GWC System-Installation at Mine II was completed in August '19 and the real time pumping, data collection & analysis and Conveyor system installation, testing is in progress.

f. **Studies on Solar Cold Storage at CARD**

The absorption refrigeration technology is being viewed as one of the alternatives for the vapour compression refrigeration due to its potential utilization of Solar Energy, waste heat utilization, etc. This project will facilitate CARD to have a cold storage for samples/chemicals which is presently carried out with conventional power so as to reduce the energy consumption from grid during daytime in association with IIT Madras. MoU has been signed between your Company and Department of Mechanical Engineering, IIT Madras, Chennai. Solar based Cold room installation has been completed by IIT Madras.

g. **Studies on the effects of Humic acid on aquaculture**

The Humic acid was developed mainly for agriculture as plant growth stimulant. To increase its usage, it is proposed to study the effects of Humic acid on aquaculture viz., fish/prawn culture. It is a new area of application under preliminary research. Memorandum of Agreement (MoA) has been signed between your Company and Centre of Advanced Study in Marine Biology (CASMB), Annamalai University. Lab scale studies to identify the fast growing microalgae by feeding Humic acid observed maximum growth and the Project has been completed.

h. **Studies on Zeolite based catalyst for mitigation of exhaust gas pollution**

There is increasing air pollution due to increase in gases from the vehicle exhaust. CARD has taken up a collaborative project with Annamalai University, to utilise the Zeolite to develop suitable catalyst for mitigating the exhaust gas from the vehicles. In this regard MoA have been signed between your Company and Annamalai University. The synthesis of zeolite from lignite fly ash by varying parameters at lab has been completed.

i. **Extraction of construction grade sand from overburden materials**

The overburden is being removed during mining and dumped during excavation. The overburden materials contain about 30 to 40 % of sand materials. A project was jointly taken up with IIT Madras 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. OB samples were collected from the Mines and preliminary lab studies and pilot plant trials were conducted. Processed sand testing is in progress at IIT Madras. Around 65% of sand has been recovered from OB. Further sampling, trials are in progress.

j. **Lignite to Diesel**

Neyveli Lignite has high moisture content (50-55%) making transportation of lignite to longer distances difficult. It is 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 M/s. LEMAR Industries, USA on 17.02.2020 and lignite testing for this purpose is in progress.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

a) The overburden materials contain about 30 to 40 % of sand materials. The extraction of sand & clay will provide additional source of revenue from waste.

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

c) The benefits of Micro Hydel pilot project is for generation of clean renewable energy by utilizing the perennial water resource available in the premises of your Company. Till date around 2,00,171 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, and suitable for transportation to long distance.

e) Scarcity of pebbles for bore wells construction is experienced in all mines. It can be compensated by alternate material in place of natural pebbles using the waste materials being generated from mines.

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

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

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

(iii) In case of 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 2019-20 for CARD is ₹ 24.45 crore.

C. Foreign exchange earnings and outgo

Foreign Exchange inflow : Nil

Foreign exchange outflow : ₹ 36.73 Crore

For and on behalf of the Board of Directors

Place : Neyveli
Date : 04.09.2020

Rakesh Kumar
Chairman-cum-Managing Director

Annexure - 3

Management Discussion and Analysis Report

Power Industry - an outlook

The Indian power sector managed to add more new capacity in FY 20 than the previous year. Though there has been an increase in the addition to installed power generation capacity in 2019-20 from the previous year, it falls well short of the set target, mainly due to the lower capacity addition by the conventional power sources which dominates the country's power mix.

Even though the Indian power sector continues to be dominated by conventional sources of energy, which accounts for nearly three quarters of the country's installed power generation capacity, there has been a progressive shift towards renewable sources. The share of renewable energy in installed capacity has increased during the last 5 years and the share of thermal sources has shown a decline.

Capacity addition

The total capacity addition of conventional and renewable segments stood at 15,776 MW in 2019-20 when compared with 14,204 MW in 2018-19. For 2019-20, the conventional sector (including coal fired and hydro categories) added a new capacity of 7,065 MW, up by 25 per cent from 5,672 MW in 2018-19. In this, the coal-fired sector added a net capacity of 6,765 MW when compared with 5,532 MW in 2018-19. Hydro segment added 300 MW when compared with 140 MW in 2018-19. The renewable energy sector's total new capacity addition stood at 8,711 MW in 2019-20 when compared with 8,532 MW in 2018-19. But, in these periods, both conventional and clean energy segments failed to meet the capacity addition targets due to several challenges faced by the respective sectors. While renewable energy sector achieved 74 per cent of the target (11,802 MW) for 2019-20, conventional segment's new addition in 2019-20 was 58 per cent of the target (12,186 MW) for the fiscal. With a total installed power generating capacity of 3,70,107 MW as of March 31, 2020, India emerges as the world's third-largest electricity producer.

(Source: Central Electricity Authority)

The contribution of the state, central and private sector were as under:

Sector	Total capacity (MW)	% of Total
Central Sector	93,477	25.20
State Sector	103,322	27.90
Private Sector	173,308	46.90
Total	**3,70,107**	**100.00**

Further, the installed capacity from different sources of energy were as under:

Source	Total capacity (MW)	% of Total
Thermal	2,30,600	62.80
Hydro(renewable)	45,699	12.40
Nuclear	6,780	1.90
RES(MNRE)	87,028	23.60
Total	**3,70,107**	**100.00**

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

Impact of Corona Virus Pandemic

The power sector in the country has been affected by the prevailing slowdown in the Indian economy. It has not only led to a fall in electricity consumption, but has impacted the supply of key inputs for generators which would lead to project delays and thereby time and cost overruns. It also adds to the financial stress of power producers and distribution companies. The severity of the impact would be spread over a few years.

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 01.04.2019, the total estimated reserves of Coal in India was 326.495 BT out of which the proved category accounted for 155.614 BT.

The details of Coal Resources as on 01.04.2019 are as follows: (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	1513.01	11.30	1833.84	0.56
Chhattisgarh	21446.29	36259.57	2201.90	59907.76	18.35
Jharkhand	48031.93	30400.13	6073.90	84505.96	25.88
Madhya Pradesh	12182.45	12735.98	3874.67	28793.10	8.82
Maharashtra	7573.20	3257.37	1846.59	12677.16	3.88
Meghalaya	89.04	16.51	470.93	576.48	0.18
Nagaland	8.76	21.83	415.83	446.42	0.14
Odisha	39654.47	33472.75	7713.12	80840.34	24.76
Sikkim	0	58.25	42.98	101.23	0.03
Uttar Pradesh	884.04	177.76	0	1061.80	0.33
Andhra Pradesh	97.12	1078.44	431.65	1607.21	0.49
West Bengal	14219.25	12846.87	4624.03	31690.15	9.71
Telangana	10622.32	8564.74	2651.88	21838.94	6.69
Total	**155614.41**	**140500.50**	**30380.69**	**326495.63**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2019 by GSI).

Lignite

Lignite reserves

In India, lignite deposits are confined in the States of Tamil Nadu, Gujarat, Rajasthan, Puducherry, Jammu & Kashmir and Kerala where the coal is almost completely absent. Tamil Nadu contributes major share of lignite resources (80%). Major part of the lignite produced in the country is used for power generation and the demand for lignite is mainly dependent on existing and proposed thermal power stations.

The details of State-wise resources of lignite as on 01.04.2019 are as under:

(Resources in Million Tonnes)

State/Union Territory	Measured (Proved)	Indicated	Inferred	Total	% to Total
Pondicherry	0.00	405.61	11.00	416.61	0.91
Tamil Nadu	4340.35	22496.63	9392.85	36229.83	79.18
Rajasthan	1168.53	3029.78	2150.77	6349.08	13.87
Gujarat	1278.65	283.70	1159.70	2722.05	5.95
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	**6787.53**	**26237.10**	**12734.07**	**45758.70**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2019 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 projected lignite production during the same period is 104.55 Million Tonne.

Underground Coal Gasification (UCG)

For developing UCG projects in India, your Company has been reserved Dip side Tadkeshwar & Dungra Lignite Block in Surat District, Gujarat and Dip side Valia & Rajpardi Lignite Block in Bharuch District, Gujarat. To assess the suitability of the UCG lignite blocks, your Company has floated global tender for engaging an expert agency for carrying out Technical suitability study and UCG pilot project in the above blocks.

SWOT Analysis

Strength

- Availability of lignite, coal and water for power generation.
- Expertise in open-cast lignite mining with SME technology
- Having Pit Head Power Stations.
- Expertise in lignite & coal fired power station.
- Strong capabilities for exploration, mine planning, Research & Development
- Expertise in Renewable Power Generation.
- Harmonious industrial relations.
- Experienced Management team with committed and experienced work force.
- 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.
- Aging power plants.
- Higher cost of mining.

Opportunities

- 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

- Investment in promoting Green Energy
- Trading of Power in the Market.
- Launch of 100 smart cities mission by GoI.

Threats

- Huge surrender of Power by the beneficiaries and consequently underutilization of Thermal Capacity.
- Challenges posed by Renewable energy to Thermal Generation.
- Delay in realization of dues from beneficiaries.
- Necessity of pumping of water below the lignite seam for safe mining leading to higher cost of production
- Resistance from land owners for acquisition, demand for enhanced compensation, demand for employment.
- 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 is likely to be increased to 62.15 MTPA by the year 2025.

Regarding coal mining, Talabira II & III coal opencast mine of capacity 20.0 MTPA in the State of Odisha has commenced mining operations. The Pachwara South Coal Block with a peak capacity of 11.0 MTPA has been allotted to NUPPL, the Subsidiary Company. With the commencement of the Pachwara South Coal Block by end of the year 2025, the total coal mining capacity is likely to be 31.0 MTPA.

Your Company has added 1209 MW during 2019-20 and 17.5 MW on 30.06.2020 and retired 400 MW to its installed capacity. With this addition and retirement, the total installed capacity has become 4661.06 MW.

Your Company has inked an agreement with Coal India Limited, a Maharatna Central Public Sector Enterprise, under the Ministry of Coal, to form a Joint Venture Company to develop Solar and Thermal power assets to the tune of 5,000 MW on pan-India basis.

Taking into consideration the power projects under formulation / implementation and also the envisaged acquisition of power assets, your Company is poised to grow to 21 GW power generating Company by the year 2025 including Subsidiaries.

Details of Projects under construction / implementation / formulation:

Covered in the main report.

Risks and Concerns

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

- 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.
- Compliance to the stringent New Environmental Emission norms for Thermal Power Stations.
- Resistance from land owners against Land acquisition and its restricted availability leading to delaying the operations.
- Competition consequent to de-regulation in Indian Power Sector.
- Stringent norms prescribed by Regulatory Authority affecting power tariff.
- Cost and time over run of projects under execution.
- Higher cost of lignite mining.

Internal control systems and their adequacy

The Company has well-established internal control systems and procedures commensurate with its size and the nature of business with an approved and well laid out delegation of authority, Purchase & Contracts and Personnel Manuals. The internal audit is conducted by external firms of Chartered Accountants covering all the offices / units and their reports are periodically reviewed by the Audit Committee. 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 is 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.

Discussion on financial performance with respect to operational performance

Covered in the main report.

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	2019-20	2018-19	Reasons for variation beyond 25%
Debtors Turnover	1.36	1.71	
Inventory Turnover	4.97	3.73	Considering the Net Movement in regulatory has resulted in increase in cost of sales by ₹ 864 crore. Average Inventory has been reduced by ₹182 crore because of decrease in closing Inventory
Interest Coverage Ratio	4.86	8.39	Increase in Interest cost on account of commissioning of Solar 709 MW and One Unit of NNTPS (2 x 500 MW) Power Projects in FY:2019-20, further increased in Working capital has resulted in erosion of Interest coverage Ratio.
Debt Equity Ratio	1.34	1.06	Total Debt has increased from ₹ 13,166.11 crore in 2018-19 to ₹ 16,780.47 crore in 2019-20 mainly towards Capital Expenditure and Working Capital Requirements. .
Operating Profit Margin*	35.04	21.47	Operating Margin has mainly increased due to : 1) Commissioning of Solar 709 MW and one unit of NNTPS (2 x 500 MW) power projects in FY:2019-20 has also augmented the revenue. 2) Income recognised consequent to introduction of new lignite transfer price guidelines for the Tariff Period 2019-24. 3) Reduction in changes in inventory mainly due to decrease in inventory stock level.
Net Profit Margin	15.48	15.72	
Current Ratio	1.83	1.57	

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

The increase in return on Net Worth is mainly because of increase in Net profit from ₹ 1266.97 crore in FY 2018-19 to ₹ 1413.85 crore in FY 2019-20. The increase in profit is due to increase in revenue from operations by ₹ 770.38 crore mainly on account of Lignite transfer price guideline for the Tariff period 2019-24, increase in export of power due to commissioning of 709 MW solar and commissioning of Unit-I of NNTPS (2 x 500 MW). Increase in other income is due to increase in surcharge income and dividend from subsidiary company by ₹ 362 crore & ₹ 97.37 crore respectively.

The above increase in revenue from operations and other income is partly offset by increase in Finance cost by ₹ 430.29 crore and in depreciation by ₹212.67 crore mainly on account of commissioning of 709 MW Solar Project and Unit-I (500 MW) of NNTPS.

Further Decrease in Net movement in regulatory balances Income / (Expenses) by ₹ 863.82 crore is partly offset by decrease in change in inventory, employee benefit expenses and other expenses by ₹160.93 crore, ₹158.98 crore and ₹149.81 crore respectively compared to previous financial year.

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

Place : Neyveli
Date : 04.09.2020

Rakesh Kumar
Chairman-cum-Managing Director

Annexure - 4

Report on Corporate Governance

Mandatory Requirements

Company's Philosophy on Code of Governance

Transparency, Accountability and Integrity are the main ingredients of a good Corporate Governance. Your Company as a Corporate Citizen, believes in adhering to the highest standards of Corporate Governance.

Board of Directors

Composition

As on 31st March, 2020, the Board of Directors of your Company comprised an Executive Chairman, five Executive Directors, two Non-executive Directors and four Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2020 details of other directorships & Membership/Chairmanship of Committees of Directors are furnished below:

Sl. No.	Name (Sarvashri)	Designation	Other Directorships held as on 31.03.2020	Directorship in Listed entity	Other Committee ** Memberships held as on 31.03.2020	
					As Member	As Chairman
	Executive Directors					
1	Rakesh Kumar	Chairman-cum-Managing Director	2	-	-	-
2	R.Vikraman	Director(Human Resource)	1	-	-	-
3	Nadella Naga Maheswar Rao	Director(Planning & Projects)	1	-	-	1
4.	Prabhakar Chowki	Director(Mines)	--	-	-	-
5.	Shaji John	Director(Power)	2	-	1	-
6.	Jaikumar Srinivasan	Director(Finance)	2	-	1	
	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	A Karthik	Principal Secretary to the Government of Tamil Nadu , Energy Department- Part-time official Director	8	-	-	-
	Independent Directors					
9	Indrajit Pal	Part-time Non-official Director	-	-	-	
10	Dr.P.Vishnu Dev	Part-time Non-official Director	-	-	-	-
11	Dr V Muralidhar Goud	Part-time Non-official Director	-	-	-	-
12	N K Narayanan Namboothiri	Part-time Non-official Director	-	-	-	-

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

Dates of Board Meetings & Directors' Attendance

During the financial year 2019-20, 10 meetings of the Board of Directors were held on the following dates:

29th April, 2019, 30th May, 2019, 26th June, 2019, 06th August, 2019, 13th September, 2019, 8th November, 2019, 4th January, 2020, 11th February, 2020, 27th February 2020 and 18th March, 2020.

The details of attendance of Directors at the Board Meetings held during the financial year 2019-20 and their attendance in last AGM are as under:

Name (Sarvashri/Smt.)	No. of meetings held during the tenure	Total Meetings attended during the tenure	Whether Attended Last AGM held on 01-08-2019	Remarks
Rakesh Kumar	10	10	Yes	
Vinod Kumar Tiwari	9	9	No	Appointed w.e.f. 03.05.2019
A Karthik	1	0	-	Appointed w.e.f. 02.03.2020; relinquished w.e.f. 15.06.2020
R.Vikraman	10	10	Yes	
Nadella Naga Maheswar Rao	10	10	Yes	
Prabhakar Chowki	10	10	Yes	
Shaji John	10	10	Yes	Appointed w.e.f. 17.04.2019
Jaikumar Srinivasan	3	3	-	Appointed w.e.f. 05.02.2020
Indrajit Pal	10	10	Yes	
Dr.P.Vishnu Dev	10	9	Yes	
Dr V Muralidhar Goud	7	7	Yes	Appointed w.e.f. 17.07.2019
N K Narayanan Namboothiri	7	7	No	Appointed w.e.f. 02.08.2019
Suresh Kumar	-	-	-	Relinquished w.e.f. 10.04.2019
Md. Nasimuddin	5	4	No	Relinquished w.e.f. 26.09.2019
Dheeraj Kumar	1	0	-	Appointed w.e.f. 28.11.2019; Relinquished w.e.f. 10.02.2020
Azad Singh Toor	6	6	No	Relinquished w.e.f. 17.11.2019
K.Madhavan Nair	6	6	No	Relinquished w.e.f. 17.11.2019
Nalini Padmanabhan	7	7	Yes	Relinquished w.e.f. 02.02.2020

Disclosures- Relationship between Directors inter-se:

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31.03.2020.

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 programme to Independent Directors is available at
https://www.nlcindia.com/investor/familiarisation_programme_indpnt_dir.pdf

Core skills/ expertise/competencies of Board of Directors

The Board of NLCIL consists of expert Directors who have vast experience in their respective field of specialisation.

Apart from CMD, the Board consists of the following Functional Directors viz., Director (Mines), Director (Finance), Director (Planning & Projects), Director (Power) and Director (Human Resource).

The functional Directors are appointed on the Board of CPSEs by 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 also part of Board of Directors of the Company and are generally senior officers of the Government of India and Government of Tamilnadu.

The Independent Directors are notified for appointment by Ministry of Coal and they are selected by the Search Committee constituted by the Department of Public Enterprises.

The Independent Directors being appointed on the Board are drawn from various fields and possess vast experience and by virtue of their experience and exposure, provide guidance to Board on all important issues and involve in the decision making process.

Independent Directors

It is affirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (LODR) and are independent of the Management. The Independent Directors presently on the Board have registered/are in process of registration with the Institute notified under Section 150(1) of the Companies by the Ministry of Corporate Affairs. Being the Government Company, the Independent Directors on the Board are appointed by the Government of India with requisite integrity, expertise and experience.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on 18th March, 2020. Except Dr P Vishnu Dev, all other Independent Directors attended the meeting. In this meeting, Independent Directors assessed the performance of Non-Independent Directors and the Board of Directors as a whole, reviewed the performance of the Chairperson of the listed entity and also the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

Audit Committee

(i) **Terms of reference**

The terms of reference conform to the requirements of the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 and DPE Guidelines on Corporate Governance.

(ii) **Composition, Names of Members and Chairperson:**

The Committee as on 31.03.2020 comprised of four Independent Directors viz., Shri. Indrajit Pal, Independent Director as the Chairman and Dr P Vishnu Dev, Dr V Muralidhar Goud, Shri N K Narayanan Namboothiri Independent Directors as Members.

During the year, consequent to the relinquishment of 2 Independent Directors with effect from 17.11.2019, from the Board on completion of their tenure, the committee comprised of only 2 Directors and hence the requirements of having minimum 3 members have not been complied with till re-constitution of the Committee w.e.f., 05.12.2019.

(iii) **Meetings and Attendance**

During the financial year 2019-20, 7 meetings of the Audit Committee were held on the following dates:

29th April, 2019, 30th May, 2019, 26th June 2019, 06th August, 2019, 13th September, 2019, 08th November, 2019 and 11th February, 2020.

The details of number of meetings and attendance of members for the Audit Committee meetings held during the year 2019-20 are as under:

Name of the Director (Sarvashri/Smt.)	No. of Meetings held during the period of office	No. of meetings attended
K.Madhavan Nair	6	6
Azad Singh Toor	6	6
Nalini Padmanabhan	6	6
Nadella Naga Maheswar Rao	6	6
Indrajit Pal	1	1
Dr P Vishnu Dev	1	1
Dr V Muralidhar Goud	1	1
N K Narayanan Namboothiri	1	1

Nomination and Remuneration Committee

(i) Terms of reference

The appointment of Executive Directors including the Chairman and Managing Director is contractual in nature and the remuneration is paid to them as per the terms of their appointment made by the Government of India. The remuneration of Part-time Official Directors is governed by their respective Government rules. Sitting fees are paid to Independent Directors. However, for finalising the Performance Related Pay (PRP) for Executive Directors, Executives and Non-unionised Supervisors, as required under the DPE guidelines, the Board had earlier constituted the Remuneration Committee and the said Committee has been renamed as "Nomination and Remuneration Committee" in terms of the provisions of the Companies Act,2013 and SEBI Listing 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, Name of Members and Chairperson

The Committee as on 31.03.2020 comprised three Independent Directors viz., Shri N K Narayanan Namboothiri as the Chairman and Dr P Vishnu Dev, Dr V Muralidhar Goud as its Members with Director(HR) and Director(Finance) as Permanent Invitees.

The requirements that the Committee to comprise at least three Directors, was not complied with during the brief periods from 26.09.2019 to 03.10.2019 and from 17.11.2019 to 04.12.2019 due to the relinquishment of Directors who were Members of the Committee, from the Board of Directors of the Company.

(iii) Meetings and Attendance

During the financial year 2019-20, three meetings of the Nomination and Remuneration Committee were held on 24th May, 2019, 3rd February 2020 and 27th February 2020.

The details of number of meetings and attendance of members for the Nomination and Remuneration Committee meetings held during the year 2019-20 are as under:

Name of the Director (Sarvashri/Smt.)	No. of Meetings held during the period of office	No. of meetings attended
Azad Singh Toor	1	1
Nalini Padmanabhan	1	1
Md. Nasimuddin	1	0
N K Narayanan Namboothiri	2	2
Dr P Vishnu Dev	2	2
Dr V Muralidhar Goud	2	2

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 @ ₹ 30,000/- for attending the meetings of the Board and ₹ 20,000/- for the meetings of the Sub-committees thereof. With effect from 11.02.2020, the above sitting fees has been revised to ₹ 35,000/- for attending the meetings of the Board and ₹ 25,000/- for attending the Committee meetings.

Remuneration Details

The details of remuneration paid to the following Executive Directors during the year 2019-20 are as under:

Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits (₹)	Performance Related Pay* (₹)
Rakesh Kumar	44,31,777	14,40,687	12,76,182
R.Vikraman	52,10,438	13,03,900	11,00,048
Nadella Naga Maheswar Rao	40,16,856	11,33,783	6,92,432
Prabhakar Chowki	38,47,388	11,07,770	34,165
Shaji John	37,93,213	12,16,751	6,65,895
Jaikumar Srinivasan	5,26,891	1,01,505	--

* PRP for 2017-18 & PRP advance for 2018-19.

** ***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 2019-20, 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 2019-20 are as under:

Name of the Director (Sarvashri / Smt.)	Sitting fee paid for (₹)	
	Board Meetings	Committee Meetings
Azad Singh Toor	1,80,000	1,60,000
K.Madhavan Nair	1,80,000	1,80,000
Nalini Padmanabhan	2,10,000	1,60,000
Indrajit Pal	3,15,000	2,20,000
Dr.P.Vishnu Dev	2,85,000	2,50,000
Dr V Muralidhar Goud	2,25,000	1,70,000
N K Narayanan Namboothiri	2,25,000	1,65,000

Stakeholders Relationship Committee

The Committee as on 31.03.2020 comprised of Dr. P. Vishnu Dev, Non-executive Independent Director as its Chairperson, Shri. Jaikumar Srinivasan and Shri. N K Narayanan Namboothiri, Directors as its Members, to look into the redressal of Stakeholders/Investors grievance and review the action taken by the Company.

Shri. K. Viswanath, Company Secretary is the Compliance Officer.

Integrated Registry Management Services Private Limited, Chennai, is the Share Transfer Agent and the Depository Registrar (STA & DR) of the Company and they attend to transfers/ transmission requests lodged with the Company. The STA & DR also co-ordinate with NSDL & CDSL, the Depositories and attend to Investors' complaints besides also by the Company and the activities of the STA & DR are under the supervision of the Compliance Officer. The complaints received from shareholders are monitored regularly and redressal action is taken immediately.

During the year 2019-20, 60 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 were 6 complaints pending for redressal as on 31.03.2020 which were since resolved.

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 31.03.2020 comprised of four Independent Directors & one Executive Director viz., Shri. Indrajit Pal, the Chairman, Dr. P. Vishnu Dev, Dr V Muralidhar Goud, Shri N K Narayanan Namboothiri and Shri. R. Vikraman 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 2016-17	27.09.2017, 14.30 hrs.	"Kamaraj Arangam", 492, Anna Salai, Teynampet, Chennai - 600 006.
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

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 2019-20.

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 and Dinamani (Tamil). The financial results are also made available in the Company's website - www.nlcindia.com 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 and venue : 29th September, 2020, Tuesday, 03.00 P.M. IST

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

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

Financial Calendar for the year 2020-21

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 ₹ 7.06/- per equity share (70.60%) on February 27, 2020 and the same was paid on March 13, 2020.

Unclaimed Dividend Account Details:

The unclaimed Dividend Account details as on 31st March, 2020 is as under:

Sl. No.	Account for the Year	Balance Amount as on 31.03.2020 (in ₹)	Due date for transfer to IEPF Authority
1.	2012-2013 (Interim)	6,67,034.00	29.03.2020*
2.	2012-2013 (Final)	11,69,902.80	08.10.2020
3.	2013-2014 (Interim)	7,82,246.00	20.04.2021
4.	2013-2014 (Final)	11,41,798.20	29.10.2021
5.	2014-2015 (Interim)	12,13,466.80	17.03.2022
6.	2014-2015 (Final)	6,88,598.00	21.10.2022
7.	2015-2016 (1st Interim)	13,98,226.50	28.02.2023
8.	2015-2016 (2nd Interim)	3,24,785.70	27.03.2023
9.	2015-2016 (Final)	10,80,256.00	19.10.2023
10.	2016-2017 (Interim)	64,57,357.82	19.04.2024
11.	2017-2018 (Interim)	29,68,101.53	17.04.2025
12.	2017-2018 (Final)	2,90,357.29	30.08.2025
13.	2018-2019 (Interim)	32,77,065.72	23.04.2026
14.	2019-2020 (Interim)	84,92,848.62	01.04.2027
Total		**2,99,52,044.98**	

* timelines for transfer to IEPF extended upto 30.09.2020 due to COVID-19 pandemic

Listing on Stock Exchanges and payment of Listing fees

The equity shares and Bonds of the Company are presently listed with the BSE Ltd and National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges up to the year 2020-21. Commercial Paper is listed with BSE Ltd.

Stock code

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

Stock Market Data

The monthly high and low market price of the Company's shares during each month in 2019 -20 as quoted at the BSE & National Stock Exchange and its comparative performance with the broad base BSE Sensex & NIFTY 50 during the same period were as under:

Month	Share Price (BSE) (₹)		Share Price (NSE) (₹)		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April 2019	69.80	64.00	70.00	63.20	39487.45	38460.25	11856.15	11549.10
May 2019	70.80	63.50	71.10	63.25	40124.96	36956.10	12041.15	11108.30
June 2019	66.40	61.75	66.40	61.75	40312.07	38870.96	12103.05	11625.10
July 2019	72.50	57.00	72.70	56.75	40032.41	37128.26	11981.75	10999.40
August 2019	57.90	49.15	58.10	49.05	37807.55	36102.35	11181.45	10637.15
September 2019	60.90	53.30	60.80	53.60	39441.12	35987.80	11694.85	10670.25
October 2019	62.00	50.70	61.90	52.45	40392.22	37415.83	11945.00	11090.15
November 2019	59.40	52.60	59.40	52.90	41163.79	40014.23	12158.80	11802.65
December 2019	57.40	49.40	57.40	46.05	41809.96	40135.37	12293.90	11832.30
January 2020	61.75	54.15	61.80	54.05	42273.87	40476.55	12430.50	11929.60
February 2020	62.00	50.55	62.00	50.50	41709.30	38219.97	12246.70	11175.05
March 2020	62.55	35.05	62.80	34.95	39083.17	25638.90	11433.00	7511.10

Depository Registrar and Share Transfer Agent:

Integrated Registry Management Services Pvt Ltd., is the Depository Registrar and Share Transfer Agent for the Company. The details of their address, contact numbers are as under:

Address: II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600017.
Tel.No.:044-28140801-03 | FaxNo.:044-28142479 | E-mail id: csdstd@integratedindia.in.

Share Transfer System

Integrated Registry Management Services Pvt Ltd., Chennai attend to transfers/ transmission requests lodged with the Company. The STA & DR also co-ordinate with NSDL & CDSL, the Depositories and attend to Investors' complaints besides also by the Company and the activities of the STA & DR are under the supervision of the Compliance Officer.

Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2020 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	4.31
Financial Institutions / Banks	3,64,32,179	2.63
Insurance Companies	59,44,221	0.43
Mutual Funds/ UTI	12,57,04,443	9.07
NBFC registered with RBI	650	0.00
Bodies Corporate	40,28,995	0.29
Foreign Portfolio Investors – Corporate 1 & 2	64,46,400	0.46
NRI	30,16,247	0.22
Public	4,60,25,478	3.32
Clearing Members	6,76,672	0.05
Others	4,38,840	0.02
Total	**1,38,66,36,609**	**100.00**

Distribution of Shareholding as on 31.03.2020

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of shareholding
1 - 500	90306	87.03	12095029	0.87
501 - 1000	6553	6.32	5462995	0.39
1001 - 2000	3366	3.24	5227196	0.38
2001 - 3000	1135	1.09	2911276	0.21
3001 - 4000	576	0.56	2097719	0.15
4001 - 5000	514	0.5	2438653	0.18
5001 - 10000	706	0.68	5189521	0.37
10000 and above	608	0.59	1351214220	97.45
Total	**103764**	**100.00**	**1386636609**	**100.00**

Dematerialisation of shares and liquidity

The equity shares of the Company numbering to 1384528070 (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 2019-20, Commodity Price Risk and Commodity Hedging Activity : Not applicable.

Plant locations

Mine-I (including Expansion) Mine-IA, Mine-II (including Expansion), TPS-I, TPS-I Expansion, TPS-II and TPS-II Expansion, Neyveli New Thermal Power Station are located in Neyveli in Cuddalore District in the State of Tamil Nadu. Barsingsar Mine and Thermal Power Plant are located in Bikaner District in the State of Rajasthan. Solar Power Plants are located in Neyveli, Maranthai, Pudur, Ettankulam, Seliyanallur, Subbaiahpuram & Therkkupatti (Tirunelveli District), Senkulam, Pulangal, Sethupuram, Parattanatham & Thoppalakarai (Virudhunagar District), Avathandai, M. Pudukulam, Kumuthi, Kadamangalam (Ramanathapuram District), Onamakulam (Tuticorin District) and 51 MW WTGs in Kazhuneerkulam (Tirunelveli District) all in the State of Tamilnadu. Talabira-II & III Coal open cast Mines at Sambalpur in the State of Odisha. A Thermal Power Plant of the Subsidiary Company (NTPL) is in operation at Tuticorin, in the State of Tamil Nadu. 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 First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600 031 (Tel. No.044-28364613-16) or to the Corporate Office, Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu (Tel.No.04142-252205). Shareholders may also send their communication electronically to investors@nlcindia.in, the exclusive e-mail-id provided.

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

The details of their address, contact numbers are as under:

Address: II Floor,'Kences Towers',No.1, Ramakrishna Street, North Usman Road,T.Nagar, Chennai - 600 017.
Tel.No.:044-28140801-03 Fax No.:044-28142479 E-mail id: csdstd@integratedindia.in.

Credit Ratings for Borrowings

Sl.No.	Rating Agency / Particulars	Rating Assigned
1	**ICRA**	
	Rating for MCL Borrowings_ICL for ₹ 2000 crore	ICRA 'AAA/Stable'
	Rating for NLCIL Bonds for ₹ 2000 crore	ICRA 'AAA/Stable'
2	**CRISIL**	
	Rating for Working Capital Loan for ₹ 5000 crore	CRISIL 'AAA/Stable'
	Rating for MCL Borrowings_ICL for ₹ 2000 crore	CRISIL 'AAA/Stable'
	Rating for Bonds for ₹ 3000 Crore	CRISIL 'AAA/Stable'
3	**Brick work Ratings**	
	Rating for NNTPS - RTL ₹ 3000 crore.	BWR 'AAA/Stable'
	Rating for NNTPS - RTL ₹ 1135 crore.	BWR 'AAA/Stable'
	Rating for NNTPS - RTL ₹ 821 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 Borrowings for ₹ 481 crore (Solar 130 MW)	CARE "AAA"/Stable
	Rating for Borrowings for ₹ 1406 crore (Solar 500 MW)	CARE "AAA"/Stable
	Rating for Borrowings for ₹1000 crore (GPL)	CARE "AAA"/Stable
	Rating for Commercial Paper - ₹ 5000 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 - ₹ 5000 crore	IND A 1 +

Other Disclosures

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

During the year, the Company did not enter into any contracts/arrangements/transactions with any Related Party which are not on an arm's length basis and no material contracts/arrangements were entered into with them at an arm's length basis. No materially significant related party transactions were entered into that may have potential conflict with the interests of the Company at large.

(ii) The Company has complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India except that the Company is non-compliant w.r.t. composition of Board of Directors with one woman Director due to non-nomination of the requisite number of Independent Directors by the Government of India. The Stock Exchanges have levied penalty for non-compliance with respect to the composition of the Board of Directors 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. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last 3 years.

(iii) **Dividend Distribution Policy**

Policy Framework

The policy is framed broadly in line with the provisions of Companies Act, 2013 and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI and other guidelines, to the extent applicable. The policy shall deem to cover the amendments if any, issued by any of the regulatory authorities and / or Govt. of India from time to time.

Being a Central Public Sector Enterprise (CPSE), the Company is required to comply with the guidelines dated 27th May, 2016 and 19th Dec 2016 on "Capital Restructuring of Central Public Sector Enterprises" issued by DIPAM mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5 % of Net-worth, whichever is higher subject to the maximum dividend permissible under the extant provisions. Nonetheless, CPSE are expected to pay the maximum dividend permissible under the Act under which CPSE has been set up, unless lower dividend proposed to be paid is justified on a case to case basis after the analysis of the following aspect:

- Net-worth of the CPSE and its capacity to borrow
- Long- term borrowing
- CAPEX / Business Expansion needs
- Retention of profit for further leveraging in line with the Capex needs: and
- Cash and bank balances

Further internal factors such as Cash Flow and Capex Plan and external factors such as economic environment, taxation and other regulatory concern, macro-economic conditions and cost of borrowing are also considered for declaration of dividend.

The detailed Dividend Distribution Policy is available at the following weblink
https://www.nlcindia.com/investor/dividenddistributionpolicy15042017.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 2019-20, 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 2019-20, three complaints were received, out of which one case was resolved and the other two cases are under process.

(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**

Shri. Balu Sridhar, Partner A.K.Jain & Associates, Company Secretaries, Chennai has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such Statutory authority. The same is placed at Annexure-6A

(ix) **Details of total fees paid to statutory auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

(₹ in crore)

Type of service	FY 2019-20	FY 2018-19
Audit fees	0.43	0.45
Tax fees	0.06	0.14
Others	1.01	0.81
Total	**1.50**	**1.40**

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

As regards adopting discretionary requirements, the following are stated

The Board

The requirement of maintenance of an office for the Non-Executive Chairman and the reimbursement of expenses to him are not applicable to the Company presently as the Company has an Executive Chairman.

Shareholder Rights

The Company's financial results are published in English National newspapers having wide circulation all over India and also in a vernacular newspaper having a wide circulation in the State of Tamil Nadu and hence the financial results are not being sent individually to the shareholders. Further, as required under SEBI(LODR), the results of the Company are also furnished immediately to the Stock Exchanges and also uploaded in the Company's website www.nlcindia.com 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 2019-20 does not contain any audit qualifications.

Separate posts of Chairman and CEO

The Composition of Board of Directors of the Company is approved by the Government of India. In case of PSUs, the major owner is the Government of India. The CMD as CEO of the Company implements the decisions of the Board of Directors through a team of Functional Directors and the functions of CMD are subject to superintendence and control of the Board of Directors of the Company.

Reporting of Internal Auditor

The internal audit is being done by external firms of Chartered Accountants. Internal Audit reports containing periodical reports includes significant findings, if any, and the same is reviewed by the Audit Committee periodically. The Internal Auditors of the Company are generally invited to the meetings of Audit Committee.

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in the SEBI Regulations and DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of Secretarial Auditors.

Declaration - Code of Conduct

The Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard, a declaration by the Chairman and Managing Director is reproduced below:

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance"

For and on behalf of the Board of Directors

Place : Neyveli
Date : 04.09.2020

Rakesh Kumar
Chairman-cum-Managing Director

Annexure - 5

M/s. PKKG BALASUBRAMANIAM & ASSOCIATES,
Chartered Accountants,
Door No.10/2, Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606602.

M/s. R Subramanian and Company LLP,
Chartered Accountants,
New No.6 (Old. No. 36),
Krishna Swamy Avenue,
Luz, Mylapore, Chennai – 600004

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 March 31, 2020 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 Regulation 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 strength of the Non-Executive Directors was less than 50% of the total strength as required under the LODR Regulations, 2015 and the DPE Guidelines during the period from 10.02.2020 to 01.03.2020.

2. The Company did not have a Woman Director / Independent Woman Director on the Board as required under the LODR Regulations, 2015 and the Companies Act, 2013 w.e.f. 02.02.2020.

3. The Board of Directors of the Company did not comprise with the required number of Independent Directors from 01.04.2019 to 01.08.2019 and from 17.11.2019 to 31.03.2020 as prescribed under the LODR Regulations, 2015 and the DPE Guidelines.

4. For a part of the year (from 17.11.2019 to 04.12.2019), the composition of the Audit Committee did not comply with the requirements as prescribed under the LODR Regulations, 2015, the DPE Guidelines and the provisions of Section 177 of the Companies Act, 2013.

5. For a part of the year (from 26.09.2019 to 03.10.2019 and from 17.11.2019 to 04.12.2019), the composition of the Nomination & Remuneration Committee did not comply with the requirements as prescribed under the LODR Regulations, 2015, the DPE Guidelines and the provisions of Section 178 of the Companies Act, 2013.

6. For a part of the year (02.02.2020 to 31.03.2020) the Company did not comply with the provisions for the appointment of One Independent Director from the Board of the Company on the Board of its Subsidiary Company as prescribed under the LODR Regulations, 2015 and the DPE Guidelines.

7. The evaluation of Independent Directors has not been carried out by the entire Board of Directors and the policies / criteria for appointment of Directors on the Board were not formulated by the Nomination and Remuneration Committee as prescribed under the LODR Regulations, 2015.

We state that as required by Listing Regulations, the Chairman of the Audit Committee is required to be present to answer the queries of shareholders. In the 63rd Annual General Meeting of the Company held on August 01, 2019 the Chairman of Audit Committee was not present. However as per DPE Guidelines on Corporate Governance, the Chairman of the Audit Committee had nominated one of the Members of the Audit Committee to attend the said Annual General Meeting.

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

Saradhamani Ganesan
Partner
M No. 027683
UDIN: 20027683AAAAAE9371

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

R. Subramanian
Partner
M No. 008460
UDIN: 20008460AAAAAW5306

Place : Chennai
Date : August 28, 2020

Annexure - 6

M/s. A.K.JAIN & ASSOCIATES
Company Secretaries

No.2 (New No.3), Raja Annamalai Road,
First Floor, Purasawalkam, Chennai - 600 084.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NLC INDIA LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NLC India Limited (CIN: L93090TN1956GOI003507) (hereinafter called "the Company"). 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, minutes books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, 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, minutes books, forms, returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit period).

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit period).

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

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit period).

(h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit period)

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that the following are other laws specifically applicable to the Company:

a) The Mines Act, 1952 and the rules made thereunder.

b) Coal Mines Regulations, 1957.

c) DGMS Guidelines on Periodic Medical Examination for Mines.

d) Mines Vocational Training Rules, 1966.

e) The Electricity Act, 2003 and the rules made thereunder.

f) Indian Boiler Act, 1923 and the regulations made thereunder.

g) Explosives Act, 1884 and the rules made thereunder.

h) Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008.

i) Mines and Mineral (Development and Regulation) Act, 1957

We report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory audit and by other designated professionals.

We have also examined the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Guidelines on Corporate Governance as issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following:

1. The strength of the Non-Executive Directors was less than 50% of the total strength as required under the LODR Regulations, 2015 and the DPE Guidelines during the period from 10.02.2020 to 01.03.2020.
2. The Company did not have a Woman Director / Independent Woman Director on the Board as required under the LODR Regulations, 2015 and the Companies Act, 2013 w.e.f. 02.02.2020.
3. The Board of Directors of the Company did not comprise with the required number of Independent Directors (from 01.04.2019 to 01.08.2019 and from 17.11.2019 to 31.03.2020) as prescribed under the LODR Regulations, 2015 and the DPE Guidelines.
4. For a part of the year (from 17.11.2019 to 04.12.2019), the composition of the Audit Committee did not comply with the requirements as prescribed under the LODR Regulations, 2015 and the DPE Guidelines and the provisions of Section 177 of the Companies Act, 2013.
5. The Chairman of the Audit Committee was not present at the 63rd Annual General Meeting of the Company held on 1st August, 2019 as required under the LODR Regulations, 2015 and the DPE guidelines.
6. For a part of the year (from 26.09.2019 to 03.10.2019 and from 17.11.2019 to 04.12.2019), the composition of the Nomination & Remuneration Committee did not comply with the requirements as prescribed under the LODR Regulations, 2015, DPE Guidelines and the provisions of Section 178 of the Companies Act, 2013.
7. For a part of the year (02.02.2020 to 31.03.2020) the Company did not comply with the provisions for the appointment of One Independent Director from the Board of the Company on the Board of its Subsidiary Company as prescribed under the LODR Regulations, 2015 and the DPE Guidelines.
8. The evaluation of Independent Directors has not been carried out by the entire Board of Directors and the policies / criteria for appointment of Directors on the Board were not formulated by the Nomination and Remuneration Committee as prescribed under the LODR Regulations, 2015.

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.

Generally, adequate notice was given to all Directors to convene the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance/at a shorter notice as per provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which were not included in the Agenda or circulated at a shorter notice were considered vide supplementary agenda with the permission of the Chairman and with the consent of the majority of the Directors present in the Meeting.

All the decisions made in the Board and Committee Meetings were carried out with the unanimous consent of all the Directors present during the meeting as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

We further report 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 issued and allotted:

(i) 14,750 Nos. of Secured, Non-Cumulative, Non-convertible, Redeemable, Taxable Bonds (Series 1 of 2019) in the nature of debentures on 29.05.2019 at a coupon rate of 8.09% per annum and

(ii) 5,250 Nos. of Secured, Non-Cumulative, Non-convertible, Redeemable, Taxable Bonds (Series 1 of 2020) in the nature of Debentures on 27.01.2020 at a coupon rate of 7.36% per annum.

We further report that during the audit period, there were no instances of:

(i) Public / Right / preferential issue of Shares / Sweat Equity, etc.

(ii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013 for disposal of undertaking.

(iii) Foreign technical collaborations.

For A.K.JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550
UDIN: F005869B000485381

Place : Chennai
Date : 21.07.2020

Reply to the Observations of Secretarial Auditor

Secretarial Auditor's Observations (as per Sl.No. of the report)	Reply / Explanation
1. The strength of the Non-Executive Directors was less than 50% of the total strength as required under the LODR Regulations, 2015 and the DPE Guidelines during the period from 10.02.2020 to 01.03.2020.	Due to relinquishment of one Part-time Official Director on the Board, the requirement could not be complied. With effect from 02.03.2020, the requirements have been complied with.
2. The Company did not have a Woman Director / Independent Woman Director on the Board as required under the LODR Regulations, 2015 and the Companies Act, 2013 w.e.f. 02.02.2020.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors vests with the President of India. The issue relating to the appointment of Woman Director / Independent Woman Director on the Board of the Company, has been referred to Ministry of Coal, the Administrative Ministry, and the appointment is in process. On appointment, the requirement would be complied with.
3. The Board of Directors of the Company did not comprise with the required number of Independent Directors (from 01.04.2019 to 01.08.2019 and from 17.11.2019 to 31.03.2020) as prescribed under the LODR Regulations, 2015 and the DPE Guidelines.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors vests with the President of India. The issue relating to the appointment of the required number of Independent Directors on the Board of the Company, has been referred to Ministry of Coal, the Administrative Ministry, and the appointment is in process. On appointment of required Independent Directors on the Board, the requirement with regard to having at least 50% of the Board with Non-executive Directors and at least half of the Board with Independent Directors would be complied with.
4. For a part of the year (from 17.11.2019 to 04.12.2019), the composition of the Audit Committee did not comply with the requirements as prescribed under the LODR Regulations, 2015 and the DPE Guidelines and the provisions of Section 177 of the Companies Act, 2013.	As required, the Audit Committee was in compliance of the requirements up to 16.11.2019. With effect from 17.11.2019, consequent to relinquishment of 2 Independent Directors from the Board on completion of their tenure, the requirements have not been complied with till re-constitution of the Committee w.e.f 05.12.2019.
5. The Chairman of the Audit Committee was not present at the 63rd Annual General Meeting of the Company held on 1st August, 2019 as required under the LODR Regulations, 2015 and the DPE guidelines.	The Chairman of the Audit Committee was away from the Country on that date and hence was unable to attend the AGM. However, he had authorized a Member of the Audit Committee who was also an Independent Director to attend the 63rd AGM held on 01.08.2019.

Secretarial Auditor's Observations (as per Sl.No. of the report)	Reply / Explanation
6. For a part of the year (from 26.09.2019 to 03.10.2019 and from 17.11.2019 to 04.12.2019), the composition of the Nomination & Remuneration Committee did not comply with the requirements as prescribed under the LODR Regulations, 2015, DPE Guidelines and the provisions of Section 178 of the Companies Act, 2013.	The composition of NRC was not complying with the requirements from 26.09.2019 to 03.10.2019 consequent to relinquishment of one of the member from the Board. The Committee was re-constituted by the Board in accordance with the requirements on 04.10.2019 and was complied with that date. Further, consequent to relinquishment of one more member from the Board w.e.f 13.11.2019, the number of members reduced from 3 to 2 nos. and the requirements were not complied with till re-constitution of the Committee w.e.f. 05.12.2019.
7. For a part of the year (02.02.2020 to 31.03.2020) the Company did not comply with the provisions for the appointment of One Independent Director from the Board of the Company on the Board of its Subsidiary Company as prescribed under the LODR Regulations, 2015 and the DPE Guidelines.	The requirement of appointment of one Independent Director from the Board of Holding Company on the Board of Subsidiary Company has been complied with up to 01.02.2020. With effect from 02.02.2020, consequent to relinquishment of the Independent Director from the Board of the Company upon cessation of tenure, the said Director also ceased to be a Director on the Board of the Subsidiary Company w.e.f 02.02.2020 and hence the requirement has not been complied with 02.02.2020. The Company has referred to Ministry of Coal, the administrative Ministry for appointment of one Independent Director from the Board of the Company on the Board of the Subsidiary Company.
8. The evaluation of performance of Independent Directors has not been carried out by the entire Board of Directors and the policies / criteria for appointment of Directors on the Board were not formulated by the Nomination and Remuneration Committee.	MCA vide Notification dated July 5, 2017, has amended Schedule IV of the Companies Act, 2013, under which Govt. Companies are exempted from the provisions of evaluation of performance of independent Directors. Further, the Govt. of India, 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. With regard to formulation of criteria for appointment of Directors on the Board by the Nomination and Remuneration Committee, being a Government Company, the criteria for appointment of Directors on the Board is done by Government of India.

For and on behalf of the Board of Directors

Place : Neyveli
Date : 04.09.2020

Rakesh Kumar
Chairman-cum-Managing Director

Annexure - 6A

CERTIFICATE

[Pursuant to Clause 10 of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of **NLC INDIA LIMITED (CIN : L93090TN1956GOI003507)** We hereby certify that:

On the basis of the written representation / declarations received from the directors and taken on record by the Board of Directors, as on March 31, 2020, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

For A. K. JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
M.No.F5869
C.P.No.3550
UDIN: F005869B000485359

Place : Chennai
Date : 21.07.2020

Annexure - 7

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय महा निदेशक वाणिज्यिक लेखा परीक्षा, चेन्नै

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

सत्यमेव जयते

DGCA/NLC/CA-III/R-II/4-1/20-21/44 **Dt: 25.08.2020**

The Chairman cum Managing Director
NLC India Limited,
Corporate Office,
Block No 1, Neyveli
Cuddalore District 607 801

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 31 March 2020.

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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 2020.

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/-
(R. AMBALAVANAN)
Director General of Commercial Audit, Chennai.

Encl : Audit Certificate

इंडियन आईल भवन, स्तर – २, १३९, महात्मा गाँधी मार्ग, चेन्नई – ६०० ०३४
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 31 MARCH, 2020

The preparation of financial statements of NLC India Ltd for the year ended 31 March 2020 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 23.06.2020

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NLC India Limited for the year ended 31 March 2020 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/-
(R. AMBALAVANAN)
Director General of Commercial Audit, Chennai

Place : Chennai
Date : 25.08.2020

सत्यमेव जयते

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय महा निदेशक वाणिज्यिक लेखा परीक्षा, चेन्नै

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

DGCA/NLC/CA-III/R-II/4-1/20-21/42 **Dt: 25.08.2020**

The Chairman cum Managing Director
NLC India Limited,
Corporate Office,
Block No 1, Neyveli
Cuddalore District 607 801

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 31 March 2020.

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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 31 March 2020.

Receipt of this letter may be acknowledged.

Yours faithfully,

Sd/-
(R. AMBALAVANAN)
Director General of Commercial Audit, Chennai.

Encl. : Audit Certificate

इंडियन आईल भवन, स्तर – २, १३९, महात्मा गाँधी मार्ग, चेन्नई – ६०० ०३४
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 31 MARCH 2020

The preparation of consolidated financial statements of NLC India Limited for the year ended 31 March 2020 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 23.06.2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of NLC India Limited for the year ended 31 March 2020 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 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/-
(R. AMBALAVANAN)
Director General of Commercial Audit, Chennai

Place : Chennai
Date : 25.08.2020

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 – 600004

INDEPENDENT AUDITOR'S REPORT

To
The Members of NLC INDIA LIMITED
(Formerly Neyveli Lignite Corporation Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **NLC INDIA LIMITED** (Formerly Neyveli Lignite Corporation Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone 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:

1. Without qualifying our opinion, attention is invited to Note 22 of the Standalone Financial Statements in respect of pending liabilities to DISCOMS subject to CERC Orders. The true up petition is filed with CERC in the third quarter of FY 2019-2020.

2. Without qualifying our opinion, attention is drawn to Note 23(c) of the Standalone Financial Statements regarding Deferred Tax Liability materialized for ₹ 218.94 crore (for Thermal Plants) up to March 31, 2019, which has not been considered as revenue pending reconciliation and confirmation from the beneficiaries.

3. Without qualifying our opinion, attention is invited to Note 49 A (i) of the Standalone Financial Statements on the requirement of loss allowance for expected credit losses.

4. Without qualifying our opinion, attention is drawn to Note 59 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 judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 sale of power to entities (DISCOMS) and the disclosure requirements under Ind AS 114 "Regulatory Deferral Accounts" and IND AS 115 "Revenue from Contracts". The Central Electricity Regulatory Commission (CERC)/ State Electricity Regulatory Commission (SERC) determine the tariff rates to be charged by the Company for the sale of thermal power. Tariff rates for sale of thermal power are determined by CERC for a block period of 5 years. The tariff for Thermal power plant includes Lignite Transfer Price which is determined in accordance with the Lignite Transfer Price guidelines issued by NLCIL. Pending disposal of petition and approval of CERC tariff rates for the tariff period 2019-2024, the beneficiaries are currently billed in accordance with the approved tariff rate of the previous tariff period i.e. 2014-2019. The differential Income/Expenses to the extent of the operations and maintenance parameters as prescribed by the guidelines for tariff period 2019-2024 are recognised under "Regulatory Deferral Account". Refer Note 30 of the Standalone Financial Statements.	- We have assessed the application of the provisions of Ind AS 114 and Ind AS 115 in respect of the Company's revenue recognition policy for sale of power - We have verified the accounting of revenue in accordance with the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of energy comprising of capacity and energy charges - It is observed that the consideration of various items under "Net movement in Regulatory Deferral Account Balances" and the treatment in the audited accounts are in compliance with the accounting principles laid down in Ind AS 114 Based on the above procedure performed, the recognition, measurement and adequacy of disclosure of revenue as per Ind AS 114 and Ind AS 115 for FY 2019-20 are considered to be adequate and reasonable.
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 judgment is required in estimating the amount of provisioning. The Company's assessment is supported by the facts of matter, their own judgment, experience and independent legal advice wherever considered necessary. Accordingly, unexpected adverse outcomes which may significantly impact the reported profit and net assets are disclosed.	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

The following have been considered as Key Audit Matters:

Sl. No.	Key Audit Matters	Auditor's Response
	A sum of ₹ 9811.51 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 ₹1153.89 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 ₹ 232.24 crore vide Note 7(b) to Companies (Auditor's Report) Order, 2016.	recent and current tax assessments and enquiries, the outcome of previous claims, judgmental 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 to Ind AS 37.
3.	Accuracy of impairment provisions in respect of exploration and evaluation assets and projects under "Capital work in progress" which involves critical judgment of the management in respect of feasibility of ongoing projects, The Standalone Financial Statements include relevant/disclosures that identify and explain the amounts arising from such feasibility study. Refer Note 6 to the Standalone Financial Statements. Further, an aggregate amount of ₹ 517.26 crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold.	We have obtained the details of project activities of Bithnok and BTPSE project from the management. We noted that, Company has incurred capital expenditure of ₹ 349.13 crore and ₹168.13 crore in Bithnok and BTPSE project respectively which includes payment towards land of ₹176.92 crore and Capital Advance of ₹ 261.72 crore. We have obtained management reply that, discussions are underway with Rajasthan Government and M/s. Reliance Infrastructure Limited (EPC Contractor) for revival of the project. We have also ensured that since the project is on hold since June 2017, capitalisation of project costs are also put on hold and expenses incurred in the current have been charged to Profit and Loss Account of 2019-20.
4.	**Accounting of Surcharge** Due from entities (DISCOMS) for any delay in the settlement of claims due to the Company results in levy of surcharge in accordance with the terms and conditions of the agreement entered into for the sale of power. For the FY 2019-20 the Company has recognized a sum of ₹ 840.41 crore as surcharge under other income. Refer Note 24f to the Standalone Financial Statements.	Accounting of surcharge was examined by us to ensure that all the material amounts of surcharge accounted by the Company as income were in accordance with the terms and conditions of the contracts entered into by the Company with DISCOMS.

Information Other Than the Standalone 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 and presentation 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 Group in accordance with the accounting principles generally accepted in India, including the 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 Group 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors of the Company 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 management Board of Directors of the Company 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 Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1. We did not audit the Financial Statements of one (1) Branch included in the Standalone Financial Statements of the Company which reflected total assets of ₹1,559.56 crore as at March 31, 2020 and a net profit of ₹149.44 crore for the year ended on that date. The Financial Statements of this Branch have been audited by the Branch auditor 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 Branch, is based solely on the report of such Branch Auditor.

2. Note 9 of the Standalone Financial Statements with regards to inventory "where due to Covid-19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 "Audit evidence -Specific consideration for stipulated items', which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Standalone Financial Statements. "

Our opinion is not modified in respect of these matters.

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 the 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, 2020 there were no material foreseeable losses on those contracts. The Company did not have any derivative contracts as at March 31, 2020.

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

SARADHAMANI GANESAN
Partner
M No.027683
UDIN: 20027683AAAAAC8043

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

R. SUBRAMANIAN
Partner
M No.008460
UDIN: 20008460AAAAAM2607

Place : Chennai
Date : June 23, 2020

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 2 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.

   b) The Company is having a regular programme of physical verification of all fixed assets (Property, Plant and Equipment) once in a period of 2 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   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 acquisition of land, all the title deeds could not be fully 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 Govt. of Tamil Nadu to the respective assignment deeds.

2. **Inventory**

   The inventory has been physically verified at reasonable intervals by the management. No material discrepancies were noticed during such verification.

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

   The Company has granted unsecured loan to a subsidiary Company and to 2 directors of the Company covered by the register maintained under section 189 of the Companies Act, 2013:

   a) In our opinion, the terms and conditions of grant of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.

   b) According to the information and explanations given to us, the schedule of repayment of principal and payment of interest has been stipulated while granting such loans and the repayment/receipts are regular.

   c) No amounts are overdue for more than 90 days.

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

   The Company has not advanced loans, given guarantees or security or made any investment in contravention of section 185 and/or section 186 of the Companies Act, 2013.

5. **Public Deposits**

   In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public and hence the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under are not applicable to the Company.

6. **Maintenance of Cost Records**

   The Central Government has prescribed the maintenance of cost records U/S. 148(1) of the Companies Act, 2013 in respect of Electricity Industry and Lignite. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7. **Statutory dues**

   a) The Company has generally been regular in depositing Provident Fund dues of its own employees. Based on the information and explanations given to us the Company has laid down system and procedures regarding deposit of PF and ESI dues relating to contractors' workers. The Company has generally been regular in depositing Income-tax, Duty of Customs, Cess, Goods and Service Tax and any other statutory dues to the appropriate authorities.

Based on information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Customs Duty, Cess, Goods and Service Tax and any other statutory dues were outstanding as at March 31, 2020 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, 2020 on account of any dispute except as reported below:

Name of the Statute	Nature of Dues	Demand Amount (₹ in lakh)	Amount Deposited under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1969	Customs Duty	2685.00	983.00	-	CESTAT
Income Tax Act	Income Tax	49.40	0	FY 2007-08	Assessing officer
		8.11	0	FY 2008-09	Assessing officer
		3.95	0	FY 2009-10	Assessing officer
		40.96	0	FY 2010-11	Assessing officer
		85.22	0	FY 2011-12	Assessing officer
		1.33	0.27	FY 2011-12	CIT(A)
		2.31	0	FY 2012-13	Assessing officer
		2.66	0.53	FY 2012-13	CIT(A)
		0.15	0	FY 2013-14	Assessing officer
		2.54	0.51	FY 2013-14	CIT(A)
		0.21	0	FY 2014-15	Assessing officer
		2.04	0.41	FY 2014-15	CIT(A)
		0.07	0	FY 2015-16	Assessing officer
		1.41	0.28	FY 2015-16	CIT(A)
		0	0	FY 2016-17	Assessing officer
		1.65	0.33	FY 2016-17	CIT(A)
		0	0	FY 2017-18	Assessing officer
		0	0	FY 2018-19	Assessing officer
		9.01	0	FY 2019-20	Assessing officer
Finance Act, 1994	Service Tax	89.56	6.72	Apr 2009 to Jun 2012	CESTAT
		51.34	7	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
		205.62	-	Jun 2008 to Mar 2012	CESTAT
		72.83	5.46	Apr 2015 to Jun 2017	CEC (A)
		1417.27	106.3	Apr 2015 to Jun 2017	CESTAT
		8.05	0.6	Apr 2015 to Jun 2017	CEC (A)

Name of the Statute	Nature of Dues	Demand Amount (₹ in lakh)	Amount Deposited under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Clean Environment Cess and Excise Duty	17900.5	0	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 deposited an amount of ₹ 338.67 crore during this year with the Income Tax Department to avail the benefit of VSVS Scheme. However, the process of application for opting the scheme were not complete as on March 31, 2020.

8. Repayment of Loans

The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to 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 any moneys by way of initial public offer or further public offer during the year. The moneys raised by way of debt instruments and term loans were applied for the purposes for which those were raise.

10. Frauds

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

11. Managerial Remuneration

As per Notification No. GSR 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are 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 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

In our opinion all transactions with the related parties are in compliance with the provision of section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements etc., as required by the applicable 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

The Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

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

SARADHAMANI GANESAN
Partner
M No.027683
UDIN: 20027683AAAAAC8043

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

R. SUBRAMANIAN
Partner
M No.008460
UDIN: 20008460AAAAAM2607

Place : Chennai
Date : June 23, 2020

Annexure-II to Independent Auditors' Report

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** (formerly Neyveli Lignite Corporation Limited) ("the Company") as of March 31, 2020 in connection 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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 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:

(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 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

(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 Standalone 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, 2020, 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 one (1) branch 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 conducted by the branch auditor 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 branch, is based solely on the report of such branch auditor. Our opinion is not modified in respect of this matter.

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

SARADHAMANI GANESAN
Partner
M No.027683
UDIN: 20027683AAAAAC8043

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

R. SUBRAMANIAN
Partner
M No.008460
UDIN: 20008460AAAAAM2607

Place : Chennai
Date : June 23, 2020

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	Impact on Standalone 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 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.	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 of / 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.	The Company has received ₹ 6.77 crore as grants for various schemes from Central / State agencies and the same have been properly accounted for and utilised as per the terms and conditions stipulated.	NA
4. Whether Proper adjustments were carried out for unbilled revenue on receipt of CERC orders	The total unbilled revenue as at March 31, 2020 is ₹ 809.73 crore. In consideration to the billing cycle, the above amount includes Energy charges and Capacity charges of ₹ 696.19 crore for the month of March 2020 billed in the subsequent month. In accordance to the approved orders received from CERC, the remaining balance of ₹ 113.54 crore, pertain to recoveries pending made from the beneficiaries subject to the finalisation of the Company's accounts, The tariff differential amount (Awaiting CERC approval) is considered under Regulatory deferral Account Balance.	NA

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

SARADHAMANI GANESAN
Partner
M No.027683
UDIN: 20027683AAAAAC8043

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

R. SUBRAMANIAN
Partner
M No.008460
UDIN: 20008460AAAAAM2607

Place : Chennai
Date : June 23, 2020

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in crore)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	**18,298.74**	11,678.18
(b) Right-of-Use Asset	3	**3.06**	-
(c) Intangible Asset	4	**6.36**	6.25
(d) Capital Work-In-Progress	5	**4,083.58**	8,735.64
(e) Asset under Development	6	**127.67**	117.80
(f) Financial Assets	7		
I) Investments	a	**3,519.40**	2,823.58
ii) Loans	b	**30.88**	42.60
(g) Other non-current assets	8	**1,260.48**	1,124.95
		27,330.17	24,529.00
(2) Current Assets			
(a) Inventories	9	**1,324.55**	1,464.38
(b) Financial Assets	10		
i) Trade Receivables	a	**6,691.83**	4,606.19
ii) Cash and Cash Equivalents	b	**12.97**	13.82
iii) Other Bank Balances	c	**360.30**	303.34
iv) Loans	d	**37.98**	716.60
v) Other Financial Assets	e	**65.13**	48.71
(c) Income Tax Asset (Net)	11	**832.28**	692.96
(d) Other Current Assets	12	**1,226.70**	1,187.41
		10,551.74	9,033.41
(3) Regulatory Deferral Account Debit Balances	13	**1,237.18**	1,119.93
Total Assets and Regulatory Deferral Account Debit Balance		**39,119.09**	34,682.34
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	**1,386.64**	1,386.64
(b) Other Equity	15		
i) Retained Earnings	a	**8,942.89**	8,843.46
ii) Other Reserves	b	**2,309.98**	2,281.23
		12,639.51	12,511.33
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	16		
(i) Borrowings	a	**11,370.16**	8,316.51
(ii) Lease Liability of Right-of-Use Assets	b	**3.30**	-
(b) Deferred Tax Liabilities (Net)	17	**2,779.94**	2,093.47
(c) Other Non-Current Liabilities	18	**1,066.39**	1,235.81
		15,219.79	11,645.79
(2) Current Liabilities			
(a) Financial liabilities	19		
(i) Borrowings	a	**3,641.42**	3,668.00
(ii) Trade Payables	b		
- Total outstanding dues of Micro and Small enterprises		**11.54**	15.89
- Total outstanding dues of creditors other than Micro and Small enterprises		**1,819.35**	1,972.18
(iii) Other Financial Liabilities	c	**1,886.53**	1,218.49
(b) Other Current Liabilities	20	**587.64**	701.75
(c) Provisions	21	**748.26**	510.10
		8,694.74	8,086.41
(3) Regulatory Deferral Account Credit Balances	22	**2,565.05**	2,438.81
Total Equity and Liabilities and Regulatory Deferral Account Credit Balance		**39,119.09**	34,682.34

Significant Accounting Policies 1

The Accompanying Notes 1 to 59 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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 23-06-2020

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Sl. No.	Particulars	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
	INCOME			
I	**Revenue from Operations**	23	**7,916.30**	7,145.92
II	**Other Income**	24	**1,216.98**	913.35
III	**Total Income (I+II)**		**9,133.28**	8,059.27
IV	**EXPENSES**			
	Changes in Inventories	25	**81.99**	242.92
	Employee Benefit Expenses	26	**2,804.70**	2,963.68
	Finance costs	27	**820.38**	390.09
	Depreciation and Amortization expenses	28	**958.39**	745.72
	Other expenses	29	**2,255.38**	2,405.19
	Total Expenses (IV)		**6,920.84**	6,747.60
V	**Profit / (loss) before Exceptional, Tax & Rate Regulatory Activity (III-IV)**		**2,212.44**	1,311.67
VI	**Net Movement in Regulatory Deferral Account Balances Income /(Expenses)**	30	**(4.41)**	859.41
VII	**Profit / (loss) before Exceptional Item and Tax (V+VI)**		**2,208.03**	2,171.08
VIII	**Exceptional Items**	31	**3.44**	35.21
IX	**Profit / (loss) before Tax (VII-VIII)**		**2,204.59**	2,135.87
X	**Tax Expense:**			
	(1) Current Tax			
	- Current Year Tax		**309.93**	288.27
	- Previous Year Tax		**(3.27)**	101.90
	- Tax Expenses/(savings) on Rate Regulated Account		**(1.54)**	262.69
	- MAT credit		**(200.92)**	-
	(2) Deferred tax		**686.54**	216.04
	Total Tax Expenses (X)		**790.74**	868.90
XI	**Profit / (loss) for the year (IX-X)**		**1,413.85**	1,266.97
XII	**Other Comprehensive Income**			
	Items not reclassified to Profit or Loss: (Net of Tax) - Re-measurements of defined benefit plans	32	**(125.36)**	(34.20)
XIII	**Total Comprehensive Income for the year (XI+XII) (Comprising profit or (loss) and other comprehensive income)**		**1,288.49**	1,232.77
XIV	**Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balance):**			
	(1) Basic (in ₹)	33	**10.22**	4.52
	(2) Diluted (in ₹)		**10.22**	4.52
XV	**Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balance):**			
	(1) Basic (in ₹)	33	**10.20**	8.54
	(2) Diluted (in ₹)		**10.20**	8.54

The Accompanying Notes 1 to 59 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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 23-06-2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity Share Capital

Particulars	As at 01.04.2019		Movement during the year		As at 31.03.2020	
	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)
Equity Share Capital	1,38,66,36,609	1,386.64	-	-	1,38,66,36,609	1,386.64

B. Other Equity

(₹in crore)

Particulars	Retained Earnings and other Reserves							Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
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 FY 2019-20	-	-	-		-	-	(978.97)	(978.97)
- Tax on interim dividend FY 2019-20	-	-	-	-	-	-	(181.21)	(181.21)
Appropriations- Transfer from / (to) Retained Earnings	8.72	10.00	-	-	-	10.03	(28.75)	-
Other changes :								
- 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**	**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 in Equity referred to in our report of even date.

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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 23-06-2020

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		**2,204.59**		2,135.87
Adjustments for:				
Less:				
Profit on Disposal of Asset	**2.65**		18.24	
Dividend from NTPL	**97.37**		-	
Interest Income	**166.85**		271.91	
	266.87		290.15	
Add:				
Depreciation	**958.39**		745.72	
Buyback Expenses	**-**		6.75	
Other non cash charges	**61.12**		(79.08)	
Provision for loss on asset	**0.02**		10.14	
Loss on Disposal of assets	**2.65**		9.18	
Interest expense	**820.38**		390.09	
	1,842.56	**1,575.69**	1,082.80	792.65
Operating Profit before working capital changes		**3,780.28**		2,928.52
Adjustments for :				
Trade receivables		**(2,096.59)**		(1,360.50)
Loans & advances		**(87.63)**		(55.90)
Inventories & other current assets		**40.73**		1,108.51
Trade payables & other current liabilities		**(93.01)**		(1,713.81)
Cash Flow generated from Operations		**1,543.78**		906.82
Direct Taxes paid		**(378.30)**		(405.38)
Cash Flow Before Extraordinary Items		**1,165.48**		501.44
Grants received		**2.61**		(2.73)
Net Cash from operating activities		**1,168.09**		498.71
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment / preliminary expenses		**(2,699.66)**		(3,068.98)
Sale of property, plant and equipment / Projects from continuing operations		**2.11**		18.70
Sale/Purchase of Investments		**(695.82)**		(402.21)
Dividend Received from Subsidiary		**97.37**		-
Interest Received		**150.43**		269.23
Net Cash used in investing activities		**(3,145.57)**		(3,183.28)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings (Net)		**(26.58)**		2,210.20
Long Term Borrowings (Net)		**3,640.74**		2,236.30
Loans to subsidiary		**680.00**		1,070.00
Interest paid		**(1,157.37)**		(767.97)
Buyback of Equity Shares including Buyback Expenses		**-**		(1,255.76)
Dividend (including Dividend Tax)		**(1,160.16)**		(807.01)
Net Cash used/received in financing activities		**1,976.63**		2,685.76
Net increase, decrease (-) Cash and Cash equivalents		**(0.85)**		1.19
Cash and cash equivalents as at the beginning of the year		**13.82**		12.63
Cash and cash equivalents as at the end of the year		**12.97**		13.82

NOTE : (-) INDICATES CASH OUTFLOW.

DETAILS OF CASH AND CASH EQUIVALENTS	As at March 31, 2020	As at March 31, 2019
Cash In Hand	**0.01**	0.01
Cash at Bank in Current Accounts	**2.71**	2.86
Cash at Bank in Deposit Accounts	**10.25**	10.95
Total	**12.97**	13.82

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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 23-06-2020

Note No. 1

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
For the year ended March 31, 2020

(Expressed in INR 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 First Floor, No. 8, Mayor Sathyamurthy Road, FSD, Egmore Complex of FCI, Chetpet, Chennai - 600031 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 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 ('INR') 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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Significant Accounting Policies

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 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 : 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/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 capitalisation when the entire land / substantial portion of land is ready for development and mining activity.

(c) **Coal Mine** : The commercial operation date (CoD) of the mines to be considered based on the following: -

a. From beginning of the financial year immediately after the year in which project achieves physical output of 25% of rated capacity as per approved project report; or

b. 2 years of touching Coal; or

c. From the beginning of the financial year in which the value of production is more than the total expenses.

whichever event occurs first.

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 capitalisation 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	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
(b) Wind Turbine Generator (WTG) and Solar Power Plants.	As per the estimated life of the plant in line with guidelines issued by Ministry of New and Renewable Energy ('MNRE')/CERC/SERC as applicable.
(c) Life Extension Programme ('LEP') Assets.	Life assessed as per technical estimate / life approved by CERC/SERC.
ii. Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013.
iii. Buildings: Non-residential Buildings Plant & Machinery : CME other than dozers and pipe layers, Workshop machinery, pumps GWC & SWC pipes and Civil construction machinery.	At technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. 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 amortized over the estimated life of the mine or the life originally /initially approved for the linked thermal power plant whichever is lesser. For the mines which are not directly linked to any specific feeding Thermal Power Plants, Such "Mine Development Cost" are 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.

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 and net Realizable Value.

Stock Items	Basis
Lignite	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.

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 whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are 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 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 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)

Expected loss are measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided.

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 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 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 recognised 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 includes 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 amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is 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 and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees, and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period, and penalties for early termination of a lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities 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 recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract. The Company 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 As108. 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 criterion 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 M/s. PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn. No.001547S

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Chennai
Date : June 23, 2020

Notes to Standalone Financial Statements

NON-CURRENT ASSETS
Property, Plant and Equipment
Particulars

(₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
		As at 01.04.2019	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2020	As at 01.04.2019	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
2	Land	865.25	111.60	-	976.85	-	-	-	-	976.85	865.25
	Roads	107.11	4.04	0.06	111.09	57.78	0.02	7.85	65.61	45.48	49.33
	Buildings	441.28	18.27	-	459.55	39.11	-	12.25	51.36	408.19	402.17
	Electrical Installations	193.74	6.35	-	200.09	97.55	-	15.56	113.11	86.98	96.19
	Water Supply & Drainage	105.57	4.50	0.16	109.91	47.54	0.05	11.65	59.14	50.77	58.03
	Plant & Machinery	11,946.89	7,409.61	5.65	19,350.85	2,321.29	2.72	854.92	3,173.49	16,177.36	9,625.60
	Furniture & Equipment	55.94	16.58	0.26	72.26	16.51	0.09	7.07	23.49	48.77	39.43
	Vehicles	42.61	12.52	0.58	54.55	21.68	0.39	4.40	25.69	28.86	20.93
	Assets Costing ₹ 5000 and below	1.53	0.09	-	1.62	1.53	-	0.09	1.62	-	-
	Mine Development										
	Mine-I	206.97	-	-	206.97	86.98	-	15.00	101.98	104.99	119.99
	Mine-IA	91.74	-	-	91.74	22.82	-	8.61	31.43	60.31	68.92
	Mine-II	348.51	-	-	348.51	108.58	-	16.00	124.58	223.93	239.93
	Barsingsar Mine	110.85	-	-	110.85	18.44	-	6.16	24.60	86.25	92.41
	Total	**14,517.99**	**7,583.56**	**6.71**	**22,094.84**	**2,839.81**	**3.27**	**959.56**	**3,796.10**	**18,298.74**	**11,678.18**
	Previous Year	12,660.91	1,881.20	24.12	14,517.99	2,093.06	5.70	752.45	2,839.81	11,678.18	

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) 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) Three units of Thermal Power Station -I (out of Nine units) i.e. Unit No. VII (100MW), Unit No. I (50MW) & Unit No. IX (100 MW) have been retired from generation of power as on 31.03.2020. The Gross Block , Accumulated Depreciation and Net block of these three units 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. Consent to Operate the plant has been extended till 30th September, 2020.

e) Spares meeting the criteria of PPE and having a value of more than ₹ 5 lakh have been considered for capitalisation and the depreciation has been charged on the basis of technically estimated useful life. The depreciation for current year includes ₹ 31.03 crore due to the change in estimate of spares.

f) Depreciation on Specialised Mining Equipment (SME) has been considered based on technical estimated useful life of specific assets.

g) The impact due to change in accounting policy for capitalisation of solar and thermal power plants has an impact of ₹ 19.24 crore and ₹ (19.50) crore respectively .

h) Depreciation on Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/SERC.

I) 'There is no impairment loss identified for the assets during the year.

Right-of-Use Assets

(₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2019	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2020	As at 01.04.2019	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
3	Land	0.22	-	-	0.22	-	-	-	-	0.22	-
	Building	0.86	0.38	-	1.24	-	-	0.49	0.49	0.75	-
	Vehicle	0.04	2.23	-	2.27	-	-	0.18	0.18	2.09	-
	Total	**1.12**	**2.61**	**-**	**3.73**	**-**	**-**	**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 01.04.2019	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2020	As at 01.04.2019	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
4	Software	9.75	2.41	-	12.16	3.50	-	2.30	5.80	6.36	6.25
	Total	9.75	2.41	-	12.16	3.50	-	2.30	5.80	6.36	6.25
	Previous Year	7.97	1.78	-	9.75	1.71	-	1.79	3.50	6.25	

There is no impairment loss identified for the assets during the year.

Note No.	Particulars (₹ in crore)	As at March 31, 2020		As at March 31, 2019	
5	**Capital Work-in-Progress**				
	Plan Expenditure				
	i) TPS-II Expansion				
	Supply and Erection	2.36		2.96	
	Expenditure during Construction	-	2.36	-	2.96
	ii) Neyveli New Thermal Plant				
	Supply and Erection	2,217.22		5,172.09	
	Expenditure during Construction	529.05	2,746.27	1,092.10	6,264.19
	iii) Solar Power Project				
	Supply and Erection	102.85		1,379.87	
	Expenditure during Construction	5.05	107.90	19.49	1,399.36
	iv) Bithnok Project *				
	Supply and Erection	29.20		29.20	
	Expenditure during Construction	20.53	49.73	20.53	49.73
	v) Barsingsar Extension & Hadla Mines *				
	Supply and Erection	9.04		9.04	
	Expenditure during Construction	17.18	26.22	17.18	26.22
	vi) Mine-IA Expansion				
	Supply and Erection	34.40		23.58	
	Expenditure during Construction	352.76	387.16	333.37	356.95
	vii) Talabira II & III				
	Expenditure on Land acquisition	584.95		403.11	
	Expenditure during development	108.20	693.15	50.13	453.24
	Non-Plan Expenditure				
	Supply and Erection	48.60		90.74	
	Capital Goods in Stock & Transit	22.19	70.79	92.25	182.99
	TOTAL		4,083.58		8,735.64

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

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
6	**Assets under Development**	**As at March 31, 2020**	As at March 31, 2019
	Preliminary Project Expenditure	**161.31**	149.85
	Less: Provisions	**33.64**	32.05
		127.67	117.80
7	**Financial Assets**		
	a. Investments	**As at March 31, 2020**	As at March 31, 2019
	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 (Previous year 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 155,92,68,288 (Previous Year 86,34,48,768) no. of equity shares @ ₹10 per share	**1,559.27**	863.45
	(ii) Associates		
	- MNH Shakti Limited - 15% Stake Fully paid up 1,27,65,000 no. of equity shares @ ₹10 per share	**12.77**	12.77
		3,519.40	2,823.58

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 2019-20 NLCIL has subscribed to additional equity shares of 69,58,19,520 @ ₹10 each of NUPPL thereby increasing its investment to ₹ 1559.27 crore (PY ₹ 863.45 crore) without a increase in its overall stake which remains unchanged at 51%.

	b. Loans	**As at March 31, 2020**	As at March 31, 2019
	Loans to Employees		
	Secured	**28.02**	39.06
	Unsecured, considered good	**2.86**	3.54
		30.88	42.60

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 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 ₹ 0.04 crore (PY ₹ 0.13 crore) due from key management personnels. The details of transactions with key management personnels' are mentioned in note no. 41 (c).

8	**Other Non-Current Assets**	**As at March 31, 2020**	As at March 31, 2019
	Unsecured considered good		
	Capital Advances	**450.59**	504.73
	MAT Credit Entitlement	**661.05**	458.94
	Others	**148.84**	161.28
		1,260.48	1,124.95
	Current Assets		
9	**Inventories**	**As at March 31, 2020**	As at March 31, 2019
	Raw Materials- Lignite	**828.42**	910.41
	Solid/Hollow/Fly Ash Bricks	**2.67**	10.35
	Goods-in-transit	**19.00**	18.65
	Stores and Spares	**482.36**	529.75
	Less: Provision for obsolete / unserviceable stores and spares	**(7.90)**	(4.78)
		1,324.55	1,464.38

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	a) Inventory valuation - Inventories are valued at the lower of cost or net realisable value. Cost for this purpose is as follows: (i) Lignite - 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.		
10	**Financial Assets**		
	a. Trade receivables	**As at March 31, 2020**	As at March 31, 2019
	a. Unsecured considered good	**6,691.83**	4,606.19
	b. Unsecured considered doubtful	**141.87**	130.92
		6,833.70	4,737.11
	Less: Provision for Doubtful Debts	**141.87**	130.92
		6,691.83	4,606.19
	a) Based on arrangements among NLCIL, State Bank of India and TANGEDCO, certain bills which were due from TANGEDCO have been discounted during the FY 2019-20. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹637.24 crore (31st March 2019 ₹ NIL). Letter of Credit is available for one month Thermal Power bills. b) Trade receivable for FY 2019-20 includes ₹15.19 crore and ₹ 4.34 crore receivable from NTPL and NUPPL respectively.		
	b. Cash and cash equivalents	**As at March 31, 2020**	As at March 31, 2019
	i) Bank Balance		
	- Current Account	**2.71**	2.86
	- Short term Deposit	**10.25**	10.95
	ii) Cash and Stamp on hand	**0.01**	0.01
		12.97	13.82
	Stamps on hand as on 31.03.2020 - ₹ 55,350/- (31.03.2019 - ₹ 60,306/-)		
	c. Other bank balances	**As at March 31, 2020**	As at March 31, 2019
	Unpaid dividend account balance	**3.00**	2.98
	Earmarked Deposits with banks:-		
	i. Staff security deposit	**0.01**	0.01
	ii. Endowment fund in the name of NLC schools	**0.39**	0.37
	iii. Mine closure deposit	**264.28**	209.39
	iv. PRMA deposit	**90.58**	73.75
	v. Security for Bank Guarantee	**2.04**	16.84
		360.30	303.34
	i) Mine closure deposits are in the name of "Coal Controller Escrow Account NLC Ltd. Mine" ii) PRMA deposit renewed in 2nd April, 2020.		
	d. Loans	**As at March 31, 2020**	As at March 31, 2019
	a) Secured		
	Loan to employees	**22.30**	21.78
	b) Unsecured		
	Considered good		
	- Related Party	**-**	680.00
	- Employees	**15.68**	14.82
		37.98	716.60
	a) The secured loans and unsecured loans to employees include 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 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.		

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)	As at March 31, 2020	As at March 31, 2019
	(i) Due by Officers	**0.01**	0.03
	(ii) Maximum amount due at any time during the year	**0.03**	0.04
	(i) Due by Directors	**0.03**	0.06
	(ii) Maximum amount due at any time during the year	**0.06**	0.07
	(i) Due from Subsidiary Companies -		
	(a) NTPL Loan ₹ Nil (previous year ₹ 680 crore)	**0.00**	680.00
	(b) NUPPL Loan ₹ Nil (previous year ₹ Nil)		
	(ii) Maximum amount due at any time during the year	**1860.00**	1,750.00
	e. Other financial assets	**As at March 31, 2020**	As at March 31, 2019
	Interest Accrued	**47.01**	48.71
	Discount on Commercial Paper	**18.12**	-
		65.13	48.71

a) Interest Accrued includes interest due on loans givens to employees, interest on advances given to suppliers and interest on various deposits such as PRMA etc.

b) Commercial Paper Tranche I was issued on 06.03.2020 for an amount of ₹ 500 crore for a period of 175 days at a coupon rate of 5.45% p.a & Tranche II was issued on 12.03.2020 for an amount of ₹ 500 crore for a period of 78 Days at a coupon rate of 5.10% p.a. These unsecured loans are repayable on 28.08.2020 & 29.05.2020 respectively. The discount attributable to current year has been charged as finance cost in Profit and Loss statement.

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019
11	**Income Tax Assets (Net)**	**As at March 31, 2020**	As at March 31, 2019
	Advance Income Tax	**1,892.71**	1,514.41
	Less : Provision for Tax	**1,060.43**	821.45
		832.28	692.96

The company has opted to avail Vivad Se Viswas scheme launched by Govt. of India. Pending completion of the procedure required under the act an amount of ₹ 338.67 crore has been deposited and disclosed under advance Income Tax.

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019
12	**Other current assets**	**As at March 31, 2020**	As at March 31, 2019
	Disposable / Dismantled Assets, Spares	**3.92**	2.61
	Prepaid Expenses	**66.93**	24.37
	Advances other than capital advances (unsecured)		
	i. Considered good		
	- Staff Advances	**182.78**	88.25
	- Others #	**112.74**	109.29
	ii. Considered doubtful	**2.11**	2.12
	Less: Provision for doubtful advances	**2.11**	2.12
	Deposits With Govt. Authorities		
	- Towards Goods and Service Tax	**20.66**	20.00
	- Towards Royalty	**10.63**	8.84
	- Towards Advance TDS	**0.39**	1.90
	- Port Trust and Customs authorities	**12.09**	80.57
	Unbilled Revenue *	**809.73**	846.62
	GST Receivable (Input Tax Credit)	**4.77**	3.88
	Others	**2.06**	1.08
		1,226.70	1,187.41

Other advances represents advances given to contractors and suppliers in ordinary course of supply of goods and services.

* Unbilled Revenue includes billing done after March 31 for Sale of Power and lignite for respective year.

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019
13	**Regulatory Deferral Account Debit Balances**	**As at March 31, 2020**	As at March 31, 2019
	Deferred Foreign Currency Fluctuation	**124.55**	99.95
	Gratuity	**170.98**	213.21
	Wage Revision	**612.67**	612.67
	Other items recoverable as per CERC Order/Regulations	**328.98**	194.10
		1,237.18	1,119.93

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

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
14	**Equity Share Capital**	**As at March 31, 2020**	As at March 31, 2019
	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 2019)	**2000.00**	2,000.00
	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 2019)	**1,386.64**	1,386.64
	(1,09,82,21,224 Equity Shares being 79.20 % (previous year 1,13,57,84,910 shares being 81.91%) 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, 2020**	As at March 31, 2019
	No. of shares outstanding at 1st April	**1,38,66,36,609**	1,52,85,68,427
	Shares issued during the year	-	-
	Shares bought back during the year	-	14,19,31,818
	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, 2020**	As at March 31, 2019
	i) Dividends paid and recognised during the year		
	- Final dividend for the year ended 31st March 2019 of ₹ Nil (31st March 2018 ₹ 0.27) per fully paid equity shares	**-**	41.27
	- Interim dividend for the year ended 31st March 2020 of ₹ 7.06 (31st March 2019 ₹ 4.53) per fully paid equity shares	**978.97**	628.15
	ii) Dividends not recognised during the year		
	The Board of Directors have not recommended any final dividend during the FY 2019-20.		
d	**Movement in Equity Shares Last Five Years preceding 01.04.2019**		**Equity Shares**
	Number of Shares as on 01.04.2014		**1,67,77,09,600**
	Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 & FY 2018-19		**NIL**
	Aggregate number and class of shares allotted as fully paid up by way of bonus shares FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 & FY 2018-19		**NIL**
	Aggregate number and class of shares bought back FY 2014-15, FY 2015-16, FY 2016-17*, FY 2017-18 & FY 2018-19*		**29,10,72,991**
	Number of Shares as on 31.03.2019		**1,38,66,36,609**
	* Shares bought back 14,91,41,173 Nos. & 14,19,31,818 Nos. during the FY 2016-17 & FY 2018-19 respectively.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
15	**Other Equity**	**As at March 31, 2020**	As at March 31, 2019
	i) Retained Earnings	**9,055.41**	8,830.62
	ii) Other Comprehensive Income		
	Remeasurement of actuarial gains/losses and interest cost	**(112.52)**	12.84
	a) Total Retained Earnings (i + ii)	**8,942.89**	8,843.46
	b) Other Reserves		
	KfW Interest Differential Reserve	**351.30**	342.58
	General Reserve	**1,457.00**	1,457.00
	Contingency Reserve	**110.00**	100.00
	Capital Redemption Reserve	**291.07**	291.07
	PRMA Reserve Fund	**100.61**	90.58
	Total (b)	**2,309.98**	2,281.23
	Total Other Equity (a + b)	**11,252.87**	11,124.69
a)	**Retained Earnings**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**8,830.62**	9,504.57
	Addition during the year	**1,288.49**	1,232.77
	i) Retained Earning available for Appropriation	**10,119.11**	10,737.34
	Less: Appropriations :		
	Transfer to / (from) Interest Differential Fund Reserve	**8.72**	8.07
	Transfer to / (from) Bond Redemption Reserve	**-**	(150.00)
	Transfer to General Reserve	**-**	-
	Transfer to Contingency Reserve	**10.00**	10.00
	Transfer to PRMA Reserve Fund	**10.03**	16.83
	Transfer to Capital Redemption Reserve	**-**	141.93
	Buy Back Premium	**-**	1,107.07
	Final Dividend	**-**	41.27
	Tax on Final Dividend	**-**	8.48
	Interim Dividend	**978.97**	628.15
	Tax on interim Dividend	**181.21**	129.12
	Ind AS 116 Lease Adjustments	**0.13**	-
	ii) Other Comprehensive Income		
	Remeasurement of Actuarial Gain/(loss)	**(125.36)**	(34.20)
	Closing Balance	**9,055.41**	8,830.62
b)	**Other Reserves**		
	KfW Interest Differential Reserve	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**342.58**	334.51
	Transfer from Retained Earnings	**28.05**	29.22
	Less : Withdrawal / Adjustment during the year	**19.33**	21.15
	Closing Balance	**351.30**	342.58

The Company sets aside a reserve equivalent to the amount in rupees 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.

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	General Reserve	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	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	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**100.00**	90.00
	Transfer from Retained Earnings	**10.00**	10.00
	Less : Withdrawal / Adjustment during the year	**-**	-
	Closing Balance	**110.00**	100.00
	₹ 10 crore is apportioned from profit every year to secure the contingency payments in the future periods.		
	Bond Redemption Reserve	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**-**	150.00
	Transfer from Retained Earnings	**-**	-
	Less : Withdrawal / Adjustment during the year	**-**	150.00
	Closing Balance	**-**	-
	a) NLCIL has issued NLCIL Bonds Series-I - 2019 and Series I - 2020 during FY 2019-20 [refer Note no. 16 (a)]. However the requirement to create a Bond Redemption Reserve has been waived off for Listed Companies vide MCA Notification GSR 574 (E) dated 16th August , 2019. Hence no Bond Redemption Reserve provision is required to be created for the freshly issued bond in FY 2019-20. b) The Neyveli Bonds-2009 has been redeemed during the FY 2018-19, hence the amount of Bond Redemption Reserve already accumulated has been transferred to Retained Earnings.		
	Capital Redemption Reserve	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**291.07**	149.14
	Transfer from Retained Earnings	**-**	141.93
	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	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**90.58**	73.75
	Transfer from Retained Earnings	**10.03**	16.83
	Less : Withdrawal / Adjustment during the year	**-**	-
	Closing Balance	**100.61**	90.58
	Represents reserve towards Post Retirement Medical Assistance (PRMA) provided to retired employees and their spouse.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
16	**Non-current Liabilities** **Financial Liabilities**		
	a) Borrowing	**As at March 31, 2020**	As at March 31, 2019
	A) Secured Loans		
	(i) NLCIL Bonds		
	- Series-I-2019	**1,475.00**	-
	- Series-I-2020	**525.00**	-
	(ii) Term Loans		
	- From Banks	**5,754.65**	3,904.18
	- Power Finance Corporation Ltd.	**2,550.00**	2,850.00
	B) Unsecured Loans		
	(i) Inter Corporate Loan:		
	- Loan from Mahanadi Coal Fields Limited (MCL)	**625.00**	1,125.00
	(ii) Foreign Currency loan from KfW-Germany #		
	7.24 Million Euro (7.68 Million Euro) - I	**56.49**	56.26
	49.04 Million Euro (51.84 Million Euro)-II	**384.02**	381.07
	# Guaranteed by the Government of India.		
		11,370.16	8,316.51

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 of 8.09% p.a. & 7.36% p.a respectively. The bonds were secured by 1st pari-passu charge on the project assets of TPS II Expansion 500 MW (250 MW x 2) (including Land) to the extent of the facility. The Bonds are repayable on 29-05-2029 & 25-01-2030 respectively.

ii. Rupee Term Loans (RTL) of the total sanction amount of ₹ 3000 crore @ 8.12% p.a. (on the basis of 3 year AAA Reuter rate) from M/s. Power Finance Corporation Ltd. for NNTPS project secured by pari passu charge on NNTPS project fixed assets,is repayable in 20 equal bi-annual installments commencing from 31.03.2020.The outstanding balance as on 31.03.2020 is ₹ 2850 crore.

iii. Rupee Term Loan (RTL) of the total sanction amount of ₹ 1135 crore @ 7.16% p.a. (on the basis of 5 year G-Sec rate i.e. 6.30% plus 0.86% fixed spread) from HDFC Bank Ltd. for the NNTPS project secured by pari-passu charge on NNTPS project fixed asset, is repayable in 20 equal bi-annual installments commencing from 31.03.2020. The out standing balance as on 31.03.2020 is ₹ 1078.25 crore.

iv. Rupee Term Loan (RTL) of the total sanctioned amount 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 Ltd. for NNTPS Project, secured by pari-passu charges on project fixed assets repayable in 20 equal bi-annual installments commencing from 31.03.2020. ₹ 499 crore has been drawn as at 31.03.2020 and the outstanding balance as on 31.03.2020 is ₹ 474.05 crore.

v. 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 @ 6.838 % p.a (on the basis of 5 year G-Sec Rate i.e. 6.208% plus 0.63% fixed spread). The repayment for the same commenced from October 2018, and outstanding amount as on 31.03.2020 is ₹288.60 crore. The Loan is secured by charge on project fixed asset, repayable in 10 equal bi-annual installments; the last installment falls due on March 2023.

vi. 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 @7.59% p.a (on the basis of 5 Year G-Sec rate i.e. 6.37% 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 31.03.2020 is ₹ 400 crore.

b) Axis Bank Ltd. for an amount of ₹ 450 crore @ 7.57% p.a (On the basis of 5 Year G-Sec Rate i.e. 6.37% plus 1.20% fixed spread). Repayment for the loan starts from March 2020 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2020 is ₹ 405 crore.

c) Federal bank Ltd. for an amount of ₹ 456 crore @ 7.47% p.a. (on the basis of 5 Year G-Sec rate i.e. 6.27% plus 1.20% fixed spread). Repayment for the loan starts from March 2020 in 10 equal half-yearly installments. The amount outstanding as on 31.03.2020 is ₹ 410.40 crore.

vii. To meet the fund requirement of Tamil Nadu Solar Power Project 709 MW, borrowing arrangement has been done with State Bank of India for an amount of ₹ 2552 crore @ 7.94% p.a (on the basis of 1 Year MCLR rate @ 7.75% plus 0.19 % fixed spread) repayable in 20 equal half- yearly installments of ₹ 127.60 crore each. The first repayment will commence from 31.12.2020. Out of total facility, ₹ 2319 crore has been drawn as on 31.03.2020. The loan is secured by a pari-passu charge on the project assets.

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	Details of Terms of Repayment, Rate of Interest and Security :		
	viii. To meet the fund requirement of Talabira Coal Mine II & III, borrowing arrangement has been done with State Bank India for an amount of ₹ 1680.75 crore @ 7.75% p.a (on the basis of 1 Year MCLR rate) repayable in 20 equal half- yearly installments of ₹ 84.0375 crore each starting from 30.09.2021. Out of the facility, ₹ 488 crore has been drawn as on 31.03.2020. The loan is secured by pari-passu charge on the project assets.		
	ix. To meet the General Funding arrangement, a Rupee Loan Agreement has been tied up with State Bank of India, CAG Branch for ₹ 1000 crore @ 7.94% p.a (on the basis of 1 Year MCLR rate i.e. 7.75% plus 0.19% fixed spread) repayable in 6 equal Half Yearly Installments of ₹ 166.66 crore commencing from 31.03.2020.The amount outstanding as on 31.03.2020 is ₹ 833.33 crore. The loan is secured by 1st pari-passu charge on the project assets of 10 MW Solar Project, 51 MW Wind Project & 2nd charge on the project assets of Barsingsar 250 MW Thermal Power Station (including Land).		
	x. To meet the General Funding arrangement, an inter corporate borrowing agreement was tied up with Mahanadi Coalfields Limited for ₹ 2000/- crore. This is an 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 at 31.03.2020 is ₹ 1125 crore. This loan carries a Fixed Interest at 7% p.a.		
	xi. Bi- annual equal repayment(€ 0.44 Million) of Foreign Currency loan - I from KfW Germany @ 0.75% p.a, commenced from 30-12-2001, ending on 30-06-2036.		
	xii. Bi-annual equal repayment(€ 2.80 Million) of Foreign Currency loan -II from KfW Germany, @ 0.75% p.a, commenced from 30-06-2002, ending on 30-06-2037.		
	xiii. 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."		
	b) Lease Liability of Right-of-Use Assets	**As at March 31, 2020**	As at March 31, 2019
	Lease Liability on		
	- Land	**0.39**	-
	- Building	**0.79**	-
	- Vehicle	**2.12**	-
		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, 2020**	As at March 31, 2019
	Deferred Tax Liabilities		
	on Depreciation	**2,889.92**	2,252.88
	Deferred Tax Assets		
	on Provisions	**109.98**	159.41
	Deferred Tax Liabilities (Net)	**2,779.94**	2,093.47
18	**Other Non-Current Liabilities**	**As at March 31, 2020**	As at March 31, 2019
	Capital purchase, Capital works-in-progress and other liabilities	**701.84**	928.62
	Mine Closure Liability	**267.18**	212.65
	Deferred Income	**97.37**	94.54
		1,066.39	1,235.81
	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 received from Ministry of New and Renewable Energy (MNRE) in respect of installation of renewable projects.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	CURRENT LIABILITIES		
19	**Financial Liabilities**		
	a. Borrowings	**As at March 31, 2020**	As at March 31, 2019
	Loans Repayable on Demand		
	A) Secured:		
	- Cash Credit facility from Bank	**241.42**	233.00
	- Working Capital Demand Loan	**2,400.00**	3,435.00
	B) Unsecured		
	- Commercial Paper	**1,000.00**	-
		3,641.42	3,668.00
	a) The Cash Credit Facility is secured by the entire Current Assets of the Company. Rate of Interest for Cash Credit @ 7.85% p.a. Interest Rate is based on 1 Year MCLR rate. b) The Working Capital Demand loan is secured by the entire Current Assets of the Company. Rate of Interest for working capital demand loan @ 7.45% p.a. Interest Rate is based on 1 month MCLR rate. c) Commercial Paper Tranche I was issued on 06.03.2020 for an amount of ₹ 500 Crore for a period of 175 days at a coupon rate @ 5.45% p.a & Tranche II was issued on 12.03.2020 for an amount of ₹ 500 Crore for a period of 78 Days at a coupon rate @ 5.10% p.a. These unsecured loans are repayable on 28.08.2020 & 29.05.2020 respectively.		
	b. Trade Payables	**As at March 31, 2020**	As at March 31, 2019
	Trade Payables:		
	- Towards Micro and Small Enterprises	**11.54**	15.89
	- Others than Micro and Small Enterprises	**1,819.35**	1,972.18
		1,830.89	1,988.07
	Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 13.12 Crore (previous year ₹ 17.62 Crore).Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note 54.		
	c. Other Financial Liabilities	**As at March 31, 2020**	As at March 31, 2019
	Current maturities of Long Term Debt		
	Secured		
	i. Term Loans - Banks	**941.98**	506.62
	ii. Term Loans -Power Finance Corporation Ltd.	**300.00**	150.00
	Unsecured		
	i. Foreign Currency loans from KfW Germany	**26.91**	25.18
	ii. Inter Corporate Loan-MCL Ltd.	**500.00**	500.00
	Interest Accrued but not due on Loans		
	i. NLCIL Bonds	**107.57**	-
	ii. KfW-Germany	**0.88**	0.87
	iii. Term Loans from Banks	**1.63**	25.43
	iv. Working Capital Demand Loan	**4.29**	10.39
	v. Commercial Paper	**3.27**	-
		1,886.53	1,218.49
20	**Other Current Liabilities**	**As at March 31, 2020**	As at March 31, 2019
	Unclaimed Dividend	**3.00**	2.98
	Unutilised Revenue Grant	**5.05**	5.27
	Staff Security Deposit	**0.01**	0.01
	Other liabilities		
	- Employees	**427.50**	408.23
	- Statutory	**94.64**	169.33
	- Others*	**57.44**	115.93
		587.64	701.75
	*Others' include Liquidated Damages, credit balance from vendors, EMD for lignite supply, caution deposits etc. which are to be settled / adjusted against services / goods received/provided from/to the vendors/customers.		

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
21	**Provisions**	**As at March 31, 2020**	As at March 31, 2019
	Short-term Benefit of Leave Salary	**179.18**	97.91
	Post Retirement Medical Benefit	**13.91**	14.53
	Provision for Gratuity & Other Employment benefits	**528.38**	370.87
	Provision for Loss on Assets	**9.26**	9.26
	Provision for Contingencies	**17.53**	17.53
		748.26	510.10
22	**Regulatory Deferral Account Credit Balances**	**As at March 31, 2020**	As at March 31, 2019
	Deferred Foreign Currency Fluctuation	**34.26**	28.28
	CERC Order/Petition filed with APTEL/Others	**2,530.79**	2,410.53
		2,565.05	2,438.81
	Truing up petition 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 is carried forward under the head Regulatory Deferral Account Credit Balance.		
23	**Revenue from Operations**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Sale of Power	**7,355.15**	6537.90
	Sale of Lignite	**517.46**	579.28
	Sale of Fly Ash & Other By-products	**26.87**	21.42
	Other Operating Revenue:		
	- Consultancy and Technical Fees	**30.65**	27.13
		7,930.13	7165.73
	Less: Transfer to Capital Work in Progress	**4.31**	0.11
	Less: Rebate on sale of Power	**9.52**	19.70
		7,916.30	7145.92
	a) Sale of Power includes sales through Trading of ₹ 1129.43 crore (PY: ₹ 288.45 crore) b) Transfer to Capital work in progress represents the sale of power upto COD. c) Pending reconciliation and confirmation from beneficiaries , deferred tax materialised till 31.03.2019 amounting to ₹ 218.94 crore has not been considered as revenue in FY 2019-20.		
24	**Other Income**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	(a) Interest on		
	(i) Bank Deposits	**8.33**	22.95
	(ii) Employees Loans	**5.47**	5.64
	(iii) Mine Closure Deposits	**14.32**	10.36
	(iv) Loans to Subsidiary companies	**97.55**	147.43
	(v) Others	**41.18**	85.54
	(b) Recoveries Towards Rent and Others	**24.79**	17.52
	(c) Profit on Sale of Assets	**2.65**	18.24
	(d) Reversal of Mine Closure liability	**-**	11.10
	(e) Provision Written Back	**0.05**	23.41
	(f) Surcharge on sale of Power	**840.41**	478.37
	(g) Dividend from Subsidiary Company		
	- NTPL	**97.37**	-
	(h) Exchange Fluctuation	**0.05**	1.26
	(i) Deferred Income on Govt. Grant	**9.35**	9.54
	(j) Miscellaneous	**88.23**	93.46
		1229.75	924.82
	(Add) / Less: Transfer to Capital Work in Progress	**3.68**	4.74
	Less: Transfer to Mine Closure Liability (net of tax)	**9.09**	6.73
		1216.98	913.35
	a) Interest others includes ₹ 28.56 crore (PY ₹ 74.92 core) towards interest on income tax refunds and ₹ 10.95 crore (PY ₹ 9.03 crore) towards interest on advances to vendors. b) Miscellaneous income includes ₹ 41.06 crore (PY ₹ 28.88 crore) towards sale of scrap and ₹ 12.72 crore (PY ₹ 15.38 crore) towards liquidated damage recovered other than projects. .		

Notes to Standalone Financial Statements

EXPENSES

Note No.	Particulars	(₹ in crore)	
25	**Changes in Inventories of Raw Material**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	OPENING STOCK		
	Raw Material		
	Lignite	**910.41**	1153.33
	CLOSING STOCK		
	Raw Material		
	Lignite	**828.42**	910.41
	Increase (-) / Decrease in Stock	**81.99**	242.92
26	**Employee benefit expenses**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Salaries, Wages and Incentives	**2401.66**	2636.15
	Contribution to Provident and other funds	**374.53**	353.82
	Gratuity	**26.19**	40.49
	Welfare Expenses	**119.17**	119.42
		2921.55	3149.88
	Less: Transfer to Capital Work-in-Progress	**116.85**	186.20
		2804.70	2963.68
	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, 2020**	For the year ended March 31, 2019
	Interest on		
	(i) KfW - Foreign Currency Loan	**3.46**	3.70
	(ii) Neyveli/NLCIL Bonds	**107.57**	43.11
	(iii) Loan from Banks	**504.90**	225.94
	(iv) Loan from Power Finance Corporation	**272.19**	263.17
	(v) Others (includes interest on Cash Credit & WCDL)	**243.35**	133.61
	(vi) Interest on ROU Liability	**0.16**	-
	(vii) Inter Corporate Loan		
	- Mahanadi Coal Field Ltd. (MCL)	**97.87**	117.08
	Others		
	(i) Discount on Commercial Paper	**3.27**	-
	(ii) Guarantee Fees on KfW loan	**5.55**	7.17
		1,238.32	793.78
	Less: Transfer to Capital Work in Progress	**417.94**	403.69
		820.38	390.09
28	**Depreciation and Amortisation Expenses**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Property, Plant and Equipment	**916.09**	708.46
	Mine Development and other Amortisations	**45.77**	45.77
	Depreciation on ROU Assets	**0.67**	-
		962.53	754.23
	Less: Transfer to Capital Work in Progress	**4.14**	8.51
		958.39	745.72
	a) Depreciation includes ₹ 19.24 crore and ₹ (-)19.50 crore due to change in accounting policy for capitalisation of solar and thermal power plants respectively.		
	b) Spares meeting the criteria of PPE and having a value more than ₹ 5 lakh has been considered for capitalisation and the depreciation of ₹ 31.03 crore has been charged in current year on the basis of estimated useful life of the spares.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
29	**Other expenses**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Consumption of Stores and Spares	**381.49**	514.12
	Fuel	**240.57**	119.77
	Mine Closure	**45.43**	43.27
	Rent	**1.63**	1.79
	Rates and Taxes		
	- Electricity Tax	**0.89**	1.47
	- Others	**12.12**	41.99
	Repairs and Maintenance		
	- Plant and Machinery	**289.27**	300.37
	- Buildings	**28.74**	21.14
	- Others	**270.32**	252.35
	Overburden Removal Expenditure	**325.44**	245.11
	Insurance	**17.34**	16.30
	Payments to Auditors		
	- Audit fees	**0.38**	0.35
	- Tax Audit fees	**0.05**	0.13
	- Other Certification Fees	**0.60**	0.48
	- Reimbursement of expenses	**0.33**	0.29
	Travelling Expenses	**27.10**	24.83
	Training Expenses	**28.02**	17.11
	Family Welfare Expenses	**22.75**	9.72
	Selling Expenses - Commissions	**31.78**	11.92
	Afforestation Expenses	**14.20**	16.06
	Royalty	**489.00**	399.73
	Security Expenses (CISF)	**161.48**	154.04
	Corporate Social Responsibility	**75.66**	49.46
	Buy Back Expenses	**-**	6.75
	Rehabilitation and Resettlement	**-**	73.86
	Miscellaneous Expenses	**63.05**	59.22
	Loss on assets disposed/written off/discarded	**2.65**	9.18
	Provision for Stores & Materials	**3.14**	0.05
	Provision for Fixed Assets	**0.02**	10.14
	Provision for Preliminary Expenses	**1.59**	0.04
	Provision for Doubtful Debt	**10.95**	121.61
		2,545.99	2,522.65
	Less: Transfer to Capital Work-in-Progress (CWIP)	**290.61**	117.46
		2,255.38	2,405.19

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, 2020**	For the year ended March 31, 2019
	Income		
	a) CERC Regulations (Capital Spare, Water Charges, Security exp etc.)	**129.98**	136.25
	b) Wage Revision	**-**	394.95
	c) Deferred Foreign Currency	**26.13**	26.35
	d) Lignite Price Truing up	**-**	371.77
	e) Mine Closure	**-**	244.33
	f) CERC Orders	**4.90**	60.91
	Expenses		
	a) Deferred Foreign Currency	**2.93**	39.76
	b) Gratuity	**42.23**	328.87
	c) ABT order on BTPS	**-**	6.52
	d) CERC Orders	**120.26**	-
	Net Movement	**(4.41)**	859.41
	The Company 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.		
31	**Exceptional items**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	VRS Compensation	**3.44**	35.21
		3.44	35.21
32	**Other Comprehensive Income**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	a) Remeasurement of Actuarial (Losses)/Gains	**(192.69)**	(49.26)
	b) Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains	**(67.33)**	(15.06)
	Total (a-b)	**(125.36)**	(34.20)
33	**Earning Per Share from continuing operations - Basic and Diluted (Before Net Regulatory Deferral Adjustments)**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Profit after Tax (₹ in crore)	**1,416.72**	670.26
	Weighted Avg. Number of Shares	**1,38,66,36,609**	1,48,34,61,329
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**10.22**	4.52
	Earning Per Share from continuing operations - Basic and Diluted (After Net Regulatory Deferral Adjustments)	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Profit after Tax (₹ in crore)	**1,413.85**	1,266.97
	Weighted Avg. Number of Shares	**1,38,66,36,609**	1,48,34,61,329
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**10.20**	8.54
	The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share are same.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
34	**Effect of Foreign Exchange Fluctuation**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	a) The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	**1.09**	(1.26)
	b) The amount of exchange rate difference Adjustment and debited /(credited) to the carrying amount of fixed assets & WIP	**29.71**	(17.01)
		30.80	(18.27)

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.

Note No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
35	**Expenditure on Research & Development**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Capital Expenditure	**10.65**	3.84
	Revenue Expenditure	**13.80**	12.95
		24.45	16.79

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

Movements in provisions	As at 01.04.2019	Additions	Withdrawals	As at 31.03.2020
(i) Provision for loss on Assets	9.26	-	-	**9.26**
(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	-	-	**2.84**
	26.79	-	-	**26.79**

a. In all these cases, outflow of economic benefits is expected within next one year

b. The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

Note No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
37	**Consumption of Raw Material and Spare Parts**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Value of Indigenous and Imported Spares consumed		
	a. INDIGENOUS		
	Spare parts	**289.57**	406.14
	Percentage	**99.34%**	98.43%
	b. IMPORTED		
	Spare parts	**1.93**	6.46
	Percentage	**0.66%**	1.57%

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
38	**C.I.F. Value of Imports**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Capital Goods	**5.73**	0.24
	Components and Spares	**1.34**	14.25
		7.07	14.49
39	**Expenditure in Foreign Currency**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Travelling Expenses	**0.17**	0.23
	Professional and Consultancy	**0.51**	-
	Interest Charges	**3.46**	3.70
		4.14	3.93
40	**CSR expenditure**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Medical-health & family welfare	**22.42**	6.09
	Drinking water facility	**0.02**	0.02
	Education & scholarship	**6.15**	15.41
	Construction of link road	**1.86**	1.28
	Promotion of sports	**0.42**	0.40
	Community development centre	**0.67**	0.13
	Afforestation & environment sustainability	**0.03**	0.94
	Sanitation & other Basic Amenities	**0.69**	1.16
	Construction of School, Library & Hostel	**1.59**	0.90
	Vocational Skill Centre Development	**1.42**	2.95
	Irrigation facilities	**7.16**	10.15
	Electricity including solar & non conventional energy	**0.39**	1.57
	Relief on natural calamities	**-**	0.86
	Promoting old age home	**-**	0.19
	Contribution to Armed Forces	-	**-**
	Others	**32.84**	7.42
		75.66	49.46

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. Rakesh Kumar	Director (Finance) #	
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)	Appointed w.e.f. 17.04.2019
Shri. Jaikumar Srinivasan	Director (Finance)	Appointed w.e.f. 05.02.2020

Notes to Standalone Financial Statements

Note No.	Particulars		
	Independent Directors		
	Shri. Azad Singh Toor	Non Executive Director	Relinquished w.e.f. 17.11.2019
	Shri. K.Madhavan Nair	Non Executive Director	Relinquished w.e.f. 17.11.2019
	Ms. Nalini Padmanabhan	Non Executive Director	Relinquished w.e.f. 02.02.2020
	Shri. Indrajit Pal	Non Executive Director	
	Dr. P. Vishnu Dev	Non Executive Director	
	Dr. V. Muralidhar Goud	Non Executive Director	Appointed w.e.f. 17.07.2019
	Shri. N.K. Narayanan Namboothiri	Non Executive Director	Appointed w.e.f. 02.08.2019
	Nominee Directors		
	Shri. Suresh Kumar	Non Executive Director	Relinquished w.e.f. 10.04.2019
	Shri. Vinod Kumar Tiwari	Non Executive Director	Appointed w.e.f. 03.05.2019
	Shri. Md. Nasimuddin	Non Executive Director	Relinquished w.e.f. 26.09.2019
	Shri. Dheeraj Kumar	Non Executive Director	Appointed w.e.f. 28.11.2019 & Relinquished w.e.f. 10.02.2020
	Shri. A. Karthik	Non Executive Director	Appointed w.e.f. 02.03.2020
	# Held additional charge upto 04.02.2020 in addition to Chairman cum Managing Director of NLC India Limited		
	Chief Financial Officer and Company Secretary		
	Shri. Rakesh Kumar	Chief Financial Officer NLCIL	Relinquished w.e.f. 11.02.2020
	Shri. Jaikumar Srinivasan	Chief Financial Officer NLCIL	Appointed w.e.f. 11.02.2020
	Shri. K. Viswanath	Company Secretary NLCIL	

ii) Subsidiaries and Associate Entities:

- NLC Tamilnadu Power Limited (NTPL)	Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary
- MNH Shakti Limited (MNH)	Associate

iii) Post Employment Benefit Plans:

- NLC Employees PF Trust
- NLC Employees Pension Fund
- NLC Post Retirement Medical Assistance Fund
- NLC Employees 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, 2020	For the year ended March 31, 2019
Short Term Employee Benefit	**3.54**	3.39
Post-employment benefits	**0.24**	0.24
Other long-term benefits	**0.44**	0.84
Sitting Fees	**0.36**	0.32
	4.58	4.79

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)	
		2019-20	2018-19	**2019-20**	2018-19
	i) Sales/purchase of goods and services				
	- Goods	**-**	5.50	**-**	-
	- Services (excluding GST)	**17.88**	16.24	**12.59**	10.77
	ii) Sales/purchase of Assets	**-**	-	**-**	-
	iii) Loans issued	**1,500.00**	680.00	**790.00**	340.00
	iv) Loans repaid	**2,180.00**	750.00	**790.00**	1,340.00
	v) Equity contributions	**-**	-	**695.82**	402.21
	vi) Dividend Received	**97.37**	-	-	-
	vii) Interest on loans	**91.47**	57.53	**6.08**	89.90

iii) Transactions with Associate:	MNH Shakti Limited	
	2019-20	2018-19
i) Reimbursement of employee cost	-	-
ii) Loans issued	-	-
iii) Loans repaid	-	-
iv) Equity contributions	-	-

iv) Transactions with Post employment benefit plans:	**2019-20**	2018-19
Contributions made during the year	**393.35**	318.35

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

Name of the Company	Nature of transaction	2019-20	2018-19
Bharat Heavy Electricals Limited	Purchase of Stores and spares	**22.02**	19.10
Bharat Heavy Electricals Limited	Package contracts	**78.00**	177.47
Bharat Earth Movers Ltd-BEML	Payment for FMC contract	**20.84**	14.76
Bharat Earth Movers Ltd-BEML	Purchase of Stores and spares	**0.08**	-
Bharat Earth Movers Ltd-BEML	Payment for procuring CMEs	**13.39**	4.18
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	**127.22**	67.96
Bharat Petroleum Corporation Ltd.	Purchase of furnace oil	**135.94**	51.86
Indian Oil Corporation Limited	Purchase of furnace oil	**58.53**	72.75
National Buildings Construction Corporation Limited	Purchase/Construction of Asset	**6.04**	13.57
Steel Authority Of India Limited	Purchase of Steel	**14.41**	24.57
Rashtriya Ispat Nigam Ltd.	Purchase of Steel	**2.34**	1.07
Balmer Lawrie & Co. Ltd.	Purchase of Lubricants	**6.70**	6.19
Balmer Lawrie & Co. Ltd.	Purchase of Air Ticket	**3.85**	2.92
MSTC Ltd.	E-auction agent Commission	**1.78**	4.28
Mecon Ltd.	Consultancy Services-MOEF norms	**0.01**	0.28
Instrumentation Ltd.	Supply of Spares	**1.05**	0.51
Mahanadi Coal Fields Ltd. (MCL)	Loan Received	**-**	1,000.00
Mahanadi Coal Fields Ltd. (MCL)	Loan repayment	**500.00**	-
Power Grid Corporation of India Limited	Maintenance Contract	**11.95**	-
Central Power Research Institute (CPRI)	Testing Fee	**0.42**	0.13

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

c) Outstanding balances with related parties are as follows:

i) Key Managerial Personnel

Key Managerial Personnel	Transactions value for the year ended March 31		Balance outstanding as at March 31	
	2020	2019	2020	2019
Shri. Rakesh Kumar/CMD - towards HBA	0.06	0.01	-	0.06
Shri.Shaji John/Director(Power) -towards Car Loan	0.02	0.02	0.03	0.04
Shri. K. Viswanath /Company Secretary - towards Car Loan	0.02	0.00	0.01	0.03
- Festival Advance	0.00	-	0.00	-

ii) Subsidiaries and Associate:

Subsidiaries and associate	As at March 31, 2020	As at March 31, 2019
1) NTPL		
- Receivable		
- towards other Loan & Advances	-	680.00
- Others	**62.58**	45.72
2) NUPPL		
- Receivable towards Loan		
- towards other Loan & Advances	-	-
- Others	**11.36**	8.81
3) MNH Shakti Limited		
There were no transactions during the year with MNH Shakti Limited	-	-

iii) Post Employment Benefit Plan:

Description	As at March 31, 2020	As at March 31, 2019
- Receivable	-	-
- Payable	**29.10**	29.16

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, 2020 and March 31, 2019 the Company has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(5) Consultancy/Management services provided by the Company to Subsidiaries and Associates are generally on nomination basis at the terms, conditions and principles applicable for consultancy/management services provided to other parties.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
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.

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 provisional interest rate for FY 2019-20.

The Company provides 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.

	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 at March 31, 2020	**1,350.36**	**1,130.21**	**220.15**	**600.70**	**494.03**	**106.67**

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, 2018	1,318.02	787.28	530.74	521.89	506.92	14.97
	Included in profit and loss						
	Current Service Cost	24.98	-	24.98	59.27	-	59.27
	Past service cost and gain or loss on settlement	-	-	-	-	-	-
	Interest cost/(income)	92.26	75.86	16.40	37.53	38.74	(1.20)
	Included in OCI						
	Remeasurement of loss/(gain) :						
	Actuarial loss/(gain) arising from	-	-	-	-	-	-
	Demographic assumptions	-	-	-	-	-	-
	Financial assumptions	(24.04)	-	(24.04)	(10.96)	-	(10.96)
	Experience adjustment	74.69	-	74.69	(32.25)	-	(32.25)
	Return on plan asset excluding interest income	-	1.39	(1.39)	-	(0.15)	0.15
	Change in the effect of the asset ceiling	-	-	-	-	-	-
	Other						
	Contributions Paid by the employer	-	530.11	(530.11)	-	4.59	(4.59)
	Benefits paid	(208.16)	(208.16)	-	(56.06)	(56.06)	-
	Balance at March 31, 2019	**1,277.75**	**1,186.48**	**91.27**	**519.42**	**494.03**	**25.39**

	Gratuity		Leave Benefit	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Represented by :				
Net defined benefit asset	**1,130.21**	1,186.48	**494.03**	494.03
Net defined benefit liability	**1,350.36**	1,277.75	**600.70**	519.42

I. Plan Asset

	Gratuity		Leave Benefit	
Plan assets comprises the followings:	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Equity Securities	**5.00%**	5.00%	**5.00%**	5.00%
Govt Bonds	**95.00%**	95.00%	**95.00%**	95.00%

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

	Gratuity		Leave Benefit	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Present value of funded obligation	**1,350.36**	1,277.75	**600.70**	519.42
Fair value of plan assets	**1,130.21**	1,186.48	**494.03**	494.03
Present value of net obligations	**220.15**	91.27	**106.67**	25.39
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, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Discount rate per annum	**6.52%**	8.00%	**6.52%**	8.05%
Expected return per annum on plan asset	**7.50%**	8.00%	**7.70%**	8.05%
Salary escalation per annum	**5.00%**	5.00%	**3% to 5 %**	3% to 5 %
Mortality	**IALM 2012-14 ULT**	IALM 2012-14 ULT	**IALM 2012-14 ULT**	IALM 2012-14 ULT
Attrition rate	**1 % to 3 %**	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, 2020		As at March 31, 2019		**As at March 31, 2020**		As at March 31, 2019	
	Increase	**Decrease**	Increase	Decrease	**Increase**	**Decrease**	Increase	Decrease
Discount rate (+/- 50 BP)	**1,320.07**	**1,383.56**	1,249.47	1,308.63	**587.02**	**615.72**	507.98	531.91
Salary escalation per annum (+/- 50 BP)	**1,361.44**	**1,337.67**	1,289.93	1,263.83	**634.38**	**604.17**	531.82	507.87
Mortality (+/- 10%)	**7.61**	**6.23**	6.98	5.71	**3.39**	**2.77**	2.84	2.32
Attrition rate (+/- 10%)	**1,351.40**	**1,349.23**	1,279.09	1,276.31	**601.09**	**600.26**	519.94	518.85

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 has 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, 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**

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, 2019					
Gratuity	190.28	183.93	475.36	1,153.52	2,003.09
Leave Benefit	69.76	73.00	209.64	466.27	818.67
Total	260.04	256.93	685.00	1,619.79	2,821.76

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	
	2020	2019	**2020**	2019	**2020**	2019
Balance as at April 1	**2,909.97**	2,741.26	**2,945.01**	2764.28	**(35.04)**	(23.03)
Current Service Cost	**514.50**	394.70			**514.50**	394.70
Interest cost (income)	**235.32**	231.46	**244.44**	239.11	**(9.12)**	(7.65)
Actuarial loss (gain)	**12.51**	142.66	**0.00**	-	**12.51**	142.66
Expected return on plan assets	**-**	-	**67.92**	79.00	**(67.92)**	(79.00)
Contributions Paid by the employer	**-**	-	**443.84**	462.71	**(443.84)**	(462.71)
Benefits paid	**(590.13)**	(600.10)	**(590.13)**	(600.10)	**-**	-
Balance as at March 31	**3,082.17**	2,909.97	**3,111.07**	2,945.01	**(28.90)**	(35.04)

Pursuant to para 57 of Ind AS 19, accounting by an entity for defined benefit plans, inter-alia, involves determining the amount of the net defined benefit liability (asset) which shall be adjustment for any effect of limiting a net defined benefit asset to the asset ceiling prescribed in para 64. As per Para 64 of Ind AS 19, in case of surplus in a defined benefit plan, an entity shall measure the net defined benefit asset at the lower of actual surplus or the value of the assets ceiling determined using the discount rate. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Further, Para 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.

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 (PY: ₹ 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 followings :

	March 31, 2020		March 31, 2019	
	(₹ in crore)	**% of total assets**	(₹ in crore)	% of total assets
Equity Securities	**47.58**	**1.53%**	95.71	3.25%
Fixed Income / Debt Securities	**3,063.49**	**98.47%**	2,849.30	96.75%
	3,111.07	**100.00%**	2,945.01	100.00%

II) Actuarial Assumptions

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

	March 31, 2020	March 31, 2019
Discount rate per annum	**6.50%**	7.50%
Expected return per annum on plan asset	**8.30%**	8.65%
Superannuation age	**60 Years**	60 Years
Remaining work life	**Average of 7.49 Years**	Average of 7.29 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.

	March 31, 2020	March 31, 2019
Disclosure in respect of Defined contribution plan in respect of PRMA :		
i. Amount recognised in the statement of Profit & Loss as premium paid to the Insurance Company	**15.34**	15.54
ii. Liability provided for the fixed Medical Assistance	**13.91**	14.53

Notes to Standalone Financial Statements

Note No.	Particulars				(₹ in crore)
43	**Financial Instruments - Fair value disclosures**				
	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**
	Lease Liability	**3.30**	**-**	**-**	**3.30**
	Trade Payable	**1,830.89**	**-**	**-**	**1,830.89**
	Other financial liabilities	**1,886.53**	**-**	**-**	**1,886.53**
	March 31, 2019	**Carrying Amount**			
	Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
	A. Financial Assets				
	Investments	2,823.58	-	-	2,823.58
	Loans	759.20	-	-	759.20
	Trade Receivables	4,606.19	-	-	4,606.19
	Cash and Cash equivalents	13.82	-	-	13.82
	Other Bank balances	303.34	-	-	303.34
	Other financial assets	48.71	-	-	48.71
	B. Financial Liabilities				
	Borrowings	11,984.52	-	-	11,984.52
	Trade Payable	1,988.07	-	-	1,988.07
	Other financial liabilities	1,218.49	-	-	1,218.49
	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 ₹ 417.94 crore (previous year ₹ 403.69 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 and has taken the cumulative adjustment of initially applying this standard to retained earnings on the date of initial application i.e. 1st April 2019. Accordingly, the Company has not restated the comparative period information for the year and quarter ended 31st March 2019. Also, the Company has grandfathered the lease definition and has elected to not apply the requirements of Ind AS 116 to leases of low value items.

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 and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjustment for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees, and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period, and penalties for early termination of a lease. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities 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 recognised 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.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

Transition to Ind AS 116

The Company applied Ind AS 116 with a date of initial application of 1 April 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognised in opening retained earnings/ capital work-in-progress 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 1 April 2019.

i. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment under Ind AS 17. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of the leases – i.e. these leases are on-balance sheet.

Operating leases - On transition, the Company has decided to apply recognition exemptions to short-term leases and low value asset leases (i.e. photocopiers). For leases of other assets, which were classified as operating lease under IndAS 17, the Company recognised right-of-use assets and lease liabilities. The Company also used the practical expedients when applying IndAS 116 to leases previously classified as operating leases under IndAS 17 and therefore, applied a single discount rate to a portfolio of leases with similar characteristics, Excluded initial direct costs from measuring the right-of-use asset at the date of initial application, and Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1st April 2019. Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate as at 1st April 2019.

The weighted average of discount rate applied to lease liabilities recognized in the balance sheet at 1st April 2019 is 8%.

Finance leases- For leases that were classified as finance lease under Ind AS 17, the carrying amount of the right-of-use asset and lease liability at 1st April 2019 are determined at the carrying amount of the leased asset and lease liability under Ind AS 17 immediately before that date.

ii. As a lessor

The Company is not required to make any adjustments on transition to IndAS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 requirements from the date of initial application.

Further on transition to Ind AS 116 as on 1st April 2019 :

a) The Company has recognised lease liability measured at present value of remaining lease payments discounted using the lessee's incremental borrowing rate.

b) The Company has recognised RoU Asset at it's carrying amount as if the standard has been applied since the lease commencement date.

c) The Company has reclassified the carrying amounts of leased assets procured under finance lease from the property, plant and equipment.

d) The net adverse impact in retained earnings of the same resulted to ₹ 0.13 crore, net of deferred taxes.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1st April 2019, 8%. However, adoption of Ind AS 116 does not have material impact on the company's financial results.

i. As a lessee

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020:

Right-of-use assets	Property	Vehicles	Land	Total
Balance at 1st April 2019	0.86	0.04	0.22	1.12
Additions	0.38	2.23	-	2.61
Deductions	-	-	-	-
Depreciation charge	0.49	0.17	0.00	0.67
Balance at 31st March 2020	**0.75**	**2.10**	**0.22**	**3.06**

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)
	Lease Liabilities	**2019-20**
	Maturity analysis – contractual undiscounted cash flows	
	Less than one year	**1.05**
	One to five years	**2.47**
	More than five years	**1.95**
	Total undiscounted lease liabilities as at 31st March 2020	**5.46**
	Lease liabilities included in the balance sheet as at 31st March 2020	**3.30**
	Current	**0.84**
	Non-current	**2.46**
	Amounts recognised in profit or loss	**2019-20**
	Interest on lease liabilities	**0.16**
	Expenses relating to leases of low-value assets	**-**
	Total	**0.16**
	Amounts recognised in the statement of cash flows	**As at 31.03.2020**
	Total cash outflow for leases	**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 2020 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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	
NLC Tamil Nadu Power Limited (NTPL)	India	**89%**	89%	**11%**	11%	Generation of energy
Neyveli Uttar Pradesh Power Limited (NUPPL)	India	**51%**	51%	**49%**	49%	Generation of energy

(b) Associate

The Company's associate as at 31st March 2020 are listed below:

Name of entity	Place of business/country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2020	March 31, 2019	
MNH Shakti Limited	India	**15%**	15%	Coal mining project

The Company's investments do not contain any restrictions on disposal within a stipulated period of time.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
47	**Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'**

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 de-recognition 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.

(iv) Reconciliation of the carrying amounts

The regulated assets/liabilities recognised in the books to be recovered from or payable to beneficiaries in future periods are as follows:

a) Regulatory deferral account debit balance

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Opening balance	**1,119.93**	1,068.35
B. Addition during the current year	**159.48**	124.27
C. Amount adjusted/collected/refunded during the year	**(42.23)**	36.34
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	**92.65**	87.93
E. Closing balance	**1,237.18**	1,119.93

b) Regulatory deferral account credit balance

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Opening balance	**2,438.81**	4,484.08
B. Addition during the current year	**126.24**	-
C. Amount adjusted/collected/refunded during the year	**-**	(2,045.27)
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	**(97.06)**	(771.48)
E. Closing balance	**2,565.05**	2,438.81

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

c) Total amount recognised in the Statement of Profit & Loss during the year

Particulars	March 31, 2020	March 31, 2019
Total amount recognised in the Statement of Profit & Loss during the year	**(4.41)**	859.41

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

Neyveli Bond - Minimum asset coverage ratio of 1.25

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.

Gearing Ratio

Particulars	March 31, 2020	March 31, 2019
Debt	**16,780.47**	13,166.31
Less: Cash and bank balances	**12.97**	13.82
Net debt	**16,767.50**	13,152.49
Total equity*	**12,010.16**	11,911.87
Net debt to total equity ratio	**1.40**	1.10

* excludes earmarked reserves

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.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
49	**Financial risk management (Cont'd)**

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, 2020, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 4470.29 crore of the trade receivables carrying amount (₹ 3119.24 crore of the trade receivables as at March 31, 2019)

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 and therefore the risk of default are not material. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. Hence, no impairment loss was considered necessary during the reporting period in respect of trade receivables.

(ii) Ageing analysis of trade receivables

The Company's debtors include debtors in respect of TPS and Mines and also other debtors. As a policy, the Company does an ageing analysis of thermal debtors, the details of which is stated below. The Company does not carry out an ageing analysis of debtors pertaining to Mines and other debtors since the transactions are generally carried out against advances received from the customers.

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, 2020	Ageing as at March 31, 2019
Power debtors		
0-30 days past due	**738.61**	557.00
31-60 days past due	**1118.24**	455.00
61-90 days past due	**694.43**	452.00
91-120 days past due	**329.84**	256.36
More than 120 days past due	**3711.02**	2,821.40
Total	**6,592.14**	4,541.76
Mine and other debtors	**99.69**	64.43
Total debtors	**6,691.83**	4,606.19

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, 2020	As at March 31, 2019
Floating rate borrowings		
- Expiring within one year		
Working capital Loan (SBI)	**1,145.96**	332.00
Axis Bank - Solar 500 MW	**-**	150.00
HDFC NNTPS ₹ 821 crore	**322.00**	631.00
Solar 709MW	**233.00**	1,802.00
Talabira Mines	**1,192.75**	1,410.75
General Purpose Loan (GPL)	**-**	750.00
Total	**2,893.71**	5,075.75

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, 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 Solar 709 MW	-	115.95	231.90	695.70	1,275.45	2,319.00
RTL ₹ 1680.75 crore Talabira Mine	-	-	48.80	146.40	292.80	488.00
RTL ₹ 1000 crore GPL	-	333.33	333.33	166.66	-	833.33
Rupee Loan Mahanadi Coal Fields	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**

March 31, 2019	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)	12.59	12.59	25.18	75.53	336.63	462.51
PFC_NNTPS	-	150.00	300.00	900.00	1,650.00	3,000.00
RTL_SBI	-	58.38	-	-	-	58.38
RTL_HDFC	-	58.31	-	-	-	58.31
RTL_ICICI	-	58.31	-	-	-	58.31
RTL_HDFC ₹ 1135 crore - NNTPS	-	56.75	113.50	340.50	624.25	1,135.00
RTL_HDFC ₹ 821 crore - NNTPS	-	9.50	19.00	57.00	104.50	190.00
RTL_HDFC Solar 130 MW	-	48.10	96.20	240.50	-	384.80
RTL ₹ 500 crore Axis Bank - Solar 500 MW	-	100.00	100.00	300.00	-	500.00
RTL ₹ 300 crore Axis Bank - Solar 500 MW	-	30.00	60.00	180.00	30.00	300.00
RTL ₹ 456 crore Axis Bank - Solar 500 MW	-	45.60	91.20	273.60	45.60	456.00
RTL ₹ 2552 crore Solar 709 MW	-	-	37.50	225.00	487.50	750.00
RTL ₹ 1680.75 crore Talabira Mine	-	-	-	81.00	189.00	270.00
RTL ₹ 1000 crore GPL	-	41.67	83.33	125.00	-	250.00
Rupee Loan_Mahanadhi Coal Fields	125.00	375.00	500.00	625.00	-	1,625.00
TOTAL	**137.59**	**1,044.20**	**1,425.91**	**3,423.13**	**3,467.48**	**9,498.31**

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, 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 Solar 709 MW	46.03	135.79	165.72	386.67	278.49	1,012.71
RTL ₹ 1680.75 crore Talabira Mine -	9.46	28.37	36.87	87.93	73.75	236.38
RTL ₹ 1000 crore GPL	16.54	43.01	33.08	6.62	-	99.25
Rupee Loan Mahanadi Coal Fields	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**

March 31, 2019	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)	0.87	2.51	3.19	8.42	16.89	31.88
PFC_NNTPS	72.38	213.51	260.55	607.95	437.87	1,592.26
RTL_SBI	1.25	0.71	-	-	-	1.96
RTL_HDFC	1.22	0.71	-	-	-	1.93
RTL_ICICI	1.25	0.72	-	-	-	1.97
RTL_HDFC NNTPS ₹ 1135 crore	22.16	65.37	79.78	186.15	134.07	487.53
RTL_HDFC NNTPS ₹ 821 crore	4.00	11.81	14.42	33.64	24.23	88.10
RTL- HDFC Solar-130MW	7.39	20.63	20.93	20.01	-	68.96
RTL ₹ 500 crore Axis Bank - Solar 500 MW	10.24	28.67	30.71	43.00	-	112.62
RTL ₹ 300 crore Axis Bank - Solar 500 MW	6.13	18.38	20.83	33.09	1.23	79.66
RTL ₹ 456 crore Federal Bank - Solar 500 MW	9.41	28.24	32.00	50.82	1.88	122.35
RTL ₹ 2552 crore Solar 709 MW	16.39	49.16	64.73	157.32	138.47	426.07
RTL ₹ 1680.75 crore Talabira Mine	5.77	17.31	23.09	60.60	60.60	167.37
RTL ₹ 1000 crore GPL	5.46	16.39	16.39	10.93	-	49.17
Rupee Loan_Mahanadhi Coalfields	27.71	70.00	62.71	29.17	-	189.59
TOTAL	**191.63**	**544.12**	**629.33**	**1,241.10**	**815.24**	**3,421.42**

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 31, 2016 the Company till the date of commercial operation capitalised 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 is 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, 2020 & March 31, 2019.

Particulars	March 31, 2020	March 31, 2019
Financial liabilities		
Borrowings - KfW *	**467.42**	462.51

* 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, 2020	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	46.74	(46.74)
March 31, 2019	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	46.25	(46.25)

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	March 31, 2020	March 31, 2019
Financial assets		
Fixed-rate instruments		
Employee Loans	**68.86**	79.20
Financial liabilities		
Variable-rate instruments		
Rupee Term Loans (RTL)		
- From Banks	**6,696.63**	4,410.80
- Power Finance Corporation (PFC)	**2,850.00**	3,000.00
Fixed-rate instruments		
Commercial Paper		
Commercial Paper I	**500.00**	
Commercial Paper II	**500.00**	
Inter Corporate Loan (MCL)	**1,125.00**	1,625.00
Bonds		
NLCIL Bonds 2019 Series I	**1,475.00**	
NLCIL Bonds 2020 Series I	**525.00**	
Rupee Term Loans (RTL)		
- Cash Credit	**241.42**	233.00
- Working Capital Demand Loan	**2,400.00**	3,435.00
Foreign Currency Loan		
- KfW	**467.42**	462.51

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, 2020		
Rupee Term Loans (RTL)		
- From Banks	**(33.48)**	33.48
- Power Finance Corporation (PFC)	**(14.25)**	14.25
	(47.73)	47.73
March 31, 2019		
- From Banks	**(22.05)**	22.05
- Power Finance Corporation (PFC)	**(15.00)**	15.00
	(37.05)	37.05

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 revenues
Lignite mining	Mining of lignite
Power generation	Generation of power and sale of power 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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
REVENUE								
External Sales	**517.46**	577.48	**7398.84**	6568.44	**-**	-	**7916.30**	7145.92
Inter-segment sales	**5423.87**	4515.15	**434.80**	476.40	**5858.67**	4991.56	**-**	-
Total Revenue	**5941.33**	5092.64	**7833.64**	7044.84	**5858.67**	4991.56	**7916.30**	7145.92
RESULT								
Segment Result	**1655.66**	286.12	**682.45**	757.36	-	-	**2338.11**	1043.48
Other Income							**1050.08**	618.03
Unallocated Corporate expenses							**522.22**	231.67
Operating Profit							**2865.97**	1429.84
Interest Expense							**820.38**	390.09
Interest Income							**166.85**	271.91
Exceptional Items							**(3.44)**	(35.21)
Income taxes							**790.74**	868.90
Profit from Ordinary activities							**1418.26**	407.57
Net Movement in regulatory deferral account balance income/(expenses)							**(4.41)**	859.41
Other Comprehensive Income							**(125.36)**	(34.20)
Net Profit							**1288.49**	1232.77
OTHER INFORMATION	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Segment Assets	**5098.62**	5193.08	**22986.53**	13963.30	-	-	**28,085.15**	19,156.38
Unallocated Corporate assets(Including Capital Work-in Progress)							**11,033.94**	15,525.96
Total Assets							**39,119.09**	34,682.34
Segment liabilities	**2091.96**	2140.76	**1527.72**	1309.45	-	-	**3,619.68**	3,450.21
Unallocated Corporate Liabilities							**22,859.90**	18,720.80
Total Liabilities							**26,479.58**	22,171.01
Capital Expenditure	**260.73**	52.11	**7220.88**	1765.19	-	-	**7,481.55**	1,817.30
Depreciation	**306.86**	279.37	**586.71**	428.97	-	-	**893.57**	708.34
Non-cash expenses other than depreciation	**11.01**	124.32	**3.09**	0.03	-	-	**14.10**	124.35

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 ₹ 2914.79 crore (March 31, 2019 : ₹ 3252.39 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 upto March, 2020.

Note No.	Contingencies and Commitments	As at April 01, 2019	Additions	Deletions/ Settlement	As at March 31, 2020
52	**A. Contingencies**				
	1. Claims against the Company 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	1,253.78	753.99	19.15	**1,988.62**
	(iv) From Statutory Authorities/State Govt/ Govt Departments	1,894.08	357.18	302.08	**1,949.18**
	(v) From CPSEs	-	-	-	**-**
	(vi) From Others	1,936.33	681.66	1,464.10	**1,153.89**
	Sub-Total Claims not acknowledged as debt	5,084.19	1,792.83	1,785.33	**5,091.69**
	2. Guarantees issued by Company	563.90	0.50	-	**564.40**
	Sub-Total Contingencies (A)	5,648.09	1,793.33	1,785.33	**5,656.09**
	B. Commitment				
	Estimated value of contracts remaining to be executed on capital accounts not provided for	5,786.09	512.10	2,142.77	**4,155.42**
	Sub-Total Commitments (B)	5,786.09	512.10	2,142.77	**4,155.42**
	Total Contingencies and Commitments (A+ B)	**11,434.18**	**2,305.43**	**3,928.10**	**9,811.51**

The above Contingent liabilities does not include the guarantees/ letter of comfort given by NLCIL to its subsidiaries.

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, 2020	March 31, 2019
Current tax expense		
Current year	**309.93**	288.27
Adjustment for earlier years	**(3.27)**	101.90
Pertaining to regulatory deferral account balances	**(1.54)**	262.69
MAT credit	**(200.92)**	-
Total current tax expense (A)	**104.20**	652.86
Deferred tax expense		
Origination and reversal of temporary differences	**686.54**	297.33
Less: Deferred asset for deferred tax liability	**-**	81.29
Total deferred tax expense (B)	**686.54**	216.04
Total income tax expense (A+B)	**790.74**	868.90

ii) Income tax recognised in other comprehensive income

Particulars	March 31, 2020			March 31, 2019		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	**(192.69)**	**(67.33)**	**(125.36)**	(49.26)	(15.06)	(34.20)

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

	March 31, 2020	March 31, 2019
Profit before tax (including OCI)	**2,011.90**	2,086.62
Tax using the Company tax @ 34.944% (PY 34.944%)	**703.04**	732.09
Tax effect of:		
Non-deductible tax expenses	**384.46**	345.78
Foreign exchange differences	-	-
Tax deductions/allowances	**(1,047.36)**	(546.04)
Business Tax losses	-	-
Previous year tax liability	**(3.27)**	101.89
Interest	**-**	4.08
Total tax expense in the Statement of Profit and Loss	**36.87**	637.80

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

(b) Tax losses carried forward

Particulars	March 31, 2020	Expiry date	March 31, 2019	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 Board of Directors have not recommended any final dividend during the FY 2019-20.

54 **Information in respect of micro, small and medium enterprises as at 31st March 2020 as required by Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	March 31, 2020	March 31, 2019
a) Amount remaining unpaid to any supplier:		
Principal amount	13.12	17.62
Interest due thereon	-	0.00
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, 2020	March 31, 2019
From operations including regulatory deferral account balances (a)	10.20	8.54
From regulatory deferral account balances (b)	(0.02)	4.02
From operations excluding regulatory deferral account balances (a)-(b)	10.22	4.52
Nominal value per share (in ₹)	10.00	10.00

(ii) Profit attributable to equity shareholders (used as numerator)	March 31, 2020	March 31, 2019
From operations including regulatory deferral account balances (a)	1,413.85	1,266.97
From regulatory deferral account balances-net of tax (b) (₹ in crore)	(2.87)	596.72
From operations excluding regulatory deferral account balances (a)-(b) (₹ in crore)	1,416.72	670.26

Notes to Standalone Financial Statements

(₹ in crore)

Note No.	Particulars		
	(iii) Weighted average number of equity shares (used as denominator)	**March 31, 2020**	March 31, 2019
	Opening balance of issued equity shares (Nos.)	**1,386,636,609**	1,528,568,427
	Effect of shares issued (bought back) during the year, if any (Nos.)	**-**	(45,107,098)
	Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	**1,386,636,609**	1,483,461,329

56 Capital Employed (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Employed Shall comprise of Total Assets excluding CWIP and Asset under Development less Current and Regulatory Liability	**23,648.05**	15,303.68

57 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.

58 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 quarterly 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.

59 **COVID-19 disclosures**

Significant disruptions have taken place worldwide due to COVID-19 pandemic. The Company is engaged in Mining and Power Generation. The Mining operations in NLCIL Opencast Mines at Neyveli including removal of Overburden and mining of lignite has been temporarily stopped for about one week. Considering power and mining an essential service management believes there is not much material impact due to this pandemic on the business of the company in the FY 2019-20. However, the impact of the same in subsequent periods is being monitored.

Format of the Initial Disclosure to be made by an entity identified as a Large Corporate

Sl. No.	Particulars	Details	
1.	Name of the Company	NLC India Limited	
2.	CIN	L93090TN1956GOI003507	
3.	Outstanding borrowing of Company as on 31st March, 2020 (in ₹ in crore)	₹ 13139.06 crore	
4.	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	Credit Rating Agency	Highest Rating
		ICRA	AAA/Stable
		CRISIL	AAA/Stable
		BRICKWORK	AAA/Stable
		CARE	AAA/Stable
		INDIA RATINGS	AAA/Stable
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

Sd/-
Chief Financial Officer

Date : 18.05.2020

Disclosure requirements for Large Corporate in accordance with SEBI Circular vide SEBI/HO/DDHS/CIR/2019/144 dated 26.11.2018

1. Name of the Company : NLC India Limited
2. CIN : L93090TN1956GOI003507
3. Report filed for FY : FY 2019-20 (01.04.2019 to 31.03.2020)
4. Details of the borrowings (figures in ₹ crore)

Sl. No.	Particulars	Details
i	Incremental borrowings done in FY (a)	4996.00
ii	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	1249.00
iii.	Actual borrowings done through debt securities in FY (c)	2000.00
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	No Shortfall

Sd/-
Company Secretary

Sd/-
Director (Finance)

Date : 12.05.2020

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 – 600004

INDEPENDENT AUDITOR'S REPORT

To
The Members of NLC INDIA LIMITED
(Formerly Neyveli Lignite Corporation Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **NLC INDIA LIMITED** (Formerly Neyveli Lignite Corporation Limited) ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2020, 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 then 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, 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 state of affairs of the Company as at March 31, 2020, 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 section 143(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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

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

1. Without qualifying our opinion, attention is invited to Note 23 of the Consolidated Financial Statements in respect of pending liabilities to DISCOMS subject to CERC Orders. The true up petition is filed with CERC in the third quarter of FY 2019-2020.

2. Without qualifying our opinion, attention is drawn to Note 24(c) of the Consolidated Financial Statements regarding Deferred Tax Liability materialized of ₹ 218.94 crore (for Thermal Plants) up to March 31, 2019, which has not been considered as revenue pending reconciliation and confirmation from the beneficiaries.

3. Without qualifying our opinion, attention is invited to Note 52 A (i) of the Consolidated Financial Statements on the requirement of loss allowance for expected credit losses.

4. Without qualifying our opinion, attention is drawn to Note 60(a) of the Consolidated Financial Statements regarding material impact on the business of the Company due to the COVID-19 pandemic.

As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED in their audit report.

5. Without modifying our opinion, we draw attention to Note 54(c) of notes to Consolidated Financial Statements - “Regarding External confirmation of balances from parties which are subject to confirmation and reconciliation.”

6. Without modifying our opinion, we draw attention to Note 60(b) of notes to Consolidated Financial Statements – “Transit and Handling loss – Regarding Coal stock at off-site namely Dhamara Port and Paradeep Port not being physically verified as on March 31, 2020 due to the lockdown (COVID-19)”.

As reported by the auditor of the Subsidiary Company, Neyveli Uttar Pradesh Power Limited in their audit report.

7. In the Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):

   The existing Internal Financial Control with respect to acquisition / purchase of land, related payments, capitalization of the same and accounting need to be strengthened to ensure any irregularity in this regard. The company has found few irregularities to the tune of ₹ 0.29 crore during its internal reconciliation process. An internal committee has been constituted to investigate further in the matter and to suggest changes in the financial controls in this regard in order to prevent irregularities in land acquisition process in future.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Financial Statements will not be prevented or detected on a timely basis.

   We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 Financial Statements of the Group, and the material weakness does not affect our opinion on the Consolidated Financial Statements of the Company.

8. In point no. 10 of Companies (Auditor's Report) Order, 2016:

   During its reconciliation process, the company has discovered few irregularities which might lead to fraud in the land registration and payment process. The total amount of such irregularities identified is about ₹ 0.29 crore for which further investigation is in process. A forensic investigation has been initiated by the company for identification of causes and the exact amounts involved in the said irregularities. The above reported fraud by employee does not cause the Financial Statements to be materially misstated.

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

Key Audit Matters

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

<table>
<tr><th>Sl. No.</th><th>Key Audit Matters</th><th>Auditor's Response</th></tr>
<tr><td>1.</td><td>Revenue recognition on sale of power to entities (DISCOMS) and the disclosure requirements under Ind AS 114 “Regulatory Deferral Accounts” and Ind AS 115 “Revenue from Contracts”.

The Central Electricity Regulatory Commission (CERC)/ State Electricity Regulatory Commission (SERC) determine the tariff rates to be charged by the Company for the sale of thermal power. Tariff rates for sale of thermal power are determined by CERC for a block period of 5 years. The tariff for Thermal power plant includes Lignite Transfer Price which is determined in accordance with the Lignite Transfer Price guidelines issued by NLCIL.

Pending disposal of petition and approval of CERC tariff rates for the tariff period 2019-2024, the beneficiaries are currently billed in accordance with the approved tariff rate of the previous tariff period i.e. 2014-2019. The differential Income/Expenses to the extent of the operations and maintenance parameters as prescribed by the guidelines for tariff period 2019-2024 are recognised under “Regulatory Deferral Account”.

Refer Note 32 of the Consolidated Financial Statements.</td><td>- We have assessed the application of the provisions of Ind AS 114 and Ind AS 115 in respect of the Company's revenue recognition policy for sale of power.

- We have verified the accounting of revenue in accordance with the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of energy comprising of capacity and energy charges.

- It is observed that the consideration of various items under “Net movement in Regulatory Deferral Account Balances” and the treatment in the audited accounts are in compliance with the accounting principles laid down in Ind AS 114.

Based on the above procedure performed, the recognition, measurement and adequacy of disclosure of revenue as per Ind AS 114 and Ind AS 115 for FY 2019-20 are considered to be adequate and reasonable.</td></tr>
<tr><td>2.</td><td>Assessment of provisions and contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt.

A high level of judgment is required in estimating the amount of provisioning. The Company's assessment is supported by the facts of matter, their own judgment, experience and independent legal advice wherever considered necessary. Accordingly, unexpected adverse outcomes which may significantly impact the reported profit and net assets are disclosed.

A sum of ₹ 13,968.38 crore have been considered by the Company towards contingent liability and commitments representing claims of third parties. Refer Note 55 of the Consolidated Financial Statements.

Included in the above, is a sum of ₹1384.82 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.</td><td>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, judgmental 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.</td></tr>
</table>

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 ₹ 232.24 crore vide Note 7(b) to Companies (Auditor's Report) Order, 2016	
3.	Accuracy of impairment provisions in respect of exploration and evaluation assets and projects under "Capital work in progress" which involves critical judgment of the management in respect of feasibility of ongoing projects, The Consolidated Financial Statements include relevant /disclosures that identify and explain the amounts arising from such feasibility study. Refer Note 6 to the Consolidated Financial Statements. Further, an aggregate amount of ₹ 517.26 crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold.	We have obtained the details of project activities of Bithnok and BTPSE project from the management. We noted that, Company has incurred capital expenditure of ₹ 349.13 crore and ₹ 168.13 crore in Bithnok and BTPSE project respectively which includes payment towards land of ₹ 176.92 crore and Capital Advance of ₹ 261.72 crore. We have obtained management reply that, discussions are underway with Rajasthan Government and M/s. Reliance Infrastructure Limited (EPC Contractor) for revival of the project. We have also ensured that since the project is on hold since June 2017, capitalisation of project costs are also put on hold and expenses incurred in the current have been charged to Profit and Loss Account of FY 2019-20.
4.	**Accounting of Surcharge** Due from entities (DISCOMS) for any delay in the settlement of claims due to the Company results in levy of surcharge in accordance with the terms and conditions of the agreement entered into for the sale of power. For the FY 2019-20 the Company has recognized a sum of ₹ 1068.21 crore as surcharge under other income. Refer Note 25f to the Consolidated Financial Statements.	Accounting of surcharge was examined by us to ensure that all the material amounts of surcharge accounted by the Company as income were in accordance with the terms and conditions of the contracts entered into by the Company with DISCOMS.

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.	On January 16, 2019, Unit -2 of NTPL 2 x 500 MW Thermal Power Station tripped due to fire occurred near the generator end and the winding and other parts of the generator rotor got severely damaged. Consequently, Unit 2 was not in operation from that date. The Unit was repaired and synchronised on July 27, 2019. This resulted in loss of revenue from April 01, 2019 to July 27, 2019.	We found that vide agenda item No;82.14 in the Board meeting held on February 06, 2019 approval has been accorded for rectification of Unit 2 by recognised the occurrence of the event. We noted that the Board was seized of the matter and noted the progress and synchronisation of the Unit.

Sl. No.	Key Audit Matters	Auditor's Response
2.	The Company has filed interim truing up petition with CERC claiming an amount of ₹ 774.38 crore towards discharged liabilities for capital expenditure from the date of commissioning up to March 31, 2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of ₹ 126.83 crore has been recognised under capacity charges during the year as per regulation. The same is explained in detail in Note 32 to Consolidated Financial Statements.	Interim tariff order dated July 11, 2017 granted by the CERC had set March 31, 2018 as cut-off date 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 July 11, 2017 and final petition filed based on audited financials up to March 31, 2018.

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The Group'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 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 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 and presentation 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 Company in accordance with the accounting principles generally accepted in India, including the 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 Consolidated Financial Statements 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 of its associates are responsible for assessing the ability of Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective management and Board of Directors of the Companies included in the Group and of its associates either intends to liquidate the respective 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 is responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 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 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 and subsidiaries) 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 and its associates 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.

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

1. We did not audit the Financial Statements of TWO (2) subsidiaries, and ONE (1) Associate and jointly controlled entity, whose Financial Statements reflect total assets of ₹ 18,045.47 crore as at March 31, 2020, total revenues of ₹ 2,674.45 crore and net cash flows amounting to ₹ 1.49 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹143.28 crore for the year ended March 31, 2020, as considered in the Consolidated Financial Statements, in respect of aforesaid TWO (2) subsidiaries, and ONE (1) Associate and jointly Controlled entity whose Financial Statements have not been audited by us. These Financial Statements have been audited by other independent statutory auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, Associate and jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and jointly controlled entity, is based solely on the reports of the other auditors.
2. We did not audit the Financial Statements of one (1) Branch included in the Consolidated Financial Statements of the Company which reflected total assets of ₹1,559.56 crore as at March 31,2020 and a net profit of ₹ 149.44 crore for the year ended on that date. The Financial Statements of this Branch have been audited by the Branch auditor 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 Branch, is based solely on the report of such Branch Auditor.
3. Note 9 of the Consolidated Financial Statements with regards to inventory "where due to Covid-19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 "Audit evidence – 'Specific consideration for stipulated items', which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Consolidated Financial Statements. "

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 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 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 the 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 Holding Company, its subsidiaries Companies and associate Company and the operating effectiveness of such controls, we give our report in Annexure-I.

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 and based on the consideration of the reports of the branch auditors and other auditors on separate Financial Statements of the branch, 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 55 to Consolidated Financial Statements.

   ii. The Group has long term contracts for coal mining, power sale, project execution etc. However as at March 31, 2020 there were no material foreseeable losses on those contracts. The Company did not have any derivative contracts as at March 31, 2020.

   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

SARADHAMANI GANESAN
Partner
M No.027683
UDIN: 20027683AAAAAD8422

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

R. SUBRAMANIAN
Partner
M No.008460
UDIN: 20008460AAAAAN6157

Place : Chennai
Date : June 23, 2020

Annexure-I to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In connection with our audit of the Consolidated Financial Statements of the Group for the year ended March 31, 2020, We have audited the internal financial controls over financial reporting of **M/s. NLC INDIA LIMITED** (formerly Neyveli Lignite Corporation Limited) ("hereinafter referred to as "the Holding Company") and its subsidiary Companies, its associate and jointly controlled entity, 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Subsidiary Companies 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 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 Consolidated 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 Consolidated 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 Consolidated 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, 2020, 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, except for the effects/possible effects of the material weakness described below in respect of one of the subsidiary.

According to the information and explanations given to us by the subsidiary company auditor at Neyveli Uttar Pradesh Power Limited as at March 31, 2020, the opinion is reproduced as below:

The existing Internal Financial Control with respect to acquisition / purchase of land, related payments, capitalization of the same and accounting need to be strengthened to ensure any irregularity in this regard. The Company has found few irregularities to the tune of ₹ 0.29 crore during its internal reconciliation process. An internal committee has been constituted to investigate further in the matter and to suggest changes in the financial controls in this regard in order to prevent irregularities in land acquisition process in future.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Financial Statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 Financial Statements of the Group, and the material weakness does not affect our opinion on the Consolidated Financial Statements of the Company.

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, ONE (1) branch and ONE (1) associate and jointly controlled entity, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such Companies incorporated in India.

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

SARADHAMANI GANESAN
Partner
M No.027683
UDIN: 20027683AAAAAD8422

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

R. SUBRAMANIAN
Partner
M No.008460
UDIN: 20008460AAAAAN6157

Place : Chennai
Date : June 23, 2020

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 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 April 01, 2018, an On-line Materials Management System (OLIMMS). The Company's Financial accounting has been migrated to SAP from April 01, 2019. **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
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

Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
3. Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	**In respect of NLCIL:** The Company has received ₹ 6.77 crore as grants for various schemes from Central / State agencies and the same have been properly accounted for and utilized asper the terms and conditions stipulated. **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:** Yes, the funds received for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions.	NA
4. Whether Proper adjustments were carried out for unbilled revenue on receipt of CERC orders.	**In respect of NLCIL:** The total unbilled revenue as at March 31, 2020 is ₹ 809.73 crore. In consideration to the billing cycle, the above amount includes Energy charges and Capacity charges of ₹ 696.19 crore for the month of March 2020 billed in the subsequent month. In accordance to the approved orders received from CERC, the remaining balance of ₹ 113.54 crore, pertain to recoveries pending made from the beneficiaries subject to the finalisation of the Company's accounts, The tariff differential amount (Awaiting CERC approval) is considered under Regulatory deferral Account Balance.	NA

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

SARADHAMANI GANESAN
Partner
M No.027683
UDIN: 20027683AAAAAD8422

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

R. SUBRAMANIAN
Partner
M No.008460
UDIN: 20008460AAAAAN6157

Place : Chennai
Date : June 23, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(₹ in crore)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	**24,070.41**	17,651.58
(b) Right-of-Use Asset	3	**32.28**	-
(c) Intangible Asset	4	**6.45**	6.37
(d) Capital Work-In-Progress	5	**12,534.11**	13,737.86
(e) Asset under Development	6	**127.67**	117.80
(f) Financial Assets	7		
i) Investments	a	**13.51**	12.69
ii) Loans	b	**30.88**	42.60
(g) Other Non-Current assets	8	**1,851.04**	1,747.36
		38,666.35	33,316.26
(2) Current Assets			
(a) Inventories	9	**1,683.75**	1,720.10
(b) Financial Assets	10		
i) Trade Receivables	a	**8,509.79**	6,186.95
ii) Cash and Cash Equivalents	b	**16.96**	18.49
iii) Other Bank Balances	c	**415.72**	512.58
iv) Loans	d	**39.54**	37.39
v) Other Financial Assets	e	**65.39**	49.17
(c) Income Tax Asset (Net)	11	**829.44**	698.60
(d) Other Current Assets	12	**1,525.98**	1,264.65
		13,086.57	10,487.93
(3) Regulatory Deferral Account Debit Balances	13	**1,735.21**	1,476.10
Total Assets and Regulatory Deferral Account Debit Balance		**53,488.13**	45,280.29
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	**1,386.64**	1,386.64
(b) Other Equity	15		
i) Retained Earnings	a	**9,208.51**	9,101.58
ii) Other Reserves	b	**2,309.98**	2,281.23
		12,905.13	12,769.45
(c) Non-controlling Interest	16	**1,767.37**	1,101.75
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities	17		
(i) Borrowings	a	**18,943.19**	14,377.29
(ii) Lease liability	b	**3.46**	-
(b) Deferred Tax Liabilities (Net)	18	**3,052.23**	2,283.36
(c) Other Non-Current Liabilities	19	**1,165.61**	1,363.97
		23,164.49	18,024.62
(2) Current Liabilities			
(a) Financial liabilities	20		
(i) Borrowings	a	**6,021.37**	4,546.53
(ii) Trade payables	b		
- Total outstanding dues of Micro and Small enterprises		**22.97**	29.92
- Total outstanding dues of creditors other than Micro and Small enterprises		**3,264.72**	3,299.14
(iii) Other Financial Liabilities	c	**2,385.31**	1,711.27
(b) Other Current Liabilities	21	**634.29**	841.90
(c) Provisions	22	**757.43**	516.90
		13,086.09	10,945.66
(3) Regulatory Deferral Account Credit Balances	23	**2,565.05**	2,438.81
Total Equity and Liabilities and Regulatory Deferral Account Credit Balance		**53,488.13**	45,280.29

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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli
Date : 23-06-2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Sl. No.	Particulars	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
	INCOME			
I	**Revenue from Operations**	24	**10,320.56**	9,870.93
II	**Other Income**	25	**1,272.14**	907.54
III	**Total Income (I+II)**		**11,592.70**	10,778.47
IV	**EXPENSES**			
	Cost of Fuel Consumed	26	**1,533.59**	1,751.81
	Changes in Inventories	27	**81.99**	242.92
	Employee Benefit Expenses	28	**2,874.96**	3,026.98
	Finance costs	29	**1,174.38**	699.92
	Depreciation and Amortization Expenses	30	**1,334.15**	1,120.76
	Other Expenses	31	**2,382.53**	2,555.03
	Total Expenses (IV)		**9,381.60**	9,397.42
V	**Profit / (Loss) before Exceptional & Rate Regulatory Activity (III-IV)**		**2,211.10**	1,381.05
VI	**Net Movement in Regulatory Deferral Account Balances Income / (Expenses)**	32	**137.45**	1,215.56
VII	**Profit / (Loss) before Exceptional Item and Tax (V+VI)**		**2,348.55**	2,596.61
VIII	**Exceptional Items**	33	**3.44**	35.21
IX	**Profit / (Loss) before Tax (VII-VIII)**		**2,345.11**	2,561.40
X	**Tax Expense:**			
	(1) Current Tax			
	- Current Year Tax		**325.39**	288.27
	- Previous Year Tax		**15.66**	101.90
	- Tax Expenses/(Savings) on Rate Regulated Account		**23.45**	262.69
	- MAT credit		**(240.49)**	-
	(2) Deferred tax		**768.94**	371.19
	Total Tax Expenses (X)		**892.95**	1,024.05
XI	**Profit / (Loss) after Tax before share of Profit/(loss) of associates (IX-X)**		**1,452.16**	1,537.35
XII	**Share of Profit/(Loss) of Associates**		**0.82**	-
XIII	**Profit / (Loss) for the Year (XI+XII)**		**1,452.98**	1,537.35
XIV	**Other Comprehensive Income**			
	Items not reclassified to Profit or Loss: (Net of Tax)			
	- Re-measurements of defined benefit plans	34	**(125.36)**	(34.20)
XV	**Total Comprehensive Income for the Year (XIII+XIV)**		**1,327.62**	1,503.15
	(Comprising Profit / (Loss) and other comprehensive income)			
XVI	**Profit Attributable to**			
	- Owners of the Company		**1,441.37**	1,507.71
	- Non-Controlling Interest (NCI)		**11.61**	29.64
XVII	**Total Comprehensive income attributable to**			
	- Owners of the Company		**1,316.01**	1,473.51
	- Non-Controlling Interest (NCI)		**11.61**	29.64
XVIII	**Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balance):**			
	(1) Basic (in ₹)	35	**9.66**	3.94
	(2) Diluted (in ₹)		**9.66**	3.94
XIX	**Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balance):**			
	(1) Basic (in ₹)	35	**10.48**	10.36
	(2) Diluted (in ₹)		**10.48**	10.36

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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 23-06-2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity Share Capital

Particulars	As at 01.04.2019		Movement during the year		As at 31.03.2020	
	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)	No. of Shares	Equity Share Capital par Value (₹ in crore)
Equity Share Capital	1,38,66,36,609	1,386.64	-	-	**1,38,66,36,609**	**1,386.64**

B. Other Equity

(₹in crore)

Particulars	Retained Earnings and other Reserves							Total
	KFW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
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	-	-	(0.00)	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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 23-06-2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		**2,345.11**		2,561.40
Adjustments for:				
Less:				
Profit on Disposal of Asset	**2.65**		18.24	
Interest Income	**97.37**		130.68	
	100.02		148.92	
Add:				
Depreciation	**1,334.15**		1,120.76	
Buyback Expenses	**-**		6.75	
Other non cash charges	**130.49**		(82.38)	
Provision for fixed asset	**2.97**		19.32	
Interest expense	**1,174.38**		699.92	
	2,641.99	**2,541.97**	1,764.37	1,615.44
Operating Profit before working capital changes		**4,887.08**		4,176.84
Adjustments for :				
Trade receivables		**(2,333.79)**		(1,749.38)
Loans & advances		**(63.54)**		3.67
Inventories & other current assets		**(278.88)**		629.19
Trade payables & other current liabilities		**(70.54)**		(936.88)
Cash Flow generated from Operations		**2,140.33**		2,123.44
Direct Taxes paid		**(496.40)**		(500.65)
Cash Flow Before Extraordinary Items		**1,643.93**		1,622.80
Grants received		**2.83**		(2.73)
Net Cash from operating activities		**1,646.76**		1,620.06
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment / preliminary expenses		**(5,894.73)**		(6,265.50)
Sale of property, plant and equipment / Projects from continuing operations		**1.81**		18.70
Sale/Purchase of Investments		**(0.00)**		-
Interest Received		**81.15**		127.73
Net Cash used in investing activities		**(5,811.77)**		(6,119.07)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings (Net)		**1,474.84**		2,416.00
Long Term Borrowings (Net)		**5,153.00**		4,967.02
Interest paid		**(1,950.24)**		(1,291.12)
Buyback of Equity Shares including Buyback Expenses		**-**		(1,255.76)
Issue of Equity Shares		**668.53**		386.43
Dividend (including Dividend Tax)		**(1,182.65)**		(807.01)
Net Cash used/received in financing activities		**4,163.48**		4,415.56
Net increase, decrease (-) Cash and Cash equivalents		**(1.53)**		(83.44)
Cash and cash equivalents as at the beginning of the year		**18.49**		101.93
Cash and cash equivalents as at the end of the year		**16.96**		18.49
NOTE : (-) INDICATES CASH OUTFLOW.				
DETAILS OF CASH AND CASH EQUIVALENTS:		**As at March 31, 2020**		As at March 31, 2019
Cash in Hand		**0.01**		0.01
Cash at Bank in Current Accounts		**6.70**		7.53
Cash at Bank in Deposit Accounts		**10.25**		10.95
Total		**16.96**		18.49

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 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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli

Date : 23-06-2020

Note No. 1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2020

(Expressed in INR 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 (NLC) 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 proportionately consolidated. 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”) (“NLC” or “the holding Company”), is a Government Company registered under the erstwhile Companies Act, 1956 with its registered office located at First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai 600 031 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 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 (NLC) 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 First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai 600 031. 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 (NLC) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and the Company is registered under erstwhile Companies Act, 1956 with its registered office located at B-III/204, 2nd Floor, Eldeco Elegance Apartment, 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 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 and its subsidiaries as at 31st March, 2020. 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 unrealised 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 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 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 Capitalization - Subsequent expenditure incurred on the existing assets are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is 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 : 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 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 Mine

The commercial operation date (CoD) of the Coal mines to be considered based on the following: -

a. From beginning of the financial year immediately after the year in which project achieves physical output of 25% of rated capacity as per approved project report; or

b. 2 years of touching Coal; or

c. From the beginning of the financial year in which the value of production is more than the total expenses.

Whichever event occurs first.

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 set 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:-

Description of Assets covered	Basis
i. (a) Assets of Thermal Power Stations excluding vehicles other than Ash Tippers	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act 2003.
(b) Wind Turbine Generator (WTG) and Solar Power Plants.	As per the estimated life of the plant in line with 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 INR 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 recognized 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 is capitalised as a 'Mining Development Cost'.

For the mines which are directly linked to feeding Thermal Power Plants, such "Mine Development Cost" are amortized over the estimated life of the mine or the life originally /initially approved for the linked thermal power plant whichever is lesser. For the mines which are not directly linked to any specific feeding Thermal Power Plants, such "Mine Development Cost" are amortized over the life estimated by the Management from the 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 analyzing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical 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 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	At absorption cost excluding allocated administration charges and social overhead.
Coal	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 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.

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 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 whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are 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)

Expected loss are measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided.

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 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 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 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 includes 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 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 recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is 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 recognized 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 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 recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria(s) set out in Ind AS 12 are met.

XVIII. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are 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 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 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 recognized 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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli
Date : 23-06-2020

Notes to Consolidated Financial Statements

NON-CURRENT ASSETS

Property, Plant and Equipment

(₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2019	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2020	As at 01.04.2019	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
2	Land	1,150.02	208.98	-	**1,359.00**	-	-	-	**-**	**1,359.00**	1,150.02
	Roads	107.11	4.04	0.06	**111.09**	58.18	0.02	7.85	**66.01**	**45.08**	48.93
	Buildings	565.55	65.04	-	**630.59**	48.18	-	19.12	**67.30**	**563.29**	517.37
	Electrical Installations	198.06	6.67	-	**204.73**	98.54	-	15.89	**114.43**	**90.30**	99.52
	Water Supply & Drainage	110.87	4.60	0.16	**115.31**	48.24	0.05	11.94	**60.13**	**55.18**	62.63
	Plant & Machinery	18,854.99	7,437.33	5.65	**26,286.67**	3,673.77	2.72	1,223.30	**4,894.35**	**21,392.32**	15,181.22
	Furniture & Equipment	68.33	18.95	0.26	**87.02**	19.08	0.09	8.39	**27.38**	**59.64**	49.25
	Vehicles	43.43	13.41	0.58	**56.26**	22.04	0.39	4.49	**26.14**	**30.12**	21.39
	Assets Costing ₹ 5000 and below	0.64	0.20	-	**0.84**	0.64	-	0.20	**0.84**	**-**	-
	Mine Development										
	Mine-I	206.97	-	-	**206.97**	86.98	-	15.00	**101.98**	**104.99**	119.99
	Mine-IA	91.74	-	-	**91.74**	22.82	-	8.61	**31.43**	**60.31**	68.92
	Mine-II	348.51	-	-	**348.51**	108.58	-	16.00	**124.58**	**223.93**	239.93
	Barsingsar Mine	110.85	-	-	**110.85**	18.44	-	6.16	**24.60**	**86.25**	92.41
	Total	**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**	**17,651.58**
	Previous Year	19,841.22	2,039.97	24.12	**21,857.07**	3,082.27	5.70	1,128.92	**4,205.49**	**17,651.58**	

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) Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects and Machinery spares. This 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) Three units of Thermal Power Station -I (out of Nine units) i.e. Unit No. VII (100MW), Unit No. I (50MW) & Unit No. IX (100 MW) have been retired from generation of power as on 31.03.2020. The Gross Block , accumulated depreciation and Net block of these three units 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. Consent to Operate the plant has been extended till 30th September, 2020.

e) Spares meeting the criteria of PPE and having a value of more than ₹ 5 lakh have been considered for capitalisation and the depreciation has been charged on the basis of technically estimated useful life. The depreciation for current year includes ₹ 35.09 crore due to the change in estimate of spares. Estimated sale value of the retired assets is expected to be above the residual value of assets appearing in the books.

f) Depreciation on Specialised Mining Equipment (SME) has been considered based on technical estimated 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) The impact due to change in accounting policy for capitalisation of solar and thermal power plants has an impact of ₹ 19.24 crore and (₹ 19.50 crore) respectively .

I) The value of land does not include ₹ 0.29 crore, pending verification of land documents relating to Neyveli Uttar Pradesh Power Limited(NUPPL).

j) There is no impairment loss identified for the assets during the year.

Right-of-Use Assets

(₹ in crore)

Note No.	Description	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2019	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2020	As at 01.04.2019	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
3	Land	50.51	-	-	**50.51**	19.54	-	1.68	**21.22**	**29.29**	-
	Building	0.90	0.61	-	**1.51**	-	-	0.61	**0.61**	**0.90**	-
	Vehicle	0.04	2.23	-	**2.27**	-	-	0.18	**0.18**	**2.09**	-
	Total	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				Accumulated Depreciation				Net Block	
		As at 01.04.2019	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2020	As at 01.04.2019	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
4	Software	9.95	2.41	-	12.36	3.58	-	2.33	5.91	6.45	6.37
	Total	**9.95**	**2.41**	**-**	**12.36**	**3.58**	**-**	**2.33**	**5.91**	**6.45**	**6.37**
	Previous Year	8.09	1.86	-	9.95	1.72	-	1.86	3.58	6.37	

There is no impairment loss identified for the assets during the year.

Note No.	Particulars (₹ in crore)	As at March 31, 2020		As at March 31, 2019	
5	**Capital Work-in-Progress**				
	Plan Expenditure				
	i) TPS II Expansion				
	Supply and Erection	**2.36**		2.96	
	Expenditure during Construction	**-**	**2.36**	-	2.96
	ii) Neyveli New Thermal Plant				
	Supply and Erection	**2,217.22**		5,172.09	
	Expenditure during Construction	**529.05**	**2,746.27**	1,092.10	6,264.19
	iii) Solar Power Project				
	Supply and Erection	**102.85**		1,379.87	
	Expenditure during Construction	**5.05**	**107.90**	19.49	1,399.36
	iv) Bithnok Project *				
	Supply and Erection	**29.20**		29.20	
	Expenditure during Construction	**20.53**	**49.73**	20.53	49.73
	v) Barsingsar Extension & Hadla Mines *				
	Supply and Erection	**9.04**		9.04	
	Expenditure during Construction	**17.18**	**26.22**	17.18	26.22
	vi) Mine-IA Expansion				
	Supply and Erection	**34.40**		23.58	
	Expenditure during Construction	**352.76**	**387.16**	333.37	356.95
	vii) Talabira II & III				
	Expenditure on Land Acquisition	**584.95**		403.11	
	Expenditure during Construction	**108.20**	**693.15**	50.13	453.24
	viii) NLC Tamilnadu Power Limited				
	Supply & Erection	**13.80**	**13.80**	13.88	13.88
	ix) Neyveli Uttar Pradesh Power Limited				
	Supply & Erection	**7,593.94**		4,181.47	
	Expenditure during construction	**842.79**	**8436.73**	806.87	4,988.34
	Non-Plan Expenditure				
	Supply and Erection	**48.60**		90.74	
	Capital Goods in Stock & Transit	**22.19**	**70.79**	92.25	182.99
	TOTAL		**12,534.11**		13,737.86

* 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, 2020**	As at March 31, 2019
	Preliminary Project Expenditure	**161.31**	149.85
	Less: Provisions	**33.64**	32.05
		127.67	117.80
7	**Financial Assets**		
	a) Investments	**As at March 31, 2020**	As at March 31, 2019
	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)	**12.77**	12.77
	Add : Share of Profit / (Loss) in MNH Shakti Limited (15 % Stake)	**0.74**	(0.08)
		13.51	12.69
	b) Loans	**As at March 31, 2020**	As at March 31, 2019
	Loans to Employees		
	Secured	**28.02**	39.06
	Unsecured, considered good	**2.86**	3.54
		30.88	42.60
	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 ₹ 0.03 crore (PY ₹ 0.09 crore) due from key management personnels. The details of transactions with key management personnels are mentioned in note no. 43 (c).		
8	**Other Non-Current Assets**	**As at March 31, 2020**	As at March 31, 2019
	Unsecured considered good		
	Capital Advances	**834.31**	959.74
	MAT Credit Entitlement	**867.89**	626.34
	Others	**148.84**	161.28
		1,851.04	1,747.36
	Current Assets		
9	**Inventories**	**As at March 31, 2020**	As at March 31, 2019
	Raw Material - Lignite	**828.42**	910.86
	Raw Material - Coal	**289.93**	187.81
	Solid/Hollow/Fly Ash Bricks	**2.67**	10.35
	Goods-in-transit	**19.00**	36.58
	Stores and Spares	**551.63**	579.28
	Less: Provision for obsolete / unserviceable stores and spares	**(7.90)**	(4.78)
		1,683.75	1,720.10

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 this purpose is as follows - (i) Lignite - At absorption cost excluding share of common charges and social overhead. (ii) Coal - At weighted average acquisition cost. (iii) Stores & Spares - At weighted average acquisition cost. (iv) Fly ash bricks - At absorption cost. (v) Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition (vi) Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value. b) Refer note no. 20 (a) for information on inventory pledged as security by the Company.		
10	**Financial Assets**		
	a) Trade receivables	**As at March 31, 2020**	As at March 31, 2019
	a. Unsecured Considered good	**8,509.79**	6,186.95
	b. Unsecured Considered doubtful	**141.87**	130.92
		8,651.66	6,317.87
	Less: Provision for Doubtful Debts	**141.87**	130.92
		8,509.79	6,186.95
	Based on arrangements among NLCIL, State Bank of India and TANGEDCO, certain bills which were due from TANGEDCO have been discounted during the FY 2019-20. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 637.24 crore (31st March 2019 ₹ NIL). Letter of Credit is available for one month Thermal Power bills.		
	b) Cash and cash equivalents	**As at March 31, 2020**	As at March 31, 2019
	i) Bank Balance		
	- Current Account	**6.70**	7.53
	- Short Term Deposits	**10.25**	10.95
	ii) Cash and Stamp on hand	**0.01**	0.01
		16.96	18.49
	Stamps on hand as on 31.03.2020 - ₹ 55,350/- (as on 31.03.2019 ₹ 62,271/-)		
	c) Other bank balances	**As at March 31, 2020**	As at March 31, 2019
	Unpaid Dividend Account Balance	**3.00**	2.98
	Earmarked deposits with Banks :-		
	i. Staff Security Deposit	**0.01**	0.01
	ii. Endowment fund in the name of NLC Schools	**0.39**	0.37
	iii. Mine Closure Deposit	**264.28**	209.39
	iv. PRMA Deposit	**90.58**	73.75
	v. Security for Bank Guarantee	**2.04**	16.84
	vi. Margin for Bank Guarantee & Letter of Credit	**54.33**	92.72
	vii. Multi Option Deposit (MOD)	**0.65**	116.00
	viii. Land for Fly Ash deck	**0.44**	0.52
		415.72	512.58
	a) In the name of “Coal Controller Escrow Account NLC Ltd. Mine” b) PRMA deposit matured on 1st April, 2020. c) Deposit towards Land Acquisition as per the order of National Lok Adalat.		
	d) Loans	**As at March 31, 2020**	As at March 31, 2019
	a) Secured		
	- Loans to employees	**23.53**	22.57
	b) Unsecured		
	i. Considered good		
	- Loans to employees	**16.01**	14.82
		39.54	**37.39**

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
	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 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	0.01	0.08
	(ii) Maximum amount due at any time during the year	0.08	0.08
	(i) Due by Directors	0.03	0.06
	(ii) Maximum amount due at any time during the year	0.06	0.07
	e) Other financial assets	**As at March 31, 2020**	As at March 31, 2019
	Interest accrued	**47.27**	49.17
	Discount on Commercial Paper	**18.12**	-
		65.39	49.17
	a) Interest Accrued includes interest due on loans givens to employees, interest on advances given to suppliers and interest on various deposits such as PRMA etc.		
	b) Commercial Paper Tranche I was issued on 06.03.2020 for an amount of ₹ 500 crore for a period of 175 days at a coupon rate of 5.45% p.a & Tranche II was issued on 12.03.2020 for an amount of ₹ 500 crore for a period of 78 Days at a coupon rate of 5.10% p.a. These unsecured loans are repayable on 28.08.2020 & 29.05.2020 respectively. The discount attributable to current year has been charged as finance cost in Profit and Loss statement.		
11	**Income Tax Asset (Net)**	**As at March 31, 2020**	As at March 31, 2019
	Advance Income Tax	**1,896.42**	1,520.05
	Less : Provision for Tax	**1,066.98**	821.45
		829.44	698.60
	The Company has opted to avail Vivad Se Viswas scheme launched by Govt. of India. Pending completion of the procedure required under the Act an amount of ₹ 338.67 crore has been deposited and disclosed under advance Income Tax.		
12	**Other current assets**	**As at March 31, 2020**	As at March 31, 2019
	Disposable / Dismantled Assets, Spares	**3.92**	2.61
	Prepaid Expenses	**87.77**	26.78
	Advances other than capital advances (unsecured)		
	i. Considered good		
	- Staff Advances	**188.96**	90.42
	- For Leasehold Land	**-**	1.68
	- For purchase of Coal	**19.44**	47.85
	- For purchase of Fuel Oil	**0.77**	5.33
	- For Rail Freight	**3.13**	0.07
	- Others *	**68.16**	61.98
	ii. Considered doubtful	**2.11**	2.12
	Less: Provision for doubtful advances	**2.11**	2.12
	Deposits With Govt. Authorities		
	- Towards Goods and Service Tax	**20.66**	20.00
	- Towards Royalty	**10.63**	8.84
	- Towards Advance TDS	**0.39**	4.34
	- Port Trust and Customs authorities	**12.09**	80.57
	Unbilled Revenue #	**1,086.18**	846.62
	GST Receivable	**4.77**	3.88
	Others	**19.11**	63.68
		1,525.98	1,264.65
	# Unbilled Revenue includes billing done after March 31 for Sale of Power and Lignite for respective years.		
	* Other advances represent advances given to contractors and suppliers in the ordinary course of supply of goods and services.		

Notes to Consolidated Financial Statements

EQUITY

Note No.	Particulars		(₹ in crore)
13	**Regulatory Deferral Account Debit Balances**	**As at March 31, 2020**	As at March 31, 2019
	Deferred Foreign Currency Fluctuation	**124.55**	99.95
	Gratuity	**171.48**	213.70
	Wage Revisions	**643.04**	643.04
	Other items recoverable as per CERC Order/Regulations	**795.04**	519.41
	Others	**1.10**	-
		1,735.21	1,476.10
	a) 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.		
	b) On discharge of capital liabilities amounting to ₹ 774.38 crore, NTPL has filed truing up petition for tariff period 2014-19 and as per regulatory provision an amount of ₹ 126.83 crore (PY: ₹ 295.39 crore) has been considered under capacity charges.		
14	**Equity Share Capital**	**As at March 31, 2020**	As at March 31, 2019
	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 2019)	**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 2019)	**1,386.64**	1,386.64
	(1,09,82,21,224 Equity Shares being 79.20 % (previous year 1,13,57,84,910 shares being 81.91%) 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, 2020**	As at March 31, 2019
	No. of shares outstanding at 1st April	**1,386,636,609**	1,528,568,427
	Shares issued during the year	**-**	-
	Shares bought back during the year	**-**	141,931,818
	No of Shares outstanding at 31st March	**1,386,636,609**	1,386,636,609
	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, 2020**	As at March 31, 2019
	i) Dividends paid and recognised during the year		
	- Final dividend for the year ended 31st March 2019 of ₹ NIL (31st March 2018 ₹ 0.27) per fully paid equity shares	**-**	41.27
	- Interim dividend for the year ended 31st March 2020 of ₹ 7.06 (31st March 2019 ₹ 4.53) per fully paid equity shares	**978.97**	628.15
	ii) Dividends not recognised during the year		
	The Board of Directors have not recommended any final dividend during the FY 2019-20.		

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
	d) Movement in Equity Shares Last Five Years preceding 01.04.2019		
	Number of Shares as on 01.04.2014		1,67,77,09,600
	Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 & FY 2018-19		NIL
	Aggregate number and class of shares allotted as fully paid up by way of bonus shares FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 & FY 2018-19		NIL
	Aggregate number and class of shares bought back FY 2014-15, FY 2015-16, FY 2016-17*, FY 2017-18 & FY 2018-19*		291,072,991
	Number of Shares as on 31.03.2019		1,386,636,609
	* Shares bought back 14,91,41,173 Nos. & 14,19,31,818 Nos. during the FY 2016-17 & FY 2018-19 respectively.		
15	**Other Equity**	**As at March 31, 2020**	As at March 31, 2019
	i) Retained Earnings	**9,321.03**	9,088.74
	ii) Other Comprehensive Income		
	Remeasurement of actuarial gains/ losses and interest cost	**(112.52)**	12.84
	a) Total Retained Earnings (i + ii)	**9,208.51**	9,101.58
	b) Other Reserves		
	KfW Interest Differential Reserve	**351.30**	342.58
	General Reserve	**1,457.00**	1,457.00
	Contingency Reserve	**110.00**	100.00
	Bond Redemption Reserve	**-**	-
	Capital Redemption Reserve	**291.07**	291.07
	PRMA Reserve Fund	**100.61**	90.58
	Total (b)	**2,309.98**	2,281.23
	Total Other Equity (a + b)	**11,518.49**	11,382.81
a)	**Retained Earnings**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**9,088.74**	9,521.95
	Addition During the year	**1,327.62**	1,503.15
	i) Retained Earning Available for Appropriation	**10,416.36**	11,025.10
	Less : Appropriations		
	Transfer to / from Interest Differential Fund Reserve	**8.72**	8.07
	Transfer to Bond Redemption Reserve	**-**	(150.00)
	Transfer to Contingency Reserve	**10.00**	10.00
	Transfer to PRMA Reserve Fund	**10.03**	16.83
	Transfer to Capital Redemption Reserve	**(0.00)**	141.93
	Buy Back Premium	**-**	1,107.07
	Interim Dividend	**978.97**	628.15
	Tax on Interim Dividend	**181.21**	129.12
	Final Dividend	**-**	41.27
	Tax on Final Dividend	**20.02**	8.48
	IND AS 116 Lease Adjustments	**0.13**	-
	Non Controlling Interest (NCI)	**11.61**	29.64
	ii) Other Comprehensive Income		
	Remeasurement of Actuarial Gain/(loss)	**(125.36)**	(34.20)
	Closing Balance	**9,321.03**	9,088.74

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
b)	**Other Reserves**		
	KfW Interest Differential Reserve	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**342.58**	334.51
	Transfer from Retained Earnings	**28.05**	29.22
	Less : Withdrawal / Adjustment during the year	**19.33**	21.15
	Closing Balance	**351.30**	342.58
	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	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	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	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**100.00**	90.00
	Transfer from Retained Earnings	**10.00**	10.00
	Less : Withdrawal/Adjustment during the year	**-**	-
	Closing Balance	**110.00**	100.00
	Apportionment of profits amounting to ₹ 10 crore every year to secure the contingency payments in the future periods.		
	Bond Redemption Reserve	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	-	150.00
	Transfer from Retained Earnings	**-**	-
	Less : Withdrawal/Adjustment during the year	-	150.00
	Closing Balance	**-**	-
	a) NLCIL has issued NLCIL Bonds Series-I 2019 and Series-I 2020 during FY 2019-20 [refer note no. 17 (a)]. However the requirement to create a Bond Redemption Reserve has been waived off for Listed Companies vide MCA Notification GSR 574 (E) dated 16th August , 2019. Hence no Bond Redemption Reserve provision is required to be created for the freshly issued bond in FY 2019-20. b) The Neyveli Bonds-2009 has been redeemed during the FY 2018-19, hence the amount of Bond Redemption Reserve already accumulated has been transferred to Retained Earnings.		
	Capital Redemption Reserve	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**291.07**	149.14
	Transfer from Retained Earnings	**-**	141.93
	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.		

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
	PRMA Reserve Fund	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Opening Balance	**90.58**	73.75
	Transfer from Retained Earnings	**10.03**	16.83
	Less : Withdrawal/Adjustment during the year	**-**	-
	Closing Balance	**100.61**	90.58
	Reserve towards Post Retirement Medical Assistance (PRMA) provided to retired employees and their spouse. The deposit of PRMA fund has been renewed on 2nd April 2020.		
16	**Non-Controlling Interest**	**As at March 31, 2020**	As at March 31, 2019
	a) NLC Tamilnadu Power Ltd. (NTPL)	**274.04**	273.29
	b) Neyveli Uttar Pradesh Power Limited (NUPPL)	**1,493.33**	828.46
		1,767.37	1,101.75
	Non-Current Liabilities		
17	**Financial Liabilities**		
a	**Borrowings**	**As at March 31, 2020**	As at March 31, 2019
	A) Secured Loans		
	(i) NLCIL Bonds		
	- Series-I-2019	**1,475.00**	-
	- Series-I-2020	**525.00**	-
	(ii) Term Loans		
	- From Banks	**5,987.22**	4,159.49
	- Power Finance Corporation Ltd	**7,607.06**	7,238.59
	- Rural Electrification Corporation Ltd.	**2,283.40**	1,416.88
	B) Unsecured Loans		
	(i) Inter Corporate Loan:		
	- Loan from Mahanadi Coal Fields Limited	**625.00**	1,125.00
	(ii) Foreign Currency loan from KfW-Germany #		
	7.24 Million Euro (7.68 Million Euro) - I	**56.49**	56.26
	49.04 Million Euro (51.84 Million Euro)-II	**384.02**	381.07
	# Guaranteed by the Government of India.		
		18,943.19	14,377.29

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 ₹ 1475 crore and ₹ 525 crore which carries coupon interest rate of 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 (including Land) to the extent of the facility. The Bonds are repayable on 29-05-2029 & 25-01-2030.

ii. Rupee Term Loans (RTL) of total sanction amount ₹ 3000 crore @ 8.12% p.a. (on the basis of 3 year AAA Reuter rate) from M/s. Power Finance Corporation Ltd. for NNTPS project secured by pari passu charge on NNTPS project fixed assets, is repayable in 20 equal bi-annual installments commencing from 31.03.2020.The outstanding balance as on 31.03.2020 is ₹ 2850 crore.

iii. Rupee Term Loan of total sanction amount of ₹ 1135 crore @ 7.16% p.a. (on the basis of 5 year G-Sec rate i.e. 6.30% plus 0.86% fixed spread) from HDFC Bank Ltd. for NNTPS project secured by pari-passu charge on NNTPS project fixed asset, is repayable in 20 equal bi-annual installments commencing from 31.03.2020. The outstanding balance as on 31.03.2020 is ₹1078.25 crore.

iv. Rupee Term Loan (RTL) of total sanctioned amount 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 Ltd. for NNTPS Project, secured by paripasu charges on project fixed assets is repayable in 20 equal bi-annual installments commencing from 31.03.2020. ₹ 499 crore has been drawn as at 31.03.2020 and the outstanding balance as on 31.03.2020 is ₹474.05 crore.

v. 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 @ 6.838 % p.a (on the basis of 5 year G-Sec Rate i.e. 6.208% plus 0.63% fixed spread). The repayment for the same commenced from October 2018, and as on 31.03.2020 outstanding amount is ₹288.60 crore. The Loan is secured by charge on project fixed asset, repayable in 10 equal bi-annual installments; last installment falls due on March 2023.

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

vi. 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 @7.59% p.a (on the basis of 5 Year G-Sec rate i.e. 6.37% plus 1.22% fixed spread). Repayment for the loan has commenced from September'2019 in 10 equal half-yearly installments. The amount outstanding as at 31.03.2020 is ₹400 crore.

b) Axis Bank Ltd. for an amount of ₹ 450 crore @ 7.57% p.a (On the basis of 5 Year G-Sec Rate i.e. 6.37% plus 1.20% fixed spread). Repayment for the loan starts from March' 2020 in 10 equal half-yearly installments. The amount outstanding as at 31.03.2020 is ₹ 405 crore.

c) Federal bank Ltd. for an amount of ₹ 456 crore @ 7.47% p.a. (on the basis of 5 Year G-Sec rate i.e. 6.27% plus 1.20% fixed spread). Repayment for the loan starts from March' 2020 in 10 equal half-yearly installments. The amount outstanding as at 31.03.2020 is ₹ 410.40 crore.

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

vii. 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 @7.94% p.a (on the basis of 1 Year MCLR rate @ 7.75% plus 0.19 % fixed spread) repayable in 20 equal half- yearly installments of ₹127.60 crore. The first repayment will start from 31.12.2020. Out of total facility ₹ 2319 crore is drawn as at 31.03.2020. The loan is secured by a pari-passu charge on the project assets.

viii. To meet the funding requirement of Talabira Coal Mine II & III, borrowing arrangement has been done with State Bank India for an amount of ₹ 1680.75 crore @ 7.75% p.a (on the basis of 1 Year MCLR rate) repayable in 20 equal half- yearly installments of ₹ 84.04 crore starting from 30.09.2021. Out of the facility, ₹ 488 crore has been drawn as at 31.03.2020. The loan is secured by pari-passu charge on the project assets.

ix. To meet the General Funding arrangement, a Rupee Loan Agreement was tied up with State Bank of India, CAG Branch for ₹ 1000 crore @ 7.94% p.a (on the basis of 1 Year MCLR rate i.e. 7.75% plus 0.19% fixed spread) repayable in 6 equal Half Yearly Installments of ₹166.66 crore starting from 31.03.2020.The amount outstanding as on 31.03.2020 is ₹ 833.33 crore. The loan is secured by pari-passu 1st charge on the project assets of 10 MW Solar Project, 51 MW Wind Project & 2nd charge on the project assets of Barsingsar 250 MW Thermal Power Station (including Land).

x. To meet the General Funding arrangement, a inter corporate borrowing agreement was tied up with Mahanadi Coalfields Limited for ₹2000/- crore @ 7 % p.a. This is an Unsecured loan repayable in 48 equal monthly installments starting from July' 2018. ₹ 2000 crore has been drawn as at the end of current Financial Year. The Amount outstanding as at 31.03.2020 is ₹ 1125 crore.

xi. In respect of NTPL :

a) Power Finance Corporation Ltd - Rupee Term Loan I - Sanctioned - ₹ 1184.92 crore:- Repayable in 20 equal half-yearly installments from January 2016 and the rate of interest on the loan as on 31.03.2020 is 9.48% (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 19 equal half yearly installments from October 2016 and the rate of interest on the loan as on 31.03.2020 is 8.44% (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 20 equal half yearly installments from March 2019 and the rate of interest on the loan as on 31.03.2020 is 8.28% (on the basis of 1 month MCLR plus 0.28% fixed spread). Out of the sanctioned amount of ₹ 483.52 crore, an amount of ₹ 130.05 crore is unavailed as on 31.03.2020.

All the loans are secured by exclusive first charge on book debts, operating cash flows, receivables, including stock of coal, fuel etc and all other current assets, commissions and revenues of whatsoever nature and wherever arising present and future relating to the project.

xii. 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 falls due for payment on 15th Jan & 15th Jul every year.

xiii. Bi- annual equal repayment (€ 0.44 Million) of Foreign Currency loan - I from KfW Germany @ 0.75% p.a, commenced from 30-12-2001, ending on 30-06-2036.

xiv. Bi-annual equal repayment (€ 2.80 Million) of Foreign Currency loan -II from KfW Germany, @ 0.75% commenced from 30-06-2002, ending on 30-06-2037.

xv. 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.

b)

Lease Liability	**As at March 31, 2020**	As at March 31, 2019
Lease Liability on		
- Land	**0.39**	-
- Building	**0.95**	-
- Vehicle	**2.12**	-
	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, 2020**	As at March 31, 2019
	Deferred Tax Liabilities		
	On Depreciation	**3,879.66**	3,218.15
	Deferred Tax Assets		
	On Provisions, Carry forward losses etc	**827.43**	934.79
	Deferred Tax Liabilities (Net)	**3,052.23**	2,283.36
19	**Other Non-Current Liabilities**	**As at March 31, 2020**	As at March 31, 2019
	Capital purchase, Capital works-in-progress and other liabilities	**801.06**	1,056.78
	Mine Closure Liability	**267.18**	212.65
	Deferred income	**97.37**	94.54
		1,165.61	1,363.97

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 received from Ministry of New and Renewable Energy (MNRE) in respect of installation of renewable projects.

Current Liabilities

Note No.	Particulars		
20	**Financial Liabilities**		
a)	**Borrowings**	**As at March 31, 2020**	As at March 31, 2019
	Loans Repayable on Demand		
	From Banks (Secured) :		
	- Cash Credit facility from Bank	**241.42**	233.00
	- Working Capital Demand Loan	**3779.95**	4,313.53
	- Other Short term Loans	**1000.00**	-
	From Banks (Unsecured) :		
	- Commercial Paper	**1000.00**	
		6,021.37	4,546.53

a. **In respect of NLCIL**

(i) The Cash Credit Facility is secured by entire Current Assets of the Company. Rate of Interest on such Cash Credit is 7.85% p.a. Interest Rate is based on 1 Year MCLR rate.

(ii) The Working Capital Demand loan is secured by entire Current Assets of the Company. Rate of Interest on working capital demand loan is 7.45% p.a. Interest Rate is based on 1 month MCLR rate.

(iii) Commercial Paper Tranche I was issued on 06.03.2020 for an amount of ₹ 500 crore for a period of 175 days at a coupon rate of 5.45% p.a & Tranche II was issued on 12.03.2020 for an amount of ₹500 crore for a period of 78 Days at a coupon rate of 5.10% p.a. These unsecured loans are repayable on 28.08.2020 & 29.05.2020 respectively.

b. **In respect of NTPL**

(i) Bank of India Working Capital Loan with full interchangeability between Fund based Limit of ₹1,300.00 crore and Non-Fund based Limit of ₹ 200.00 crore subject to availability of drawing power is 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 and the rate of interest as on 31.03.2020 is 8.00% on Working capital demand loan and 8.20% on Cash Credit.

NLCIL guarantee - Letter of comfort in favour of Bank of India on the Working capital loan with Fund based Limit of ₹ 1,300.00 crore and Non-Fund based Limit of ₹ 200.00 crore is availed by NTPL.

(ii) Short Term Loan of ₹ 1,000 crore from Bank of India is 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. The rate of interest on the loan as on 31.03.2020 is 7.25%.

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
b)	**Trade payables**	**As at March 31, 2020**	As at March 31, 2019
	Trade Payables :		
	- Towards Micro and Small Enterprises	**22.97**	29.92
	- Other than Micro and Small Enterprises *	**3264.72**	3,299.14
		3,287.69	3,329.06
	* Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹21.19 crore (previous year ₹31.65 crore).Refer detailed disclosure in Note No-57.		
c)	**Other Financial Liabilities**	**As at March 31, 2020**	As at March 31, 2019
	Current maturities of Long Term Debt		
	Secured		
	i. Neyveli Bonds - 2009	**-**	-
	ii. Term Loans :		
	- Banks	**990.34**	554.98
	- Power Finance Corporation Ltd.	**744.42**	594.42
	Unsecured		
	i. Inter Corporate Loan-MCL Ltd.	**500.00**	500.00
	ii. Foreign Currency loan from KfW	**26.91**	25.18
	Interest Accrued but not due on Loans		
	i. NLCIL Bonds	**107.57**	-
	ii. KfW-Germany	**0.88**	0.87
	iii. Inter Corporate Loan-MCL Ltd.	**0.00**	-
	iv. Term Loans from Banks& FI's	**7.63**	25.43
	v. Working Capital Demand Loan.	**4.29**	10.39
	vi. Commercial Paper	**3.27**	-
		2,385.31	1,711.27
21	**Other Current Liabilities**	**As at March 31, 2020**	As at March 31, 2019
	Unclaimed Dividend	**3.00**	2.98
	Unutilised Revenue Grant	**5.05**	5.27
	Staff Security Deposit	**0.01**	0.01
	Other Liabilities		
	- Employees	**435.86**	410.28
	- Statutory	**112.11**	264.64
	- Others*	**78.26**	158.72
		634.29	841.90
	*Others' include Liquidated Damages, EMD from contractors, credit balance from vendors, EMD for lignite supply, caution deposits etc. which are to be settled / adjusted against services / goods received/provided from/to the vendors/customers.		
22	**Provisions**	**As at March 31, 2020**	As at March 31, 2019
	Short-term Benefit of Leave Salary	**179.18**	97.91
	Post Retirement Medical Benefit	**13.91**	14.53
	Provision for Gratuity & Other Employment benefits	**529.20**	377.67
	Provision for Loss on Assets	**9.56**	9.26
	Provision for Contingencies	**17.53**	17.53
	Other Provision	**8.05**	-
		757.43	516.90

Notes to Consolidated Financial Statements

INCOME

Note No.	Particulars	(₹ in crore)	
23	**Regulatory Deferral Account Credit Balances**	**As at March 31, 2020**	As at March 31, 2019
	Deferred Foreign Currency Fluctuation	**34.26**	28.28
	CERC Order / Petition filed with APTEL/Others	**2,530.79**	2,410.53
		2,565.05	2,438.81
	Truing up petition 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 is carried forward under the head "Regulatory Deferral Account Credit Balance".		
24	**Revenue from Operations**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Sale of Power	**9,774.45**	9,287.99
	Sale of Lignite	**517.46**	573.78
	Sale of Fly Ash & other by-products	**46.87**	43.31
	Other Operating Revenue		
	- Consultancy charges	**0.19**	0.12
		10338.97	9,905.20
	Less: Transfer to Capital Work in Progress	**4.31**	0.11
	Less: Rebate on sale of Power	**14.10**	34.16
		10320.56	9,870.93
	a) Sale of Power includes sales through Trading of ₹ 1130.67 crore (PY: ₹ 288.45 crore). b) Transfer to Capital work in progress represents the sale of power upto COD. c) Pending reconciliation and confirmation from beneficiaries, deferred tax materialised till 31.03.2019 amounting to ₹ 218.94 crore has not been considered as revenue in FY 2019-20.		
25	**Other Income**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	(a) Interest on		
	(i) Bank Deposit	**36.11**	28.16
	(ii) Employees Loans	**5.74**	5.85
	(iii) Mine Closure Deposits	**14.32**	10.36
	(iv) Others	**41.20**	86.31
	(b) Recoveries toward Rent & others	**24.93**	17.57
	(c) Profit on Sale of Assets	**2.65**	18.24
	(d) Reversal of Mine Closure Liability	**-**	11.10
	(e) Provision Written Back	**0.05**	23.41
	(f) Surcharge on sale of power	**1,068.21**	606.11
	(g) Exchange Fluctuation	**0.05**	3.89
	(h) Deferred Income on Govt. Grant	**9.35**	9.54
	(i) Miscellaneous	**96.65**	105.66
		1299.26	926.20
	(Add) / Less: Transfer to Capital Work in Progress	**18.03**	11.93
	Less: Transfer to Mine Closure Liability (net of tax)	**9.09**	6.73
		1272.14	907.54
	a) Interest others includes ₹ 28.56 crore (PY ₹ 74.92 crores) towards interest on income tax refunds and ₹ 10.95 (PY ₹ 9.03 crore) towards interest on advances to vendors. b) Miscellaneous income includes ₹ 42.50 crore (PY ₹ 28.88 crore) towards sale of scrap and ₹13.84 crore (PY ₹ 17.43 crore) towards liquidated damage recovered other than projects.		
26	**Cost of fuel consumed**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Coal Consumption	**1,524.49**	1,741.26
	Oil Consumption	**9.10**	10.55
		1,533.59	1,751.81

Notes to Consolidated Financial Statements

EXPENSES

Note No.	Particulars		(₹ in crore)
27	**Changes in inventories of Raw Material**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	OPENING STOCK		
	Raw Material		
	Lignite	**910.41**	1,153.33
	CLOSING STOCK		
	Raw Material		
	Lignite	**828.42**	910.41
	Increase (-) /Decrease in Stock	**81.99**	242.92
28	**Employee Benefit Expenses**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Salaries, Wages and Incentives	**2,491.76**	2,706.79
	Contribution to Provident and other funds	**387.80**	365.37
	Gratuity	**27.15**	41.58
	Welfare expenses	**122.80**	123.67
		3029.51	3237.41
	Less: Transfer to Capital Work-in-Progress	**154.55**	210.43
		2874.96	3026.98
	Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 46.		
29	**Finance costs**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Interest Expenses		
	(i) KfW -Foreign currency loan	**3.46**	3.70
	(ii) Neyveli/NLCIL Bonds	**107.57**	43.11
	(iii) Loan from Banks	**531.84**	253.64
	(iv) Loan from Power Finance Corporation	**762.79**	661.89
	(v) Loan from Rural Electrification Corporation (REC)	**199.13**	36.93
	(vi) Others (includes interest on Cash Credit & WCDL)	**325.52**	193.41
	(vii) Interest on Lease Liability	**0.18**	-
	(vii) Inter Corporate Loan		
	- Mahanadi Coal Field Ltd. (MCL)	**97.87**	117.08
	Others		
	(i) Discount on Commercial Papers	**3.27**	-
	(ii) Guarantee Fees on KfW loan	**5.55**	7.17
		2,037.18	1,316.93
	Less: Transfer to Capital Work in Progress	**862.80**	617.01
		1,174.38	699.92
30	**Depreciation and Amortisation expense**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Property, Plant and Equipment	**1,293.51**	1,084.97
	Mine Development and other Amortisations	**45.77**	45.77
	Amortisation of ROU Asset	**2.47**	-
		1,341.75	1,130.74
	Less: Transfer to Capital Work in Progress	**7.60**	9.98
		1,334.15	1,120.76

a) Depreciation includes ₹ 19.24. crore and (₹ 19.50 crore) due to change in accounting policy for capitalisation of solar and thermal power plants respectively.

b) Spares meeting the criteria of PPE and having a value of more than ₹ 5 lakh have been considered for capitalisation and the depreciation of ₹ 35.09 crore has been charged on the basis of estimated useful life of the spares.

Notes to Consolidated Financial Statements

EXPENSES

Note No.	Particulars	(₹ in crore) For the year ended March 31, 2020	For the year ended March 31, 2019
31	**Other Expenses**		
	Consumption of Stores and Spares	**406.14**	557.35
	Fuel	**240.57**	119.77
	Mine Closure	**45.43**	43.27
	Rent	**1.71**	1.86
	Rates and Taxes		
	- Electricity Tax	**1.64**	1.47
	- Others	**15.19**	51.00
	Repairs and Maintenance		
	- Plant and Machinery	**347.64**	371.35
	- Buildings	**28.74**	21.14
	- Others	**281.34**	268.71
	Overburden Removal Expenditure	**325.44**	245.11
	Insurance	**30.41**	20.01
	Payments to Auditors		
	- Audit fees	**0.43**	0.45
	- Tax Audit fees	**0.06**	0.14
	- Other Certification Fees	**0.63**	0.50
	- Reimbursement of expenses	**0.38**	0.31
	Travelling Expenses	**32.77**	30.36
	Training Expenses	**28.09**	17.31
	Advertisement	**0.69**	-
	Legal Charges	**2.15**	1.29
	Professional charges	**0.14**	0.97
	Family Welfare Expenses	**22.75**	9.72
	Selling Expenses - Commissions	**31.86**	12.47
	Afforestation Expenses	**14.20**	16.06
	Royalty	**489.00**	399.73
	Central Industrial Security Force Expenses	**172.03**	161.67
	Corporate Social Responsibility	**89.77**	53.15
	Buy Back Expenses	**-**	6.75
	Rehabilitation and Resettlement	**-**	73.86
	Exchange Fluctuation	**3.00**	-
	Miscellaneous Expenses	**68.33**	62.12
	Amortisation of Lease hold land	**-**	1.68
	Transit and Handling loss	**3.14**	3.74
	Consultancy Charges	**5.75**	2.07
	Electricity Expenses	**6.76**	7.65
	Loss on assets disposed/writtenoff/discarded	**2.65**	9.18
	Provision for Stores & Materials	**3.14**	0.05
	Provision on Fixed Assets	**0.32**	10.14
	Provision for Preliminary Expenses	**1.59**	0.04
	Provision for Doubtful Debt	**10.95**	121.61
		2,714.83	2,704.06
	Less: Transfer to Capital Work-in- Progress (CWIP)	**332.30**	149.03
		2,382.53	2,555.03

Notes to Consolidated Financial Statements

EXPENSES

Note No.	Particulars		(₹ in crore)
32	**Net Movement in Regulatory Deferral Account Balances Income/(Expenses) Net**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Income		
	a) CERC Regulations (Capital Spare, Water Charges etc.)	**145.02**	165.05
	b) Wage Revision	**-**	425.31
	c) Gratuity	**-**	0.50
	d) Deferred Foreign Currency	**26.13**	26.35
	e) Lignite Price Truing up	**-**	371.77
	f) Mine Closure	**-**	244.33
	g) CERC Orders	**131.72**	357.40
	Expenses		
	a) Deferred Foreign Currency	**2.93**	39.76
	b) Gratuity	**42.23**	328.87
	c) CERC ABT order on BTPS	**-**	6.52
	d) CERC Orders	**120.26**	-
	Net Movement	**137.45**	1,215.56
	a) 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 has also been considered subject to approval of Regulatory Authority. b) NTPL (subsidiary of NLCIL) has filed interim truing up petition with CERC by claiming an amount of ₹ 774.38 crore towards discharged liabilities for capital expenditure from the date of commissioning upto 31.03.2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of ₹ 126.83 crore (PY : ₹ 295.39 crore) has been recognised under capacity charges.		
33	**Exceptional Items**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Employee Remuneration -VRS Compensation	**3.44**	35.21
		3.44	35.21
34	**Other Comprehensive Income**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	a) Remeasurement of Actuarial Gains / (Losses)	**(192.69)**	(49.26)
	b) Tax expenses/(savings) remeasurement of Actuarial Gains / (Losses)	**(67.33)**	(15.06)
		(125.36)	(34.20)
35	**Earning Per Share from continuing operations - Basic and Diluted (Before Net Regulatory Deferral Adjustments)**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Profit after Tax (₹ in crore)	**1338.98**	584.48
	Weighted Avg. Number of Shares	**1,386,636,609**	1,483,461,329
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**9.66**	3.94
	Earning Per Share from continuing operations - Basic and Diluted (After Net Regulatory Deferral Adjustments)	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Profit after Tax (₹ in Crore)	**1452.98**	1537.35
	Weighted Avg. Number of Shares	**1,386,636,609**	1,483,461,329
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**10.48**	10.36
	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, 2020**	For the year ended March 31, 2019
	a) The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	**1.09**	(3.89)
	b) The amount of exchange rate difference Adjustment and debited /(credited) to the carrying amount of fixed assets & WIP	**29.71**	(17.01)
		30.80	(20.90)

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.

Note No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
37	**Expenditure Incurred on Research & Development**		
	Capital Expenditure	**10.65**	3.84
	Revenue Expenditure	**13.80**	12.95
		24.45	16.79

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

Movements in provisions	As at 01.04.2019	Additions	Withdrawals	As at 31.03.2020
Provision for loss on Assets	9.26	0.30	-	**9.56**
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	0.00	8.05	-	**8.05**
	26.79	8.35	-	**35.14**

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	For the year ended March 31, 2020	For the year ended March 31, 2019
39	**Consumption of Raw Material and Spare Parts**		
	Value of Indigenous and Imported Raw Material & Spares consumed		
	a. INDIGENOUS		
	Raw Material	**1,120.43**	1402.35
	Spare parts	**314.02**	449.27
	Percentage	**77.94%**	84.07%
	b. IMPORTED		
	Raw Material	**404.06**	344.41
	Spare parts	**1.93**	6.46
	Percentage	**22.06%**	15.93%

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
40	**C.I.F. Value of Imports**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Raw Material	**498.23**	320.15
	Capital Goods	**141.24**	167.64
	Components and Spares	**1.34**	14.25
		640.81	502.04
41	**Expenditure in Foreign Currency**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Travelling Expenses	**0.19**	0.31
	Professional and Consultancy	**1.20**	0.18
	Interest Charges	**3.46**	3.70
		4.85	4.19
42	**CSR expenditure**	**For the year ended March 31, 2020**	For the year ended March 31, 2019
	Medical-health & family welfare	**22.70**	6.44
	Drinking water facility	**1.35**	1.05
	Education & Scholarship	**6.71**	15.46
	Construction of link road	**1.86**	1.28
	Promotion of sports	**0.42**	0.40
	Community development center	**0.85**	0.13
	Afforestation & Environment Sustainability	**0.10**	1.63
	Sanitation & other Basic Amenities	**11.70**	1.86
	Construction of school, library & hostel	**2.25**	1.23
	Vocational Skill Centre development	**1.42**	3.01
	Irrigation facilities	**7.16**	10.15
	Electricity including solar & non conventional energy	**0.39**	1.70
	Relief on natural calamities	**-**	1.16
	Promoting old age home	**-**	0.19
	Contribution to Armed Forces	**-**	-
	Others	**32.87**	7.46
		89.78	53.15

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 ₹ 9.93 crore (PY: ₹ 1.91 crore), which is included in the above schedule.

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):

Shri. Rakesh Kumar	Chairman-cum-Managing Director
Shri. Rakesh Kumar	Director (Finance) #
Shri. R. Vikraman	Director (Human Resources)
Shri. Nadella Naga Maheswar Rao	Director (Planning and Projects)

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
	Shri. Prabhakar Chowki	Director (Mines)	
	Shri. Shaji John	Director (Power)	Appointed w.e.f. 17.04.2019
	Shri. Jaikumar Srinivasan	Director (Finance)	Appointed w.e.f. 05.02.2020
	Shri. Mahendra Pratap	Director	
	Ms. S.Geetha	Director	Relinquished w.e.f. 01.07.2019
	Dr. Subodh Kumar	Director	Appointed w.e.f. 03.08.2019 & relinquished w.e.f 13.11.2019
	Shri A. Ashok Kumar	Director	Appointed w.e.f. 29.11.2019
	Shri Bidya Sagar Tiwari	Director	Relinquished w.e.f. 01.07.2019
	Shri Subir Chakravorty	Director	
	Shri Ajit Kumar Tewary	Director	Appointed w.e.f 23.08.2019
	Shri Narender Kumar Singh	Director	
	Independent Directors		
	Shri. Azad Singh Toor	Non Executive Director	Relinquished w.e.f. 17.11.2019
	Shri. K.Madhavan Nair	Non Executive Director	Relinquished w.e.f. 17.11.2019
	Ms. Nalini Padmanabhan	Non Executive Director	Relinquished w.e.f. 02.02.2020
	Shri. Indrajit Pal	Non Executive Director	
	Dr. P. Vishnu Dev	Non Executive Director	
	Dr. V. Muralidhar Goud	Non Executive Director	Appointed w.e.f. 17.07.2019
	Shri. N.K. Narayanan Namboothiri	Non Executive Director	Appointed w.e.f. 02.08.2019
	Nominee Directors		
	Shri. Suresh Kumar	Non Executive Director	Relinquished w.e.f. 10.04.2019
	Shri. Vinod Kumar Tiwari	Non Executive Director	Appointed w.e.f. 03.05.2019
	Shri. Md. Nasimuddin	Non Executive Director	Relinquished w.e.f. 26.09.2019
	Shri. Dheeraj Kumar	Non Executive Director	Appointed w.e.f. 28.11.2019 & Relinquished w.e.f. 10.02.2020
	Shri. A. Karthik	Non Executive Director	Appointed w.e.f. 02.03.2020
	# Held additional charge upto 04.02.2020 in addition to Chairman cum Managing Director of NLC India Limited		
	Chief Executive Officer, Chief Financial Officer and Company Secretary		
	Shri. Rakesh Kumar	Chief Financial Officer NLCIL	Relinquished w.e.f. 11.02.2020
	Shri. Jaikumar Srinivasan	Chief Financial Officer NLCIL	Appointed w.e.f. 11.02.2020
	Shri. K.S.Gopalakrishnan	Chief Executive Officer, NTPL	
	Shri. Kaushal Kishore Anand	Chief Executive Officer, NUPPL	Relinquished w.e.f. 23.12.2019
	Shri. Mohan Reddy	Chief Executive Officer, NUPPL	Appointed w.e.f. 23.12.2019
	Shri. W.Jeyasingh Daniel	Chief Financial Officer, NTPL	Relinquished w.e.f. 01.07.2019
	Shri. D. Dhanapal	Chief Financial Officer, NTPL	Appointed w.e.f. 01.07.2019
	Shri. Ashok Kumar Mali	Chief Financial Officer, NUPPL	
	Shri. K. Viswanath	Company Secretary NLCIL	
	Shri. R. Jayasarathy	Company Secretary, NTPL	
	Shri. Nikhil Kumar	Company Secretary, NUPPL	
	ii) Post Employment Benefit Plans - NLC Employees PF Trust - NLC Employees Pension Fund - NLC Post Retirement Medical Assistance Fund - NLC Employees Gratuity Fund		
	iii) 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.		

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, 2020	For the year ended March 31, 2019
Short Term Employee Benefit	**5.66**	5.42
Post-employment benefits	**0.32**	0.48
Other long-term benefits	**0.69**	0.97
Sitting Fees	**0.37**	0.33
	7.04	7.20

ii) Transactions with Post Employment Benefit Plans	2020	2019
Contributions made during the year	**404.46**	326.12

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

Name of the Company	Nature of transaction	2020	2019
Bharat Heavy Electricals Limited	Purchase of Stores and Spares	**41.54**	28.74
Bharat Heavy Electricals Limited	Package contracts	**110.01**	181.94
Bharat Earth Movers Ltd-BEML	Payment for FMC contract	**20.84**	14.76
Bharat Earth Movers Ltd-BEML	Purchase of Stores and Spares	**0.08**	-
Bharat Earth Movers Ltd-BEML	Payment for procuring CMEs	**13.39**	4.18
Hindustan Petroleum Corporation Limited	Purchase of Furnace Oil	**129.84**	67.96
Bharat Petroleum Corporation Ltd.	Purchase of Furnace Oil	**136.96**	51.86
Indian Oil Corporation Limited	Purchase of Furnace Oil	**66.57**	72.75
National Buildings Construction Corporation Limited	Purchase/Construction of Asset	**6.04**	13.57
Steel Authority Of India Limited	Purchase of Steel	**14.41**	24.84
Rashtriya Ispat Nigam Ltd.	Purchase of Steel	**2.34**	1.07
Balmer Lawrie & Co. Ltd.	Purchase of Lubricants	**6.95**	6.19
Balmer Lawrie & Co. Ltd.	Purchase of Air Ticket	**3.85**	2.92
MSTC Ltd.	E-auction agent Commission	**4.28**	4.50
Mecon Ltd.	Consultancy Services-MOEF norms	**0.01**	1.72
Instrumentation Ltd.	Supply of Spares	**1.05**	0.51
Mahanadi Coal Fields Ltd. (MCL)	Loan Received	**-**	1,000.00
Mahanadi Coal Fields Ltd. (MCL)	Loan repayment	**500.00**	-
Power Grid Corporation Of India Limited	Maintenance Contract	**11.95**	-
Central Power Research Institute (CPRI)	Testing Fee	**0.42**	0.13
Central Institute of Mining and Fuel Research	Sampling and analysis of Coal	**2.38**	2.45
V.O Chidambaram Port Trust	Wharfage Charges	**12.13**	9.51
Mahanadi Coal Fields Ltd. (MCL)	Purchase of Coal	**286.32**	468.40
Eastern Coal Fields Limited	Purchase of Coal	**246.96**	184.57

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

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,	
	2020	2019	**2020**	2019
Mr.Rakesh Kumar/CMD - towards HBA	**0.06**	0.01	**-**	0.06
Mr.Shaji John/Director(Power) - towards Car Loan	**0.02**	0.02	**0.03**	0.04
Mr.Viswanath K/Company Secretary - towards Car Loan	**0.02**	0.00	**0.01**	0.03
- Festival Advance	**0.00**	-	**0.00**	-
Mr. K.S. Gopalakrishnan - Chief Executive Officer - towards Car Loan	**0.01**	0.00	**-**	0.01
Mr. W. Jeyasingh Daniel - Chief Financial Officer - Festival Advance		0.00	**-**	-
Mr. D.Dhanapal - Chief Financial Officer - Festival Advance	**0.00**	-	**0.00**	-
Mr. R.Jayasarathy - Company Secretary				
- Car Loan	**0.00**	0.01	**-**	0.00
- Multi-purpose Loan	**-**	0.01	**-**	

ii) Post Employment Benefit Plan:

Description	Balance outstanding as at March 31, 2020	Balance outstanding as at March 31, 2019
- Receivable	**-**	-
- Payable	**30.19**	29.79

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, 2020 and March 31, 2019 the Company has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(5) Consultancy/Management services provided by the Company to Subsidiaries and Associates are generally on nomination basis at the terms, conditions and principles applicable for consultancy/management services provided to other parties.

Notes to Consolidated Financial Statements

Note No.	Particulars				(₹ in crore)
44	**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	5,616.12	9,228.38	-	14,844.50
	Current Asset	3,028.48	82.47	-	3,110.95
	Non-Current Liability	2,766.77	5,177.86	-	7,944.63
	Current Liability	3,386.59	1,085.37	-	4,471.96
	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)**
	Non-Controlling Interests (NCI)				**(₹ in crore)**
	March 31, 2019	**NLC Tamilnadu Power Ltd.**	**Neyveli Uttar Pradesh Power Ltd.**	**Intra-group Eliminations**	**Total**
	NCI %	11%	49%		
	Non Current Asset	5,920.66	5,679.97	-	11,600.63
	Current Asset	2,324.15	218.64	-	2,542.79
	Non-Current Liability	3,180.46	3,198.36	-	6,378.82
	Current Liability	2,584.38	1,009.49	-	3,593.87
	Net Asset	2,479.97	1,690.76	-	4,170.73
	Net Assets attributable to NCI	**273.29**	**828.46**		**1,101.75**
	Revenue	2,899.16	-	-	2,899.16
	Profit	270.74	(0.28)	-	270.46
	OCI	-	-	-	-
	Total Comprehensive income	**270.74**	**(0.28)**	**-**	**270.46**
	Profit Allocated to NCI	29.78	(0.14)	-	29.64
	OCI Allocated to NCI	-	-	-	-
	Cash flows from Operating Activity	846.97	(0.27)	-	846.69
	Cash flows from Investment Activity	(60.77)	(2,785.47)	-	(2,846.24)
	Cash flows from Financing Activity	(789.12)	2,773.87	-	1,984.74
	Net increase/(decrease) in cash and cash equivalents	**(2.93)**	**(11.87)**	**-**	**(14.80)**

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
45	**Disclosure in respect of the Equity Accounted Investees as per Ind AS 28 is furnished as under:**

Company Name : M/s. MNH Shakthi 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 judgment dated 25th August 2014 of Hon'ble Supreme Court of India and the coal Mines(Special Provisions) Ordinance 2014 dated 21st October 2014. The JV Company has proposed for winding up and necessary formalities are being worked out by them.

	March 31, 2020	March 31, 2019
Interest in MNH Shakti Limited	**13.51**	12.69
Balance as at March 31,	**13.51**	12.69

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, 2020**	March 31, 2019
Percentage ownership interest	**15.00%**	15.00%
Non-current assets	**0.01**	20.70
Current assets	**90.01**	64.25
Non-current liabilities	**-**	-
Current liabilities	**0.61**	0.38
Net assets (100%)	**89.41**	84.58
Group's share (15 %)	**13.51**	12.69
Elimination of unrealised profit and loss (if any)	**-**	-
Carrying amount of interest in associate	**13.51**	12.69
Revenue	**-**	-
Other Income	**6.57**	-
Depreciation & Amortisation	**0.00**	-
Finance cost	**0.01**	-
Employee benefit	**0.20**	-
Other expenses	**0.08**	-
Profit before tax	**6.28**	-
Income tax expense	**1.45**	-
Profit from continuing operations	**4.83**	-
Total comprehensive income (100%)	**4.83**	-
Total comprehensive income (15%)	**0.82**	-
Elimination of unrealised profit and loss (if any)	**-**	-
Group's share of total comprehensive income	**0.82**	-
Carrying amount of interests in associates	**13.51**	-
Share of:		
Profit from continuing operations	**0.82**	-
OCI	**-**	-

Notes to Consolidated Financial Statements

Note No.	Particulars
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 Group has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 * last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death. The Group has carried out actuarial valuation of gratuity benefit considering provisional interest rate for FY 2019-20.

The Group provides for earned leave benefit and half pay leave to the employees of the Group, which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation. However 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.

(₹ 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	-	91.25	(91.25)	-	25.39	(25.39)
Contributions Paid by the employer	(231.67)	(231.67)	-	(61.88)	(61.88)	-
Benefits paid	-	-	-	-	-	-
Balance as at March 31, 2020	**1,350.36**	**1,130.21**	**220.15**	**600.70**	**494.03**	**106.67**

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, 2018	1,318.02	787.28	530.74	521.89	506.92	14.97
	Included in profit and loss						
	Current Service Cost	24.98	-	24.98	59.27	-	59.27
	Past service cost and gain or loss on settlement	-	-	-	-	-	-
	Interest cost (income)	92.26	75.86	16.40	37.53	38.74	(1.20)
	Included in OCI						
	Remeasurement of loss (gain):						
	Actuarial loss (gain) arising from	-	-	-	-	-	-
	Demographic assumptions	-	-	-	-	-	-
	Financial assumptions	(24.04)	-	(24.04)	(10.96)	-	(10.96)
	Experience adjustment	74.69	-	74.69	(32.25)	-	(32.25)
	Return on plan asset excluding interest income	-	1.39	(1.39)	-	(0.15)	0.15
	Change in the effect of the asset ceiling	-	-	-	-	-	-
	Other						
	Contributions Paid by the employer	-	530.11	(530.11)	-	4.59	(4.59)
	Benefits paid	(208.16)	(208.16)	-	(56.06)	(56.06)	-
	Balance as at March 31, 2019	**1,277.75**	**1,186.48**	**91.27**	**519.42**	**494.03**	**25.39**

	Gratuity		Leave Benefit	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Represented by:				
Net defined benefit asset	**1,130.21**	1,186.48	**494.03**	494.03
Net defined benefit liability	**1,350.36**	1,277.75	**600.70**	519.42

I) Plan Asset

Plan assets comprises the followings:

	Gratuity		Leave Benefit	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Equity Securities	**5.00%**	5.00%	**5.00%**	5.00%
Govt Bonds	**95.00%**	95.00%	**95.00%**	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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Present value of funded obligation	**1,350.36**	1,277.75	**600.70**	519.42
Fair value of plan assets	**1,130.21**	1,186.48	**494.03**	494.03
Present value of net obligations	**220.15**	91.27	**106.67**	25.39
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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Discount rate per annum	**6.52%**	8.00%	**6.52%**	8.05%
Expected return per annum on plan asset	**7.50%**	8.00%	**7.70%**	8.05%
Salary escalation per annum	**5.00%**	5.00%	**3% to 5 %**	3% to 5 %
Mortality	**IALM 2012-14 ULT**	IALM 2012-14 ULT	**IALM 2012-14 ULT**	IALM 2012-14 ULT
Attrition rate	**1 % to 3 %**	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, 2020		March 31, 2019		**March 31, 2020**		March 31, 2019	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (+/- 50 BP)	**1,320.07**	**1,383.56**	1,249.47	1,308.63	**587.02**	**615.72**	507.98	531.91
Salary escalation per annum (+/- 50 BP)	**1,361.44**	**1,337.67**	1,289.93	1,263.83	**634.38**	**604.17**	531.82	507.87
Mortality (+/- 10%)	**7.61**	**6.23**	6.98	5.71	**3.39**	**2.77**	2.84	2.32
Attrition rate (+/- 10%)	**1,351.40**	**1,349.23**	1,279.09	1,276.31	**601.09**	**600.26**	519.94	518.85

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 has 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 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**

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 2019					
Gratuity	190.28	183.93	475.36	1,153.52	2,003.09
Leave Benefit	69.76	73.00	209.64	466.27	818.67
Total	**260.04**	**256.93**	**685.00**	**1,619.79**	**2,821.76**

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		Fair value of plan asset		Net defined benefit (asset) / liability	
	2020	2019	**2020**	2019	**2020**	2019
Balance as at April 1	**2,909.97**	2,741.26	**2,945.01**	2,764.28	**(35.04)**	(23.03)
Current Service Cost	**514.50**	394.70	-	-	**514.50**	394.70
Interest cost (income)	**235.32**	231.46	**244.44**	239.11	**(9.12)**	(7.65)
Actuarial loss (gain)	**12.51**	142.66	**-**	-	**12.51**	142.66
Expected return on plan assets	**-**	-	**67.92**	79.00	**(67.92)**	(79.00)
Contributions Paid by the employer	**-**	-	**443.84**	462.71	**(443.84)**	(462.71)
Benefits paid	**(590.13)**	(600.10)	**(590.13)**	(600.10)	**-**	-
Balance as at March 31	**3,082.17**	2,909.97	**3,111.07**	2,945.01	**(28.90)**	(35.04)

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 adjustment for any effect of limiting a net defined benefit asset to the asset ceiling prescribed in para 64. As per Para 64 of Ind AS 19, in case of surplus in a defined benefit plan, an entity shall measure the net defined benefit asset at the lower of actual surplus or the value of the assets ceiling determined using the discount rate. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Further, Para 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act,1952, the Group has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 28.90 crore (Previous year ₹ 35.04 crore) determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group.

I) Plan Asset

Plan assets comprises the followings:

	March 31, 2020		March 31, 2019	
	(₹ in crore)	% of total assets	(₹ in crore)	% of total assets
Equity Securities	**47.58**	**1.53%**	95.71	3.25%
Fixed Income/Debt Securities	**3,063.49**	**98.47%**	2,849.30	96.75%
	3,111.07	**100.00%**	2,945.01	100.00%

II) Actuarial Assumptions

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

	March 31, 2020	March 31, 2019
Discount rate per annum	**6.50%**	7.50%
Expected return per annum on plan asset	**8.30%**	8.65%
Superannuation age	**60 Years**	60 Years
Remaining work life	**Average of 7.49 Years**	Average of 7.29 Years
Mortality	**IALM 2012-14 ULT**	IALM 2012-14 ULT

C. Defined Contribution Plan

Post Retirement Medical Assistance (PRMA)

The Group has a Post Retirement Medical Assistance scheme, under which annual cash assistance is provided to retired employees and their 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.

	March 31, 2020	March 31, 2019
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.	**15.34**	15.54
ii. Liability provided for the fixed Medical Assistance	**13.91**	14.53

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
47	**Financial Instruments - Fair value disclosures**

March 31, 2020

Description	Carrying Amount: 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**

March 31, 2019

Description	Carrying Amount: Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	Net
A. Financial Assets				
Investments	12.69	-	-	12.69
Loans	79.99	-	-	79.99
Trade Receivables	6,186.95	-	-	6,186.95
Cash and Cash equivalents	18.49	-	-	18.49
Other Bank balances	512.58	-	-	512.58
Other financial assets	49.17	-	-	49.17
B. Financial Liabilities				
Borrowings	18,923.82	-	-	18,923.82
Trade Payable	3,329.06	-	-	3,329.06
Other financial liabilities	1,711.27	-	-	1,711.27

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.

48 **Disclosure as per Ind AS 23 on 'Borrowing Costs'**

Borrowing costs capitalised during the year is ₹ 862.80 crore (previous year ₹ 617.01 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 and has taken the cumulative adjustment of initially applying this standard to retained earnings on the date of initial application i.e. 1st April 2019. Accordingly, the Group has not restated the comparative period information for the year and quarter ended 31st March 2019. Also, the Group has grandfathered the lease definition and has elected to not apply the requirements of Ind AS 116 to leases of low value items.

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 Adjustment for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and Adjustment for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the 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 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 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.

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/ capital work-in-progress 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.

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

I. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment under Ind AS 17. Under Ind AS 116, the Group recognizes right-of-use assets and lease liabilities for most of the leases – i.e. these leases are on-balance sheet.

Operating leases - On transition, the Group has decided to apply recognition exemptions to short-term leases and low value asset leases (i.e. photocopiers). For leases of other assets, which were classified as operating lease under Ind AS 17, the Group recognized right-of-use assets and lease liabilities. The Group also used the practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, applied a single discount rate to a portfolio of leases with similar characteristics, Excluded initial direct costs from measuring the right-of-use asset at the date of initial application, and Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1st April 2019. Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate as at 1st April 2019.

"The weighted average of discount rate applied to lease liabilities recognised in the balance sheet at 1st April 2019 is 8%.

Finance leases- For leases that were classified as finance lease under Ind AS 17, the carrying amount of the right-of-use asset and lease liability at 1st April 2019 are determined at the carrying amount of the leased asset and lease liability under Ind AS 17 immediately before that date.

ii. As a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Group accounted for its leases in accordance with Ind AS 116 requirements from the date of initial application.

Further on transition to Ind AS 116 as on 1st April 2019 :

a) The Group has recognized lease liability measured at present value of remaining lease payments discounted using the lessee's incremental borrowing rate.

b) The Group has recognized RoU Asset at it's carrying amount as if the standard has been applied since the lease commencement date.

c) The Group has reclassified the carrying amounts of leased assets procured under finance lease from the property, plant and equipment.

d) The net adverse impact in retained earnings of the same resulted to ₹ 0.13 crore, net of deferred taxes. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1st April 2019, 8%. However, adoption of Ind AS 116 does not have material impact on the Group's financial results.

i. As a lessee

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020:

Right-of-use assets	Building	Vehicles	Land	Total
Balance at 1st April 2019	0.90	0.04	50.51	51.45
Additions	0.61	2.23	-	2.84
Deductions	-	-	-	-
Depreciation charge	0.61	0.18	21.22	22.01
Balance at 31st March 2020	0.90	2.09	29.29	32.28

Lease Liabilities	2019-20
Maturity analysis – contractual undiscounted cash flows	
Less than one year	**1.14**
One to five years	**2.65**
More than five years	**1.95**
Total undiscounted lease liabilities as at 31st March 2020	**5.73**
Lease liabilities included in the balance sheet as at 31st March 2020	**3.46**
Current	**0.88**
Non-current	**2.58**

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)
	Amounts recognised in profit or loss	**2019-20**
	Interest on lease liabilities	**0.18**
	Expenses relating to leases of low-value assets	**-**
	Total	**0.18**
	Amounts recognised in the statement of cash flows	**As at 31.03.2020**
	Total cash outflow for leases	**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.

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 de-recognition 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 recognised in the books to be recovered from or payable to beneficiaries in future periods are as follows:

a) Regulatory deferral account debit balance

Particulars	March 31, 2020	March 31, 2019
A. Opening balance	**1,476.10**	1,068.35
B. Recognised during the current year	**301.34**	480.43
C. Amount adjusted/collected/refunded during the year	**(42.23)**	36.34
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	**257.71**	444.09
E. Closing balance	**1,735.21**	1,476.10

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

b) Regulatory deferral account credit balance

The regulated assets/liability recognised in the books to be recovered from or payable to beneficiaries in future periods are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Opening balance	**2,438.81**	4,484.08
B. Recognised during the current year	**126.24**	-
C. Amount adjusted/collected/refunded during the year	**-**	(2,045.27)
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	**120.26**	(771.48)
E. Closing balance	**2,565.05**	2,438.81

c) Total amount recognised in the Statement of Profit & Loss during the year

Particulars	March 31, 2020	March 31, 2019
Total amount recognised in the Statement of Profit & Loss during the year	**137.45**	1,215.56

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:

Loan from PFC - Debt service coverage ratio not less than 1.50

Neyveli Bond - Minimum asset coverage ratio of 1.25

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	31-03-2020	31-03-2019
Debt	**27,226.23**	20,598.39
Less: Cash and bank balances	**16.96**	18.49
Net debt	**27,209.27**	20,579.90
Total equity *	**12,275.78**	12,169.99
Net debt to total equity ratio	**2.22**	1.69

* excludes earmarked reserves.

52 **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.

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

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 in 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, 2020, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd. (TANGEDCO) accounted for ₹ 5356.16 crore of the trade receivables carrying amount (₹ 3649.89 crore of the trade receivables as at March 31, 2019)

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/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 Company has customers (State Government utilities) with strong capacity to meet the obligations and therefore the risk of default are not material. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. Hence, no impairment loss was considered necessary during the reporting period in respect of trade receivables.

(ii) Ageing analysis of trade receivables

The Company's debtors include debtors in respect of TPS and Mines and also other debtors. As a policy, the Company does an ageing analysis of thermal debtors, the details of which is stated below. The Company does not carry out an ageing analysis of debtors pertaining to Mines and other debtors since the transactions are generally carried out against advances received from the customers.

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

The ageing analysis of the trade receivables is as below:

	Ageing as at	
	March 31, 2020	March 31, 2019
Power debtors		
0-30 days past due	**779.79**	851.31
31-60 days past due	**1,441.47**	642.54
61-90 days past due	**1,015.66**	658.47
91-120 days past due	**469.16**	474.95
More than 120 days past due	**4,704.02**	3,495.24
Total	**8,410.10**	6,122.52
Lignite and Others	**99.69**	64.43
Total debtors	**8,509.79**	6,186.95

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: (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Floating-rate borrowings		
-Expiring within one year		
Working capital Loan (SBI)	**1,145.96**	332.00
Axis Bank - Solar 500 MW	**-**	150.00
HDFC NNTPS_₹ 821 crore	**322.00**	631.00
Solar 709MW	**233.00**	1,802.00
Talabira Mines	**1,192.75**	1,410.75
General purpose Loan (GPL)	**-**	750.00
Bank of India	**130.05**	155.68
Working capital Loan (BOI)	**-**	121.47
Total	**3,023.76**	5,352.90

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, 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 Solar 709 MW	-	115.95	231.90	695.70	1,275.45	2,319.00
RTL ₹ 1680.75 crore Talabira Mine	-	-	48.80	146.40	292.80	488.00
RTL ₹ 1000 crore GPL	-	333.33	333.33	166.66	-	833.33
Rupee Loan Mahanadi Coal Fields	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
TOTAL	**801.26**	**2,460.41**	**2,474.52**	**4,880.32**	**6,410.58**	**17,027.09**

March 31, 2019	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)	12.59	12.59	25.18	75.53	336.63	462.51
PFC_NNTPS	-	150.00	300.00	900.00	1,650.00	3,000.00
RTL_SBI	-	58.38	-	-	-	58.38
RTL_HDFC	-	58.31	-	-	-	58.31
RTL_ICICI	-	58.31	-	-	-	58.31
RTL_ HDFC ₹ 1135 crore - NNTPS	-	56.75	113.50	340.50	624.25	1,135.00
RTL_ HDFC ₹ 821 crore - NNTPS	-	9.50	19.00	57.00	104.50	190.00
RTL_HDFC Solar 130 MW	-	48.10	96.20	240.50	-	384.80
RTL ₹ 500 crore_ Axis Bank - Solar 500 MW	-	100.00	100.00	300.00	-	500.00
RTL ₹ 300 crore_ Axis Bank - Solar 500 MW	-	30.00	60.00	180.00	30.00	300.00
RTL ₹ 456 crore_ Axis Bank - Solar 500 MW	-	45.60	91.20	273.60	45.60	456.00
RTL ₹ 2552 crore_Solar 709 MW	-	-	37.50	225.00	487.50	750.00
RTL ₹ 1680.75 crore_Talabira Mine	-	-	-	81.00	189.00	270.00
RTL ₹ 1000 crore_ GPL	-	41.67	83.33	125.00	-	250.00
Rupee Loan _ Mahanadhi Coal Fields	125.00	375.00	500.00	625.00	-	1,625.00
PFC Rupee Loan 1	-	118.81	118.81	356.42	178.21	772.25
PFC Rupee Loan 2	162.81	162.81	325.61	976.83	651.22	2,279.27
Bank of India	-	48.36	48.36	145.08	61.86	303.66
TOTAL	**300.39**	**1,374.18**	**1,918.69**	**4,901.46**	**4,358.77**	**12,853.48**

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, 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_Solar 709 MW	46.03	135.79	165.72	386.67	278.49	1,012.71
RTL ₹ 1680.75 crore_Talabira Mine	9.46	28.37	36.87	87.93	73.75	236.38
RTL ₹ 1000 crore_ GPL	16.54	43.01	33.08	6.62	-	99.25
Rupee Loan _ Mahanadi Coal Fields	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
TOTAL	**302.64**	**856.77**	**975.10**	**1,992.00**	**1,458.66**	**5,585.16**

March 31, 2019	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)	0.87	2.51	3.19	8.42	16.89	31.88
PFC_NNTPS	72.38	213.51	260.55	607.95	437.87	1,592.26
RTL_SBI	1.25	0.71	-	-	-	1.96
RTL_HDFC	1.22	0.71	-	-	-	1.93
RTL_ICICI	1.25	0.72	-	-	-	1.97
RTL_HDFC NNTPS ₹ 1135 crore	22.16	65.37	79.78	186.15	134.07	487.53
RTL_HDFC NNTPS ₹ 821 crore	4.00	11.81	14.42	33.64	24.23	88.10
RTL- HDFC Solar-130MW	7.39	20.63	20.93	20.01	-	68.96
RTL ₹ 500 crore_ Axis Bank - Solar 500 MW	10.24	28.67	30.71	43.00	-	112.62
RTL ₹ 300 crore_ Axis Bank - Solar 500 MW	6.13	18.38	20.83	33.09	1.23	79.66
RTL ₹ 456 crore_ Federal Bank - Solar 500 MW	9.41	28.24	32.00	50.82	1.88	122.35
RTL ₹ 2552 crore_Solar 709 MW	16.39	49.16	64.73	157.32	138.47	426.07
RTL ₹ 1680.75 crore_Talabira Mine	5.77	17.31	23.09	60.60	60.60	167.37
RTL ₹ 1000 crore_ GPL	5.46	16.39	16.39	10.93	-	49.17
Mahanadhi Coalfields	27.71	70.00	62.71	29.17	-	189.59
PFC Rupee Loan 1	19.65	53.82	61.17	110.77	14.41	259.82
PFC Rupee Loan 2	50.12	142.54	161.62	301.78	48.37	704.44
Bank of India	6.24	17.69	19.52	33.67	8.66	85.78
TOTAL	**267.64**	**758.18**	**871.64**	**1,687.32**	**886.68**	**4,471.46**

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 Company executes import agreements for the purpose of purchase of capital goods. Upto March 31, 2016 the Company till the date of commercial operation capitalised 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 is 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, 2020 and March 31, 2019.

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Financial liabilities		
Borrowings - KfW*	**467.42**	462.51

* 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 31st 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, 2020	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	**46.74**	**(46.74)**
March 31, 2019	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW	46.25	(46.25)

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 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, 2020	March 31, 2019
Financial assets		
Fixed-rate instruments		
Employee Loans	**70.42**	79.20
Financial liabilities		
Variable-rate instruments		
Rupee Term Loans (RTL)		
- From Banks	**7,977.56**	4,666.10
- Power Finance Corporation (PFC)	**8,351.48**	5,607.10
- Working Capital loan	**1,379.95**	878.53
- Rural Electrification Corporation	**2,283.40**	1,416.88
Fixed-rate instruments		
a) Commercial Paper		
Commercial Paper I	**500.00**	-
Commercial Paper II	**500.00**	-
b) Inter Corporate Loan (MCL)	**1,125.00**	1,625.00
Bonds		
- NLCIL Bonds 2019 Series I	**1,475.00**	-
- NLCIL Bonds 2020 Series I	**525.00**	-
Rupee Term Loans (RTL)		
- Cash Credit	**241.42**	233.00
- Working Capital Demand Loan	**2,400.00**	3,435.00
Foreign Currency Loan		
- KfW	**467.42**	462.51

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, 2020		
Rupee term loans		
- From Banks	**(39.89)**	**39.89**
- Power Finance Corporation (PFC)	**(41.76)**	**41.76**
	(81.65)	**81.65**

	Profit or loss	
	50 bp increase	**50 bp decrease**
March 31, 2019		
- From Banks	(23.69)	23.69
- Power Finance Corporation (PFC)	(34.10)	34.10
	(57.79)	57.79

Notes to Consolidated Financial Statements

Note No.	Particulars
	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.
53	**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 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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
REVENUE								
External Sales	**517.46**	571.98	**9,803.10**	9,298.95	**-**	-	**10,320.56**	9,870.93
Inter-segment sales	**5,423.87**	4,515.15	**434.80**	476.40	**5,858.67**	4,991.56	**-**	-
Total Revenue	**5,941.33**	5,087.14	**10,237.90**	9,775.35	**5,858.67**	4,991.56	**10,320.56**	9,870.93
RESULT								
Segment Result	**1,655.66**	286.12	**982.10**	1,142.45	-	-	**2,637.76**	1,428.57
Other Income							**1,174.72**	753.45
Unallocated Corporate expenses							**522.73**	231.73
Operating Profit							**3,289.75**	1,950.29
Interest Expense							**1,174.38**	699.92
Interest Income							**97.37**	130.68
Exceptional Items							**(3.44)**	(35.21)
Income taxes							**892.95**	1,024.05
Profit from Ordinary activities							**1,316.35**	321.79
Net Movement in regulatory deferral account balance income/(expenses)							**137.45**	1,215.56
Other Comprehensive Income							**(125.36)**	(34.20)
Net Profit							**1,327.62**	1,503.15
OTHER INFORMATION	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Segment Assets	**5,098.62**	5,193.08	**32,491.45**	23,104.49			**37,590.07**	28,297.57
Unallocated Corporate assets(Including Capital Work-in-Progress)							**15,898.06**	16,982.72
Total Assets							**53,488.13**	45,280.29
Segment liabilities	**2,091.96**	2,140.76	**3,220.26**	2,951.03			**5,312.22**	5,091.79
Unallocated Corporate liabilities							**35,270.78**	27,419.05
Total liabilities							**40,583.00**	32,510.84
Capital Expenditure	**260.73**	52.11	**7,396.77**	1,924.05			**7,657.50**	1,976.16
Depreciation	**306.86**	279.37	**962.47**	804.01			**1,269.33**	1,083.38
Non-cash expenses other than depreciation	**11.01**	124.32	**4.34**	4.45			**15.35**	128.77

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 ₹ 3978.47 crore (March 31, 2019 : ₹ 4402.07 crore) which is more than 10% of Company's total revenues.
54	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.

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Particulars	As at April 1, 2019	Additions	Deletions/ Settlement	As at March 31, 2020
A. Contingencies				
1. Claims against the Company 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	1,258.77	753.99	24.15	**1,988.61**
(iv) From Statutory Authorities/State Govt/ Govt Departments	1,894.08	357.18	302.08	**1,949.18**
(v) From CPSEs	-	-	-	**-**
(vi) From Others	2,133.32	856.73	1,605.23	**1,384.82**
Sub-Total Claims not acknowledged as debt	5,286.17	1,967.90	1,931.45	**5,322.61**
2. Guarantees issued by Company	595.16	0.50	-	**595.66**
Sub-Total Contingencies (A)	5,881.33	1,968.40	1,931.45	**5,918.27**
B. Commitment				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	11,490.92	1,584.56	5,025.36	**8,050.11**
(ii) Commitment for acquisition of lands	-	-	-	**-**
Sub-Total Commitments (B)	11,490.92	1,584.56	5,025.36	**8,050.11**
Total Contingencies and Commitments (A+ B)	17,372.25	3,552.95	6,956.82	**13,968.38**

The above Contingent liabilities do not include guarantees given by NLCIL in respect of transactions between its subsidiaries and the third party.

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 Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
56	**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, 2020	March 31, 2019
Current tax expense		
Current year	**325.39**	380.04
Adjustment for earlier years	**15.66**	101.89
Pertaining to regulatory deferral account balances	**23.45**	262.70
Adjustment for MAT	**(240.49)**	(91.77)
Total current tax expenses	**124.01**	652.86
Deferred tax expense		
Origination and reversal of temporary differences	**711.00**	356.81
Less: Deferred asset for deferred tax liability	**(57.94)**	(14.38)
Total deferred tax expense	**768.94**	371.19
Total income tax expense	**892.95**	1,024.05

ii) Income tax recognised in other comprehensive income

Particulars	March 31, 2020			March 31, 2019		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	**(192.69)**	**(67.33)**	**(125.36)**	(49.26)	(15.06)	(34.20)

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

	March 31, 2020	March 31, 2019
Profit before tax	**2,152.42**	2,512.14
Tax using the Company tax rate of @ 34.944% (31st March 2019 - 34.944%)	**783.07**	880.91
Tax effect of:		
Non-deductible tax expenses	**517.41**	479.36
Tax deductions/allowances	**(1,200.65)**	(724.47)
Business Tax losses	**(58.81)**	(103.97)
Previous year tax liability	**15.66**	101.89
Interest	**-**	4.08
Total tax expense in the Statement of Profit and Loss	**56.68**	637.80

Notes to Consolidated Financial Statements

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

Particulars	March 31, 2020	Expiry date	March 31, 2019	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 Board of Directors have not recommended any final dividend during the FY 2019-20.

57 Information in respect of micro and small enterprises as at 31 March 2020 as required by Micro, Small and Medium Enterprises Development Act, 2006 (₹ in crore)

Particulars	March 31, 2020	March 31, 2019
a) Amount remaining unpaid to any supplier:		
Principal amount	**21.19**	31.65
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	-	-

58 Disclosure as per Ind AS 33 'Earnings per Share'

(i) Basic and diluted earnings per share for the year ended	March 31, 2020	March 31, 2019
From operations including regulatory deferral account balances (a)	**10.48**	10.36
From regulatory deferral account balances (b)	**0.82**	6.42
From operations excluding regulatory deferral account balances (a)-(b)	**9.66**	3.94
Nominal value per share	**10.00**	10.00

(ii) Profit attributable to equity shareholders (used as numerator)	March 31, 2020	March 31, 2019
From operations including regulatory deferral account balances (a)	**1,452.98**	1,537.35
From regulatory deferral account balances (b)	**114.00**	952.87
From operations excluding regulatory deferral account balances (a)-(b)	**1,338.98**	584.48

Notes to Consolidated Financial Statements

Note No.	Particulars		
	(iii) Weighted average number of equity shares (used as denominator)	**March 31, 2020**	March 31, 2019
	Opening balance of issued equity shares	**1,38,66,36,609**	1,52,85,68,427
	Effect of shares issued /bought back during the year, if any	**-**	4,51,07,098
	Weighted average number of equity shares for Basic and Diluted EPS	**1,38,66,36,609**	1,48,34,61,329

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a) 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.

b) 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 quarterly 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.

c) 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.

d) NUPPL (Subsidiary) and MNH Shakti (Associate) have restated their financials for FY 2018-19, based on income tax assessment/directives from Income Tax department related to previous years tax computation. As the amount is not material, NLCIL has considered the impact of the same in the current in financial year.

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Covid-19 Disclosures

a) Significant disruptions have taken place worldwide due to COVID-19 pandemic. The Company is engaged in Mining and Power Generation. The Mining operations in NLCIL Opencast Mines at Neyveli including removal of Overburden and mining of lignite has been temporarily stopped for about one week. Considering power and mining an essential service management believes there is not much material impact due to this pandemic on the business of the company in the FY 2019-20. However, the impact of the same in subsequent periods is being monitored.

b) In respect to NTPL (a subsidiary) , Coal stock at off-site namely Dhamara Port and Paradip Port will be taken for stock verification after lifting of lockdown period (COVID-19). However, Physical verification of Coal stock at off-site has been carried out upto 31.12.2019 and accordingly normative loss has been accounted.

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, 2020	**97.94**	**12,639.51**	**90.61**	**1,316.48**	**100.00**	**(125.36)**	**89.72**	**1,191.12**
March 31, 2019	97.98	12,511.37	82.41	1,266.87	100.00	(34.20)	82.01	1,232.67
(B) Subsidiaries								
NTPL								
March 31, 2020	**2.09**	**269.84**	**9.85**	**143.15**	**0.00**	**-**	**10.78**	**143.15**
March 31, 2019	2.03	259.33	17.61	270.76	0.00	-	18.01	270.76
NUPPL								
March 31, 2020	**(0.04)**	**(4.97)**	**(0.51)**	**(7.47)**	**0.00**	**-**	**(0.56)**	**(7.47)**
March 31, 2019	(0.01)	(1.17)	(0.02)	(0.28)	0.00	-	(0.02)	(0.28)
(C) Associate (Indian)								
MNH Shakti								
March 31, 2020	**0.01**	**0.74**	**0.06**	**0.82**	**0.00**	**-**	**0.06**	**0.82**
March 31, 2019	0.00	(0.08)	0.00	-	0.00	-	0.00	-
Total								
March 31, 2020	**100.00**	**12,905.13**	**100.00**	**1,452.98**	**100.00**	**(125.36)**	**100.00**	**1,327.62**
March 31, 2019	100.00	12,769.45	100.00	1,537.35	100.00	(34.20)	100.00	1,503.15

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
1	Name of the subsidiary	NLC Tamil Nadu Power Limited	Neyveli Uttar Pradesh Power Limited
2	Reporting Period	2019-20	2019-20
3	Reporting Currency	₹	₹
4	Share Capital	2188.04	3057.39
5	Reserves and Surplus	303.19	(9.75)
6	Total Assets	8644.60	9310.86
7	Total Liabilities	6153.37	6263.22
8	Investments	-	-
9	Total Income	2670.95	0.34
10	Profit before taxation	226.49	(0.75)
11	Provision for taxation	83.34	0.54
12	Profit after taxation	143.15	(1.28)
13	Proposed Dividend	-	-
14	% of Shareholding	89%	51%
	Remarks	Unit I & Unit II of NTPL Power Plant achieved COD on 18.06.2015 and 29.08.2015 respectively	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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli
Date : 23-06-2020

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.

1	Name of the Associate	MNH Shakti Limited
2	Share of the Associate held by the Company on the year end	12765000
3	Amount of investment in Associate (₹ in crore)	12.77
4	Extent of holding	15%
5	Description of how there is significant influence	By way of Representation on Board
6	Reason why the Associate is not consolidated	NA
7	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	13.51
8	Profit / Loss for the year	
	i) Considered for consolidation	Yes
	ii) Not Considered for consolidation	NA
9	Remarks	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

SARADHAMANI GANESAN
Partner
M No.027683

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

R. SUBRAMANIAN
Partner
M No.008460

Place : Neyveli
Date : 23-06-2020

BUSINESS RESPONSIBILITY REPORT 2019-20

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN)**	:	**L93090TN1956GOI003507**
2.	**Name of the Company**	:	NLC India Limited
3.	**Registered Address**	:	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031, Tamil Nadu,
4.	**Website**	:	www.nlcindia.com
5.	**E-mail id**	:	investors@nlcindia.in
6.	**Financial Year reported**	:	2019-20
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)
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., Tamilnadu State. ii) Barsingsar Lignite Mine Project- Barsingsar, Rajasthan State. **Coal Mine:** i) Talabira-II & III Coal Open Cast Mines - Jharsuguda & Sambalpur District,Odisha State. **Thermal Power Stations (Lignite as fuel):** i) TPS-I, TPS-I Expn., TPS-II, TPS-II Expn. and NNTPP- Neyveli, Cuddalore-Dist., Tamilnadu State. ii) Barsingsar Thermal Power Station - Barsingsar, Rajasthan State. **Renewable Energy Stations: SOLAR** i) 1350.06 MW - Neyveli and Southern Districts of Tamilnadu (Tirunelveli, Ramanathapuram, Virudhunagar and Tuticorin). ii) 20 MW - Attampahad & Dollygunj, South Andaman District, Andaman & Nicobar Islands. **Renewable Energy Stations: WIND** I) 51 MW - Kazhuneerkulam, Tirunelveli Dist. Tamil Nadu. **Joint VentureThermal Power Stations (Coal as fuel):** i) NLC Tamilnadu Power Limited (NTPL) - Tuticorin, Tamil Nadu. ii) NUPPL- Ghatampur Thermal Power Project (GTPP) - Ghatampur, UP State (under implementation). 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**	:	National: Southern India, Rajasthan and Odisha

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	**Paid up Capital (2019-20)**	₹ 1,386.64 crore
2.	**Total Revenue from Operation (2019-20)**	₹ 7,916.30 crore
3.	**Total Profit/(Loss) After Tax (2019-20)**	₹ 1413.85 crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of PAT	Year 2019-20: • Spent 3.23% of the average net profits for the three preceding years on CSR activities. • This increase in CSR Expenditure is due to various measures taken by the company during the COVID-19 outbreak. • ₹ 75.66 crore was spent against a target of ₹ 47.65 crore.
5	List of activities for which the expenditure stated in para 4 above have been incurred	• Promoting Healthcare • Providing Safe Drinking Water • Eradicating Hunger, poverty and malnutrition • Promoting Sanitation • Promoting Education • Promoting Employment Enhancing Skills • Promoting Special Education • Promoting Gender Equality, Empowering Women, Setting up homes for orphans • Ensuring Environmental Sustainability • Protection of National Heritage, Arts and Culture • Measures for the benefit of armed forces veterans • Promoting Rural Sports • Providing Roads and Access for Rural Development • Promoting Water Resource Augmentation • Contribution to 'PM CARES Fund' towards COVID – 19. • NLCIL has shown extraordinary grit, determination, alacrity and agility in containing the mysterious virus "COVID 19" in Neyveli, Projects and Joint Ventures by following the advisories of Government of India (GoI) and State Governments. • Administrative Overheads

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes. The company has two Subsidiary Companies as on 31.03.2020.

   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.

   The Business Responsibility Initiatives of the parent company are applicable to above mentioned subsidiary company 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 participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

a. **Details of the Director/Directors responsible for implementation of the BR policy/policies**

S.No.	Particulars	Details
1	DIN Number	07601778
2	Name	Mr. R. VIKRAMAN
3	Designation	Director/Human Resource
4	Telephone number	04142-252220
5	e-mail id	dir.hr@nlcindia.in

b.

Sl. No.	Particulars	Details
1	DIN Number	08148117
2	Name	Mr. NADELLA NAGA MAHESWAR RAO
3	Designation	Director/Planning & Projects
4	Telephone number	04142-252384
5	e-mail id	dpp.co@nlcindia.in

c.

Sl. No.	Particulars	Details
1	DIN Number	08199813
2	Name	Mr. PRABHAKAR CHOWKI
3	Designation	Director/Mines
4	Telephone number	04142-252270
5	e-mail id	director.mines@nlcindia.in

d.

Sl. No.	Particulars	Details
1	DIN Number	08418401
2	Name	Mr. SHAJI JOHN
3	Designation	Director/Power
4	Telephone number	04142-252570
5	e-mail id	dr.power@nlcindia.in

e.

Sl. No.	Particulars	Details
1	DIN Number	01220828
2	Name	Mr. JAIKUMAR SRINIVASAN
3	Designation	Director/Finance
4	Telephone number	04142-252240
5	e-mail id	df@nlcindia.in

BR Head

f.

Sl. No.	Particulars	Details
1	DIN Number(if applicable)	NA
2	Name	Mr. A GOTHANDAM
3	Designation	CGM/Management Services
4	Telephone number	04142-212411
5	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. Revised Whistle blower policy in line with amendment to SEBI Complaint handling policy. 2. Handing over files policy. 3. Core Values. 4. Code of Conduct. 5. Archival Policy. 6. Nomination and Remuneration Policy. 7. Policy for Materiality of Event. 8. Policy for Materiality of Event - Contact Details. 9. Policy on Material Subsidiaries. 10. Policy on Related Party Transaction. 11. Dividend Distribution Policy. 12. Compliance handling policy.	All Directors
Principle 2(P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	1. Safety Policy. 2. CSR Policy. 3. Sustainable Development Policy. 4. Mobile phone connectivity through CUG to Non Unionized Supervisors.	Director (Mines) Director (Power) Director (HR)
Principle 3(P3)	Businesses should promote the well-being of all employees.	1. NLCIL Medical Benefit Rules for NLCIL Projects outside Neyveli. 2. Mobile Phone connectivity through BSNL CUG plan to Non Unionised Supervisors of NLCIL. 3. Transfer Travelling Allowance and transfer incidentals extended to other projects (Solar PV Projects in Andaman Islands and Coal Co-ordination Office Ranchi). 4. Guest House Accommodation for all transfers outside Neyveli. 5. Transfer incidentals/additional lump sum transfer grant extended to those transferred to all locations. 6. Provision of Laptops with buy back, provision for Executives and Non-Unionized Supervisors.	Director (HR)

Principle No	Description	Policy/Policies	Director(s) Responsible
Principle 4(P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	1. R&R Policy. 2. HR Policy. 3. Amendment in existing Child Care Leave Policy. 4. NLCIL OLI Star of the Quarter and NLCIL Spot Recognition Award under R& R Policy. 5. Sabbatical Policy to enable women to focus on personal interests.	Director (HR) Director (Mines)
Principle 5(P5)	Businesses should respect and promote human rights.	1. Sexual Harassment of working women. 2. Safety Policy.	Director (HR)
Principle 6(P6)	Business should respect, protect, and make efforts to restore the environment.	1. Environment Policy of NLC. 2. CSR Policy. 3. Sustainable Development Policy..	Director (P&P) Director (HR) Director (Mines)
Principle 7(P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	1. Code of Conduct. 2. Core Values.	Director (Fin) Director (HR)
Principle 8(P8)	Businesses should support inclusive growth and equitable development.	1. R&R policy. 2. Policy for Investment in STD.	Director (HR) Director (Mines) Director (Fin)
Principle 9(P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	1. To maximise the Revenue and adopt prudent commercial systems and procedures in accordance with the directions of the Regulatory bodies.	Director (Fin)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy /policies for the principles mentioned in Para No.2?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? The policies of the Company are based on the Constitution of India/ applicable laws, guidelines and other policies issued by Government of India from time to time, MOU with Transparency International India, ISO 9001, ISO 14001, OHSAS 18001 and UN Global Compact Principles.	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	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	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	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	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	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	Y

(i) Web link for the Policies:

a. Whistle blower policy
https://www.nlcindia.com/new_website/index.htm

b. Complaint handling policy
https://web.nlcindia.com/webcount/Document/Complaint_Policy.pdf

c. Archival Policy
https://www.nlcindia.com/investor/ArchivalPolicy.pdf

d. Nomination and Remuneration Policy
https://www.nlcindia.com/investor/Remuneration-policy13032019.pdf

e. Policy for Materiality of Event
https://www.nlcindia.com/investor/policy_materiality_event.pdf

f. Policy for Materiality of Event - Contact Details
https://www.nlcindia.com/investor/policy_materiality_event_contacts.pdf

g. Policy on Material Subsidiaries
https://www.nlcindia.com/investor/policy_on_material_subsidiaries.pdf

h. Policy on Related Party Transaction
https://www.nlcindia.com/new_website/finance.php?page=fin-17-transaction

i. Dividend Distribution Policy
https://www.nlcindia.com/investor/dividenddistributionpolicy_15042017.pdf

j. Policy for Investment in STD
https://www.nlcindia.com/new_website/finance.php?page=fin-14-policy

k. Environment Policy of NLC
https://www.nlcindia.com/new_website/env-policy-2019.pdf

l. CSR Policy
https://www.nlcindia.com/new_website/csr_new/csr_policy_2019.pdf

m. Code of Conduct
https://www.nlcindia.com/news/conduct.pdf

2a. If answer to S. No. 1 against any principle, is 'No', please explain why?

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles.	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months.	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year.	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify).	-	-	-	-	-	-	*	-	*

* 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. NLCIL exports power to beneficiaries Southern Region State Governments and State Government of Rajasthan after entering into Power Purchase Agreement (PPA) which has strict provisions which are being complied with. Principle P7 & P9 are duly followed by NLCIL through its Commercial systems and procedures.

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 Sustainability Report annually and the same is available in the following link https://www.nlcindia.com/about/sustainable_development.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 has been signed with 133 numbers of the successful Vendors/Contractors during the year 2019-20 for the tenders which are more than ₹ One 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 & Colleges and as well as in NTPL project to promote Vigilance Awareness among students' community. Around 2000 students were covered under this programme.

   iii. As part of awakening and citizens programme in coordination with Ramakrishna Mission, 39 teachers of various schools of Neyveli were trained and they imparted 16 modules of the programme as for the ethics to students numbering around 1900. This is a continuous programme for three years since 2018-19 from Sixth standard to Eighth standard.

   iv. 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.

   v. As a part of Preventive Vigilance exercise, Customised Training programmes were conducted at Thermal, Mine Units, Offices at Neyveli and BP at Rajasthan and NTPL at Tuticorin to sensitize the officials on Contracts, Purchase and CVC guidelines through Vigilance case studies. 16 Nos. of Programmes were conducted during the year, covering 603 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 2019-20, Vigilance Department of the Company received 284 complaints in addition to 03 pending complaints of previous year (Totally 287 complaints). Out of that 287 complaints 270 (94%) have been disposed off. Out of 270 complaints disposed, 133 complaints were Anonymous/Pseudonymous, 78 complaints have been sent for Administrative action to the respective units and investigation was done for 59 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

Consumption per unit of production	Unit	Mining	2018-19	2019-20	% change
Energy	Kwh/T of Lignite	Mines	35.73	28.08	(-)21.41

Resources consumption in Power Generation

Consumption per unit of production	Unit	Thermal Unit	2018-19	2019-20	% change
Lignite	Kg/Kwh (gross generation)	TPS	1.13	1.11	(-)1.77

Consumption per unit of production	Unit	Thermal Unit	2018-19	2019-20	% change
Water	L/Kwh (gross generation)	TPS	4.60	4.57	(-) 0.652

Note: TPS = Thermal Power Station

   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.
  - ➢ Neyveli Uttar Pradesh Power Limited (NUPPL) JV of NLCIL has Coal linkage from - Pachwara South Coal block, (9 MTPA) Jharkhand. (Under implementation).
  - ➢ Talabira II & III OCP Coal Mines: (20 MTPA) cater to the needs of NLC Talabira Thermal Power Project – NTTPP (3 x 800 MW), Odisha. FSA for the supply of Coal between NLCIL and NTPL is under approval.
- **Fuel Supply Agreement:** FSA is signed with an IPP, Ms. TAQA for supply of lignite for long term.
- **E-Auction:** Sale of raw lignite to small scale industries is done through e-auction.

The company is in the process of switching towards star rated equipment, which ensures energy conservation. As per the procurement process, materials are procured from the ISO certified vendors, which ensure quality products.

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 their place of work and improve their capabilities:

- Workmen in and around Neyveli are engaged for service sector.
- Cleaning Products such as soaps etc. are procured from local societies run by Project Affected persons (Land displaced).
- All repair to the office chairs is carried out though 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 MSEs.

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.

The Company has taken up several projects for the reclamation mined out land and re-cycling of waste, some of the key projects 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.
- Keeping in mind the environmental concerns in disposal of fly ash, the Company utilises 100% of fly ash generated from thermal power stations as per the directives of the MoEF&CC.
- NLCIL's plastic recycling plant ensures 100% recycling of waste plastic collected at site.100% plastic waste recycling by mixing with tar and used for roads.
- NLCIL has introduced door to door collection of waste in a segregated manner which solicits clean and hygienic township.
- 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.
- The storm water of mines is treated and partly used for domestic consumption of the residents in township and partly for industrial and agricultural purposes.
- 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.
- Bio-Diversity Project at Kundan Tank, Neyveli Township: NLCIL Company has developed a Natural Water Body-Bio-diversity project in 10 acres of land by de-silting the old Kundan Tank with fish aqua culture and prawn culture.
- Organic/Bio Farming being undertaken in mined out land to keep the soil alive for sustainable production in eco- friendly manner.

Details of mechanism used to recycle products and waste:

- Solar Drying of Lignite
- Use of Overburden Clay as alternate for coarse aggregate (OB to sand)
- Electronification of GWC bore wells & Conveyor systems
- Pilot Plant studies on Beneficiation of Iron recovered from bottom slag.
- Study on calcium treatment in cooling tower water using zeolite

New Initiatives:

- Feasibility study on extraction of Diesel from Lignite
- Study on briquetting of lignite and conversion into value added products
- Feasibility study on Under Ground Coal Gasification Project
- Feasibility study on Lignite to Methanol Project.

Principle 3 (P3)

1. **Please indicate the Total number of employees.**

   Total number of employees as on 31st March 2020 is 12486.

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 14500 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 2020 is 958.

4. **Please indicate the Number of permanent employees with disabilities.**

   Total number of permanent employees with disabilities as on 31st March 2020 is 204.

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 70% 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 in the last financial year and pending, as on the end of the financial year.**

S.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	3	2
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 in house Learning and Development Centre (L&DC) and Group Vocational Training Centre (GVTC) during the Year 2019-20

Percentage of employees given safety & skill up gradation training in 2019-20

Sl.No.	Employee Type	No. of Employees	% of employee
1	Permanent Employee	5804	46.48
2	Permanent Woman Employee	205	1.64
3	Casual/Temp/Contact Employees	3263	22.50
	Note: The above figures inclusive of GVTC training		

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.

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 stakeholders. 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 2019-20 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 Environment policy of the Company covers the Company and its subsidiaries and as the environment care has to be followed up universally, the eco-care points in the policy are being followed by the Group /Joint Ventures / Suppliers / Contractors / NGOs / others too.

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,

   - NLCIL has been conferred various awards forum during 2019-20 for the excellent works carried out under Environment and Sustainable Development in all the areas (Mines and Thermal) and outstanding achievement in Environment Management like Green India Awards-2019 for i. Best sustainable Development Technology provider of the year and ii. Best Clean and Green Energy Producer of the Year, Apex India Environment Excellence Award 2019 – Platinum Award etc.

   - As a new initiative of Corporate Environmental Cell (CEC) and to motivate the good environmental practices carried out by the Units of NLCIL, GREEN AWARDS were bestowed to the Units of NLCIL for the exceptional environmental practices to maintain and improve the Environmental conditions in and around NLCIL. The Environmental works such as Air management, Water management, Noise level control, implementation of new initiatives for improving environment; Greenbelt Development etc were recognized and awarded during World Environment Day 2019.

- As a part of creating awareness on the importance of following Clean Environment practices among the NLCIL employees, school children and the general public, CEC introduced various New Initiatives viz.
  a. Introduction of e-souvenirs
  b. Releasing Seed Balls
  c. Release of Seed Pencils with Indian National Flag during Independence Day
  d. Release of Zodiac pamphlets, Distribution of Endangered tree species saplings during official meetings and during observation of important environment days.
- Introduction to E-vehicle in Delhi office
- Reclamation of lands of mines and afforestation of reclaimed lands.
- Strengthening the desilted lake bunds in and around Neyveli, around 10,000 palm tree saplings were planted along the periphery of 14 desilted lakes.
- Recharging of Ground Water.
- Utilization of fly ash in making Brick/Window, Paver Blocks etc.
- First PSU to reach 1000 MW in green energy business.
- Maintaining green belt in Township area.
- Modern Sewage Treatment Plant of 30 Million Litres a day (MLD) capacity catering to the needs of Thermal Power Station-I, General Hospital and Township.
- Storm Water Treatment Plant of 60 Million Litres a day (MLD) capacity catering to the needs of Thermal Power Stations and Township domestic use.
- Utilization of renewable energy by operating 1370.06 MW Solar and 51 MW Wind Power Projects.
- Further for reducing and combating SO2 and NOX, NLCIL has also contemplated to provide Flue Gas De-Sulphurization (FGD) plant and Selective Catalytic Reduction System to convert Nitrogen- NOX control System (SCR) in its New Neyveli Thermal Power Station and all its future Lignite and Coal Based Thermal power projects.
- Environmental protection measures carried out in NLCIL Thermal Power Projects from emission by 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, introduction of super critical thermal power plant in NNTPP and initiation of FGD for controlling of SO_2 emissions.
- Environmental protection measures carried out in NLCIL mines viz., the dust generated in the mines are controlled by water spraying using sprinklers, lorries and dumpers on the roads and planting of dense green belts roadsides and around the mines, treated effluent generated being sent for agriculture activities.
  - Formation of Innovation Incubation Center
  - EV based air quality monitoring at NLCIL
  - Solar Drying of Lignite
  - Use of Overburden Clay as alternate for coarse aggregate (OB to sand)
  - Electronification of GWC bore wells & Conveyor systems
  - Popularization of humic acid
  - Pilot Plant studies on Beneficiation of Iron recovered from bottom slag.
  - Study on calcium treatment in cooling tower water using zeolite
  - Development of pilot scale Floating Solar system

New Initiatives

- Feasibility study on extraction of Diesel from Lignite
- Study on briquetting of lignite and conversion into value added products
- Feasibility study on Under Ground Coal Gasification Project
- Feasibility study on Lignite to Methanol Project.
- The detail regarding these initiatives is published at https://www.nlcindia.com/about/sustainable_development.pdf

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?**

- Yes, company has projects related to Clean Development Mechanism.
- NLCIL has installed 51 MW wind turbine generators at Tirunelveli, Tamilnadu.
- As on date, NLCIL has installed Solar capacity of 1370.06 MW of SPP under Solar Developer and Operator (SDO) mode in various parts of Tamil Nadu and Andaman & Nicobar. NLCIL has become the first CPSU to cross 1 GW installed & grid connected Solar PV plants.
- These projects are expected to earn Clean Development Mechanism benefit.
- All the Industrial units of NLCIL are operating with valid Consents to Operate obtained from the respective State Pollution Control Boards, which is issued by the State Pollution Control Board Authorities after complete inspection of the industrial units and verifying the compliances of the Units with all the regulations & standards as stipulated by MoEF & CC. So far, no violations or non-compliances have been received.
- Every year annual filing of Environment statement is filed to MOEF&CC and State Pollution Boards.

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**

Under Ground Coal Gasification as clean coal technology, the feasibility study and pilot project for the same is under active consideration.

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 conveyors, Special Mining Equipments and transformers to improve power factor thereby reducing reactive power energy losses.

- Dynamic loading system is being introduced in conveyors in Mines for energy conservation.
- As a part of R&D Projects, integrated Solar Street Light system- 25 Nos. of 20 Watt Solar Street light with intelligent controller were installed in the peripheral areas of the CARD campus.

c. RENEWABLE ENERGY

Solar Power Projects NLCIL

NLCIL's Solar Power Projects: The total existing capacity of the Solar Power plants of NLCIL as on date is 1370.06 MW.

Corporate Plan Vision - 2025 of NLC India Ltd envisages the following Solar Generation capacity in different States.

- 2020-21: 800 MW (10 MW at Neyveli under Smart City Program, 200 MW under CPSU scheme at Rajasthan and balance 590 MW under MNRE scheme or competitive bidding route on PAN India Basis)
- 2021-22: 580 MW Solar Power under CPSU /MNRE Scheme / competitive bidding route on PAN India Basis.
- 2022-23:1000 MW Solar Power under JVC mode with CIL.
- 2023-24:1000 MW Solar Power under JVC mode with CIL.

WIND POWER PROJECTS-NLCIL

i. 200 MW wind power projects in Tamilnadu-under proposal.

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 2019-20.

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 2019-20.

Details are published at https://www.nlcindia.com/about/sustainable_development.pdf

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

- Confederation of Indian Industry (CII)
- 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)

- ❖ Federation of India Mineral Industries (FIMI)
- ❖ Central Board of Irrigation and Power (CBIP)
- ❖ International Association on Electricity Generation, Transmission and Distribution (Afro Asian Region)
- ❖ Federation of Indian Chambers of Commerce and Industry (FICCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.

Company's participation in following activities were part of quality improvement measures assured at larger public good through quality enhancement.

- ❖ Quality Circle Forum of India (QCFI)

QC developmental activities:

- As on 31-03-2020, number of registered Quality circles in NLCIL is 64.
- 18 Quality Circles (Consisting of 101 QC Members) from various units were nominated for CCQC-2019 for QC presentations.
- 18 QC's won Gold award and Top Six Quality Circles were nominated to National Level convention (NCQC) -2019 held at Varanasi.
- "QC Victory" from Mine-I qualified to compete for International convention on Quality concepts (ICQC-2020) to be held at Dhaka, Bangladesh.
- Under Reward & Recognition Scheme "QC Victory" from Mine-I was recommended for recognition during NLCIL Gratitude Day Celebrations 2020.
- The case studies were uploaded in Samanvay (Central Knowledge Management Portal) for knowledge sharing.
- Quality month was observed during November-2019 and four special training programmes were conducted at TPSII, Mine-II T.A Dept. and MMC to create awareness among the employees.

- ❖ Standing Conference of Public Enterprises (SCOPE)

Company has been actively engaging with SCOPE to conduct various activities for Public good as under:

- SCOPE organizes Webinar with International Labour Organization (ILO) on employers' response to pandemic on 6th July 2020
- SCOPE conducts International Health Webinar on 28th June 2020
- SCOPE Webinar on Learning from Mahatma Gandhi on Public Service 23rd June 2020
- SCOPE Celebrates International Yoga Day on 21st June 2020
- Secretary, DPE inspires PSEs in SCOPE Symposium on Strategies to Respond, Recover and Thrive on 4th June 2020
- SCOPE Webinar with Gurudev Sri Ravi Shankar, the spiritual leader and founder of The Art of Living, was organised on 25th May 2020 in a bid to infuse positivity and mental well-being among Public Sector Enterprises (PSEs) during this pandemic situation.

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 social infrastructure in the peripheral villages as well as the communities at large. Also, the Company has established infrastructural facilities for educational institutes and primary health centers in the peripheral villages.

In 2019-20, the Company focused on following projects in pursuit of inclusive growth.

S. No.	CSR Focus area
1	Promoting Healthcare, Safe Drinking Water, Sanitation
2	Promoting Education & Employment Enhancing Skills
3	Promoting Gender Equality, Empowering Women, Setting up homes orphans
4	Ensuring Environmental Sustainability
5	Protection of National Heritage, Arts and Culture
6	Measures for the benefit of armed forces veterans
7	Promoting Rural Sports
8	Providing Infrastructure facilities for Rural Development including Water Resource Augmentation
9	Administrative Overheads
10	Contribution to 'PM CARES Fund' towards COVID - 19

The details of CSR initiatives of the Company have been included in the Directors Report.

Rehabilitation & Re-settlement:

Your Company takes care of the Project Affected Persons (PAPs) through appropriate R & R Policy 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 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 "Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act – 2013" (RFCTLARR) is applicable since 01.01.2014. However, GoTN is continuing land acquisition under the state LA Act, viz., "Tamilnadu Acquisition of Land for Industrial Purposes Act 1997 (TN LA Act 10/99)" and issued necessary orders for payment of compensation and R&R benefits as per the provisions of RFCTLARR Act and your Company is committed to provide all the benefits.

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. The details have been included in the Director's Report.

3. **Have you done any impact assessment of your initiative?**

The Company has done impact assessment of various CSR activities through external agency, Institute of Public Enterprises, Hyderabad.

The details of CSR initiatives of the Company have been included in the Directors Report.

4. **What is your company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken?**

The Company has spent ₹ 75.66 crore under various CSR Projects/Programs/ Activities in 2019-20 details of which are shown in the below table:

CSR Expenditures in 2019-20 **(₹ in Lakh)**

Sl.No.	CSR Focus Area	Expenditure
1	Promoting Healthcare, Safe Drinking Water, Sanitation	2324.03
2	Promoting Education & Employment Enhancing Skills	1304.22
3	Promoting Gender Equality, Empowering Women, Setting up homes orphans	87.33
4	Ensuring Environmental Sustainability	28.78
5	Protection of National Heritage, Arts and Culture	16.78
6	Measures for the benefit of armed forces veterans	5.00
7	Promoting Rural Sports	62.35
8	Providing Infrastructure facilities for Rural Development including Water Resource Augmentation	1653.71
9	Administrative Overheads	83.45
10	Contribution to 'PM CARES Fund' towards COVID - 19	2000.00
	Total	**7565.65**

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?**

   - 17 Nos. of Petitions pending with CERC, including petitions regarding Truing up of Tariff for the period 2014-2019 (TPS-I, TPS-I Expn, TPS-II, TPS-II Expn and BTPS) and new tariff for 2019-2024 (TPS-I Expn., TPS-II, TPS-II Expn. NNTPS and BTPS).

   - 12 Nos. Appeals are pending before APTEL.

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.

   For the year 2019-20, Customer meet with the Discoms and other stakeholders was planned to be conducted on 20.03.2020 and 21.03.2020. However the programme was forced to be deferred due to the Covid-19 situation prevailing in the country now.

   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:

   - Customer meet is being conducted annually for the past 11 years for interactions in the sales promotional issues and to maintain cordial relationship with the customers.

   - In the Financial year 2019-20, the customer meet was conducted on 24.10.2019 for all Mine Products during the Vigilance Awareness Week (VAW) to discuss the various issues like quality and delivery, related to e-Auction sales.

   - Sales promotional Visits to the Customer Plants at regular intervals during the FY 2019-20 was carried out to survey the latest Market conditions, Customer views & their requirements and to maintain good Business relationship.

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SOCIAL OVERHEAD ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in crore)

Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Expenses:												
Consumption of Materials												
Stores & Spares	22.24	22.00	-	-	1.28	3.58	0.02	0.03	0.01	0.02	23.55	25.63
Power (A)	50.95	46.59	-	-	-	-	-	-	-	-	50.95	46.59
Employees' Remuneration and Benefits:												
Salaries, Wages, Bonus and Incentives	114.21	127.73	3.44	3.76	16.35	20.60	15.25	16.85	4.60	4.04	153.85	172.98
Contribution to Provident and other Funds	17.39	14.99	0.64	0.47	2.90	2.52	1.81	1.52	0.77	0.56	23.51	20.06
Gratuity	1.91	3.17		-		-		-		-	1.91	3.17
Welfare expenses	7.07	4.28	0.07	-	0.20	0.09	0.16	0.06	0.02	0.02	7.52	4.45
Rent, Rates & Taxes	0.67	0.47	-	-	-	-	-	-	-	-	0.67	0.47
Repairs & Maintenance												
Buildings	15.93	14.27	-	-	-	-	-	-	-	-	15.93	14.27
Others	21.66	21.18	0.01	-	0.25	0.37	0.10	0.13	0.01	-	22.03	21.69
Depreciation	17.48	22.55	0.04	0.05	0.30	0.27	0.01	0.02	-	-	17.83	22.89
Travelling Expenses	0.82	0.73	-	-	-	-	0.05	0.04	0.03	-	0.90	0.77
Miscellaneous	8.67	8.09	0.04	0.04	-	-	8.94	0.45	0.50	0.45	18.15	9.38
Total	**279.00**	**286.05**	**4.24**	**4.32**	**21.28**	**27.78**	**26.34**	**19.10**	**5.94**	**5.09**	**336.80**	**342.33**
Receipts:												
Recoveries:												
Rent	19.96	15.52	-	0.02	-	-	0.04	-	1.01	0.01	21.01	15.55
Electricity Charges	19.44	14.90	-	0.02	-	-	0.02	-	1.05	-	20.51	14.92
Water Charges	1.04	0.39	-	-	-	-	-	-	0.01	-	1.05	0.39
Grant-in-aid	-	-	-	-	-	-	5.08	5.26	-	-	5.08	5.26
Bus Receipts	-	-	-	-	1.23	1.56	-	-	-	-	1.23	1.56
Misc. Receipts	4.36	7.37	0.02	0.12	0.01	-	0.02	-	0.18	0.08	4.59	7.56
Total	**44.80**	**38.17**	**0.02**	**0.16**	**1.24**	**1.56**	**5.16**	**5.26**	**2.25**	**0.08**	**53.47**	**45.23**
Net Expenditure	**234.20**	**247.88**	**4.22**	**4.16**	**20.04**	**26.22**	**21.18**	**13.84**	**3.69**	**5.01**	**283.33**	**297.10**

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 .