



NLC India Limited

('Navratna' - Government of India Enterprise)

Registered Office : No.135, EVR Periyar High Road, Kilpauk, Chennai-600 010.

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

CIN : L93090TN1956GOI003507, Website: www.nlcindia.in

email: investors@nlcindia.in Phone: 044-28360037, Fax: 044-28360057



Lr.No.Secy/Reg.30 of LODR/2021

Dt.29.09.2021

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

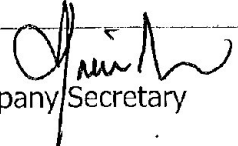
Dear Sir(s),

Sub: 65th Annual General Meeting- Chairman's Statement at the Annual General Meeting- Copy forwarded

We enclose a copy of the Chairman's Statement at the 65th Annual General Meeting of the Company held on Wednesday, the 29th September, 2021, for your information and record.

Thanking you,

Yours faithfully
for NLC India Limited


Company Secretary

Chairman's Statement at NLCIL's 65th Annual General Meeting on 29th Sept 2021

Dear Shareholders,

It gives me immense pleasure in presenting the 65th Annual Report on the performance of the Company, together with the Audited Financial Statements for the financial year ended 31st March 2021. The Financial Year 2020-21 was extremely challenging due to effect of COVID-19 pandemic which affected all sections of the economy.

This Annual General Meeting being conducted on the virtual platform, reflects the power of digitalization and adaptability of organizations and people in challenging times which marks the transformation phase of Digital India.

Your Company being in essential energy sector, was able to face and withstand the challenges posed by COVID-19 pandemic by taking concerted efforts to mitigate the risk and ensured that operations of the Company are continued with least disruptions and still your Company was able to achieve a good overall performance.

Now, I would like to share some of the highlights of FY 2020-21

- Total Lignite production from all Mines put together was 192.62 Lakh Tonnes.
- Total Power Generation from all sources (Thermal, Solar & Wind) was 19,322.00 Million Units. Power Generation was adversely impacted due to TPS-II incidents however the units have been brought back into operations after adhering to all necessary statutory and safety compliances.
- Total Export of Power from all sources was 16,723.92 Million Units.
- The total revenue from operations registered for the year 2020-21 was Rs.7,249.63 crore.
- The Profit Before Tax (PBT) and the Profit After Tax (PAT), for the year 2020-21 were Rs.1,753.40 crore and Rs.1,041.79 crore respectively.
- Commissioning of Unit 2 (500 MW) of Neyveli New Thermal

Power Plant (NNTPP) and 17.5 MW Andaman Solar in the Renewable Energy front, the Company reached above 6,000 MW of installed power generation capacity.

- Coal production from the Talabira Coal Mines in Odisha commenced on 26th April 2020.
- Your company saw 'Nil' Audit observations from Comptroller and Auditor General in FY 2020-21.
- There has been a significant improvement in realization of dues from DISCOMs to the tune of 114% of invoices raised during the FY 2020-21.
- NLCIL achieved a market share of 9.89% in Indian Energy Exchange by selling 868.78 Million Units of power in Real Time Market (RTM) resulting in a revenue of Rs.216.20 crore.
- NLCIL is exploring to enter into new business diversification projects like establishing Consultancy Services for Coal Blocks, Solar Park, Lignite to Methanol and value-added products like sand from Over Burden.

I am happy to inform you that in addition to the Interim Dividend of 10% paid during the year the Board of Directors has recommended a final dividend of 15% for the FY 2020-21.

As per India Energy Outlook 2021 report published by International Energy Agency (IEA), India is set to see the largest increase in energy demand of any country over next 20 years. India is the world's third-largest energy consuming country, with the use of energy doubling since 2000, with 80% of demand still being met by coal, oil, and solid biomass. However, the Government of India (GOI) has ambitious plans to quadruple the renewable power generation capacity and has set a target to reach 450 GW by 2030.

The power sector after COVID-19 disruptions is currently on the path to recovery with a steady improvement in power demand. In order to recover the economic activities, the Government of India announced a slew of powerful measures including the special liquidity infusion schemes for the distribution utilities. With the slow but steady unlocking of the business activities, the demand for electricity is increasing significantly.



Coal continues to be the dominant source for power generation though there is some impact on account of surge in the renewable energy power generation. During 2020-21 the actual raw coal production was 716.01 Million Tonnes against the annual target of 828.50 Million Tonnes. Presently the Country is facing severe short age of coal for its thermal power plants.

Govt of India has acted for further enhancement of coal production in the country by way of several initiatives which include

- (a) Launching of auction for commercial mining
- (b) Engagement of Project Management in Unit for handholding of coal block allottees for obtaining various approvals/clearances for early operationalization
- (c) Launching of Single Window Clearance to speed up the operationalization of coal mines
- (d) Amendment of MMDR Act allowing all captive mines to sell up to 50% of the minerals produced during the year after meeting the requirement of its captive plants.

Your Company is presently operating lignite mines with a total installed capacity of 30.60 Million Tonnes Per Annum and also started Coal mining operations from Talabira II & III Open cast Mines at Odisha from 26th April 2020 with a mining capacity of 20.0 Million Tonnes Per Annum thereby increasing the total mining capacity to 50.60 Million Tonnes Per Annum.

Talabira II & III OCP is augmenting its production from 4 Million Tonnes Per Annum to 6 Million Tonnes Per Annum in line with the ambitious target of 1 Billion Tonnes of coal production for coal companies set by Govt of India.

The Pachwara South Coal Block with a capacity of 9.0 Million Tonnes Per Annum has been allotted to NUPPL, the Subsidiary Company and work is progressing well.

Your Company has added 500 MW Thermal Power by commissioning Unit-II of New Neyveli Thermal Power Plant, Renewable power of 17.5 MW at Andaman during 2020-21 and retired 350 MW (of TPS I)

of its installed capacity. With this, the total installed capacity has reached 6061.06 MW.

NTPL, the subsidiary company, during the year ended 31st March 2021, has generated 5,290.58 Million Units (excluding surrender of 2,742.18 Million Units) with Plant Availability Factor of 94% and registered a Profit After Tax of Rs 363.00 crore. The Company has also declared and paid dividend of 10%.

NUPPL, the subsidiary company, is progressing well on execution of 3 x 660 MW Ghatampur Thermal Power Project and Mock Light-Up of Unit 1 was done on 26.03.2021. The Capital Expenditure incurred during the FY 2020-21 is Rs 2,260.10 crore. With this the cumulative expenditure incurred for the project is Rs 11,459.30 crore.

Your Company has formed a Joint Venture with M/s Coal India Limited namely "Coal Lignite Urja Vikas Pvt. Ltd." which was incorporated on 10.11.2020 with equity participation of 50:50 for establishing Thermal and Solar Projects and to undertake Project Management Consultancy Services.

During the current year upto June 2021, the Company has produced 49.62 Lakh Tonnes of lignite as against 46.98 Lakh Tonnes produced during the corresponding period of 2020-21. During the quarter ended 30th June 2021, the Company produced 4.50 Lakh Tonnes of Coal. The Standalone and Consolidated Power Generation during the quarter ended 30th June 2021 were 6,638.63 Million Units and 7,965.55 Million Units respectively as against 5,698.60 Million Units and 7,011.53 Million Units respectively in the corresponding period of the previous financial year, registered a growth of 16.50% and 13.61% respectively.

The Renewable Energy Power Generation during the quarter ended 30th June 2021 was 572.53 Million Units as against 530.69 Million Units in the corresponding period of the previous financial year, registering a growth of 7.88%.



The total Standalone & Consolidated Income for the quarter ended 30th June 2021 were Rs.2,504.45 crore and Rs.3,221.79 crore respectively as against Rs.2,386.86 crore and Rs. 3,065.80 crore respectively registered in the corresponding period of the previous financial year 2020-21.

The Standalone & Consolidated Profit After Tax (PAT) for the quarter ended 30th June 2021 were Rs. 267.22 crore and Rs. 357.59 crore as against Rs. 292.54 crore and Rs. 343.48 crore respectively registered in the corresponding period of the previous financial year 2020-21.

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

Your Company has taken various efforts - augmenting the availability of oxygen, availability of beds with Oxygen support, CT scan facility in NLC Hospital and Critical Drugs. All the directives issued by Govt. of India and the respective State Governments have been complied with.

Being in Mining & Power generation business, which is an essential service, has ensured uninterrupted power supply during the pandemic situation. Also, in line with the directions of Ministry of Power, have provided a one-time rebate during the year to DISCOMs amounting to Rs 46.65 crore by NLCIL and Rs 24.03 crore by NTPL.

Your Company, as a socially responsible corporate citizen, continues to carryout developmental works in the surrounding villages, right from its inception, focusing on the socio-economic development of the operating regions for achieving inclusive growth. Your Company had adopted a Corporate Social Responsibility Policy covering the various sectors for sustainable socio-economic development.

Your Company believes in ethical governance and sustainable practices. As a good Corporate Citizen, your Company adheres to the Corporate Governance requirements and compliances of the same



have been detailed in the report of Directors, which is a part of the Annual Report sent to Members of the Company.

Your company has spent Rs 46.74 crore towards CSR expenditure in line with the Companies Act, 2013.

Your Company is taking various digital initiatives for bringing efficiency, speed, and transparency. These initiatives enabled business continuity during the covid lockdown facilitating work from home by its employees.

NLCIL has bagged 2 Five Stars rating for Neyveli Mine-I and Mine-II- and 4-star rating for Barsingsar Lignite Mine and Mine-IA in the Star rating competition organized by Ministry of Coal which is evident of excellent mining practices in our mines.

The Industrial Relations scenario in the Company remained peaceful and cordial during the year 2020-21.

I express my sincere thanks and gratitude to the Ministry of Coal, Ministry of Power, Ministry of Finance, Ministry of Environment Forest and Climate Change, Ministry of New and Renewable Energy, DPE, DIPAM, CERC, CEA, CAG, State Governments and Union Territories, Joint Venture Partners, DISCOMs, Auditors, Bankers, Vendors and other stakeholders who have provided significant support.

I wish to place on record my appreciation to my colleagues on the Board and all employees for their valuable contribution to the Company. I am also thankful to the shareholders for their continued trust in the management of the company.

Thank you,

RAKESH KUMAR
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Neyveli

Date:29-09-2021

