

NEYVELI LIGNITE CORPORATION LIMITED

MINUTES OF THE 59TH ANNUAL GENERAL MEETING OF NEYVELI LIGNITE CORPORATION LIMITED HELD AT 15-00 HOURS ON WEDNESDAY, THE 16TH SEPTEMBER, 2015 AT "SATHGURU GNANANANDA HALL", NARADA GANA SABHA, NO.314, T.T.K.ROAD, ALWARPET, CHENNAI-600 018 AND CONCLUDED AT 18.30 HOURS ON THE SAME DAY

PRESENT:

Shri.B.Surender Mohan : Chairman-cum-Managing Director (DIN No. 02133243)
Smt.Sujata Prasad : Director (DIN No. 06587461)
Shri.Sarat Kumar Acharya : Director (DIN No. 03357603)
Shri.Rakesh Kumar : Director (DIN No. 02865335)
Shri.S.Boopathy : Director (DIN No. 06676460)
Shri.Subir Das : Director (DIN No. 06988287)
Shri.V.Thangapandian : Director (DIN No. 07255163)

Shri K.Viswanath : Company Secretary

Pursuant to Article 52 of Articles of Association of the Company Shri.B Surender Mohan, CMD Chaired the Meeting.

The Annual General Meeting was attended by 4898 Members including Shri.M.Rajkumar, Director, Ministry of Coal, the representative of the President of India and 49 proxies, representing 1306 shares. The Chairperson of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders' Relationship Committee attended the Meeting.

Shri.K.Sreedhar, Partner of M/s.Sreedhar, Suresh & Rajagopalan, Chartered Accountants, Chennai and Shri. P.B.Srinivasan, Partner of M/s.P.B.Vijayaraghavan & Co., Chartered Accountants, Chennai, the Statutory Auditors of the Company, Shri.R.Balasubramaniam, Secretarial Auditor also attended the Meeting.

The Chairman after ascertaining the presence of requisite quorum, called the Meeting to order. The Chairman welcomed the Members present and informed that the Register of Directors and Key Managerial Personnel, Register of Contracts and Arrangements are available for inspection by any Members till the conclusion of the Annual General Meeting.

The Chairman introduced the Directors and the Company Secretary on the dais and stated that Shri.Rajesh Lakhoni, Director (DIN No. 01288879) could not attend the meeting due to his official commitments. The Chairman also introduced Shri M.Rajkumar, Director, Ministry of Coal, the representative of the President of India to the Members.

With the permission of the Members present, the notice convening the Meeting and the Audited Financial Statements for the year 2014-15 were taken as read.

The Chairman informed the Members that Auditors' Report on the accounts for the year ended 31st March,2015, being an unqualified one, was not required to be read out at this meeting as per the provisions of Section 145 of the Companies Act,2013.



Shri.K.Viswanath, Company Secretary read the Secretarial Audit Report for the year 2014-15 and the attention of the Members was drawn to the comments of the Board of Directors in their Report on the observations.

The Chairman, in his address to the Members, gave a brief account of the industry scenario of coal & lignite, the electricity power generation in the country, Government of India's (GOI) vision for providing power for all and GOI's policy initiatives on renewable energy.

The Chairman highlighted the performance of the Company during the financial year 2014-15 and also informed that the Company had achieved the highest ever performance in overburden removal in Mine-I, Power Generation from TPS-I Expn., PLF achieved in TPS-I Expansion, Sales Turnover, Profit Before Tax and Profit After Tax. The Chairman also highlighted the physical and financial performance during the period from April 2015 to August 2015.

The Chairman, in his address, informed the Members that TPS-II Expansion (2x 250 MW), the first Project in India adopting CFBC Boiler Technology of this size, has been commissioned thereby increasing the total installed power generation capacity of the Company to 3253.50 MW and further informed that NLC Tamilnadu Power Limited, the Subsidiary Company has successfully commissioned its coal based Tuticorin Power Project (2x500 MW) and further stated that with the commissioning of above power projects, the overall installed power generation capacity of the Company including the Subsidiary Company, has increased to 4253.50 MW . The Chairman also outlined the status of projects under implementation/ consideration and also briefed about the initiatives taken by the Company in the renewable energy sector.

The Chairman recorded his thanks to Ministry of Coal and other Departments of Government of India, Governments of Tamilnadu, Rajasthan and Uttar Pradesh, State Electricity Boards, recognized Trade Unions and Associations. The Chairman also placed his appreciation for all executives, supervisors and workmen of the Company and also recorded the contribution and support extended by Board Members.

The Chairman briefed about the remote electronic voting (E-voting) facility extended to the Members through Central Depository Services(India) Limited platform in respect of all the items to be transacted at this AGM and informed that remote E-Voting commenced on 12th September,2015 at 9.00 AM and ended on 15th September, 2015 at 5.00 PM.

The Chairman also informed that since the Company had provided E-voting facility, as per the extant regulations, voting by show of hands at this meeting would not be relevant and further stated that, as prescribed under the relevant law, in order to provide an opportunity to the shareholders who could not exercise E-voting, poll would be conducted and explained the process

of voting by poll.



The Chairman informed the Members that Shri.R.Balasubramaniam, Practicing Company Secretary had been appointed as the Scrutinizer for E-voting and for the poll to be conducted and introduced him to the Members.

The Chairman then invited queries/ clarifications from Members on the Agenda Items proposed to be considered at this Meeting including the Annual Accounts and Performance of the Company for the year 2014-15 .

One of the Members requested for observing two minutes silence as a mark of respect to Late Shri A.P.J.Abdul Kalam, the former President of India. The Chairman, Directors and the Members present stood and observed for two minutes silence.

Shri. P.Subramaniam (ID No. IN 300360 10033537), Shri. R.Sivakumar (ID No. IN 301637 40117566), Shri. L.V.Rajaratnam (ID No. IN 301356 40001920), Shri.S.Padmanabhan (ID No. IN 301774 10308922), , Shri Rajendra Prasad Sonkar (Folio No.12978) Shri.K.A.Duraisamy (ID No. 1203840000326994) Shri.M.Venkata Raju (ID No.1203840000071555), Shri.R.S.Manimaran (ID No. IN 30017510088941), Shri.Ramalingam Vidyasankar (ID No. 120447005731511), and Smt.T.Chandira (ID.No.300175 10469536) Members, participated in the discussions.

The Members generally discussed on the performance of the Company for the year 2014-15 and congratulated the Company for its highest ever physical and financial performance during the year 2014-15 as mentioned in the Chairman's address to Members and the overall growth. The Members also appreciated the Company for its CSR activities and the initiatives taken for development of renewable energy.

The Shareholders during the discussion, inter-alia, stated that;

- a. the share price of the Company does not reflect its actual value since the book value of the share is higher than the market price and that the FIIs participation in the company is also less.
- b. as a standing instruction the full version of the annual report could be sent to shareholders who have requested earlier for the same.
- c. the dividend pay-out ratio is less as compared to previous years.
- d. the implementation of the projects is getting delayed.
- e. the possibility to declare bonus shares/ issue of Rights Shares/ allotment of shares to Employees, conservation of more energy and advancement of AGM are to be explored.
- f. the operating expenditure has increased during the year 2014-15 and the lignite production is less in Mine IA and Barsingsar Mine, compared to previous year.



The Shareholders also wanted details to be provided on the following:

- a. Plant Visit
- b. Stand-alone and Consolidated financials on Long-term borrowings, Current Liabilities, Non-current Assets, Non-current Investments.
- c. Dividend Distribution Tax
- d. Disinvestment plans
- e. One-time waiver of surcharge.
- f. Project status of subsidiary companies.
- g. CAPEX
- h. Industrial Relation Scenario
- i. Short-term Loans & Advances
- j. Status of acquisition of power assets
- k. Investment of surplus funds
- l. Power tariff
- m. Accident in TPS-I
- n. Capacity of Mines and Thermal Power Stations

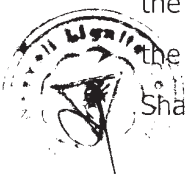
The Chairman appreciated the interest shown by the Members in the Company and had also acknowledged the suggestions made by them during their inter-action. The Chairman in his reply and provided the details/ information sought for by the Members and in particular stated the following:

- the Stand-alone financial statements pertains to the Company and whereas the consolidated financial statements pertains to not only the Company and also its subsidiary companies. viz., NLC Tamiladu Power Limited and Neyveli Uttar Pradesh Power Limited. The Chairman further stated that there was no adverse comments on the financial statements of the Company and also its subsidiary companies given by Statutory Auditors and Government Audit.
- Trade Investments of Rs.1830.86 crore represents equity investments in subsidiary companies and shown as Investments and is excluded as per Accounting Standard AS 21.
- the present paid-up equity share capital of the Company is Rs.1677.71 crore and the request of shareholders for higher rate of dividend will be considered once the new projects starts earning revenues.
- present capacity of mines , thermal power stations and production details, are available in the Directors' Report.
- surcharge amount of Rs.309.61 crore was due from TANGEDCO , and it was decided by the Board of Directors to waive 50% of surcharge and the Company has entered into revised terms for settlement of power dues and consequent to that the power dues are being settled early.
- the date of Annual General Meeting is fixed taking into consideration the time required for completion of audit by Comptroller and Auditor General of India and that the possibility of advancing the date of AGM would be explored in the coming years.



- the two units of NLC Tamilnadu Power Limited have already been declared for commercial operation and the COD of Units of NUPPL, the other Subsidiary Company as per the PIB note filed is 01.04.2020.
- the rate of Distribution tax was 16.99 % in the year 2013-14 whereas it was 20.35% during the year 2014-15.
- the share price movement in the market is influenced not only by internal factors but by external factors also and that by early commissioning of the ongoing projects and also by adopting cost control measures, the Company will earn more profits and the same would get reflected in the market price of the shares of the Company
- the surplus funds available in the Company are invested in the short-term deposits with the banks as per the policy approved by the Board of Directors.
- the proposal to acquire Nagapattinam Power Project is not materialised as the said Company could not respond for discussion on the technical matters., however the acquisition of other power projects are under evaluation.
- that the wage settlement is based on the guidelines of Government of India and the quantum of increase offered is the best among the PSUs and that the early and amicable wage settlement is expected to be arrived at.
- the decision on disinvestment of shares of the Company rests with Government of India including offer to employees of the Company.
- that the expenditure on major heads, operation and maintenance are reviewed periodically and man power cost are controlled based on man power requirements while efforts are being made to bring down the operating costs.
- as part of energy conservation measures, VVF has been introduced in conveyors so that idle running of conveyors is reduced.
- the site visit for shareholders was arranged in four batches during the current year and the visit of the last two batches of shareholders had to be cancelled due to strike call by Employees and Workers during that period.
- as part of green initiatives by the Government of India, soft version of full version of Annual Report and Notice of AGM are sent to Members to their E-mail ID to those Members and who have consented to receive the Annual Report and Notice by E-mail and as per the provisions of Listing Agreement, the abridged version of Annual Reports sent to the Members and in case, the Members are desirous of obtaining full version of the Annual Report, the same is also sent.
- firm price order was placed for the Projects and Liquidated Damages were recovered against the delay in completion of the project.

the Company presently has a large equity base and any further increase by way of Bonus Shares/ Rights Issue would make it difficult to service the enlarged equity base.



- that an accident had occurred in TPS-I on 20th May,2014 wherein the High Pressure Heater No.8 of Unit-VII (Capacity – 100 MW) got damaged and dislocated and a Committee was formed to enquire into the incident and based on the report of the Committee action has been taken.

After replying to the queries raised by the Members, the Chairman briefed about the objectives and implications of the resolutions seeking approval of Members and then ordered for Poll in respect of agenda items listed in the Notice of AGM.

Shri.R.Balasubramaniam, the Scrutinizer was requested to carry out further activities in conducting the Poll.

The process of poll was conducted as stipulated under the Act and the relevant Rules.

After conclusion of Poll, the Chairman announced that the final results of the voting (after consolidating the result of E-Voting and Poll) would be announced as per the relevant provisions.

The proceedings of the meeting which commenced at 15.00 hours ended at 18.30 hours and the requisite quorum was present through out the Meeting.

The resolutions taken up for consideration at the 59th AGM have been duly passed with the requisite majority as reported by the Scrutinizer vide his reports on E-voting and Poll dated 18th September,2015 and the Consolidated Report dated 18th September,2015

In terms of the provisions of Section 108, 109 of the Companies Act,2013 read with the relevant rules made thereunder, the resolutions considered and passed by the shareholders are deemed to have been passed on 18th September,2015, being the date of AGM and hence recorded hereunder as part of the proceedings of the AGM.

1. Adoption of Audited Accounts for the year 2014-15 along with the Reports of Directors' & Auditors' and Comments of Comptroller and Auditor General of India.

"RESOLVED that the Audited Stand-alone Profit and Loss Account for the year ended 31st March, 2015 and the Balance Sheet as on that date and also the Consolidated Financial Statements as on that date along with the Reports of Directors' and Auditors' and Comments of Comptroller and Auditor General of India thereon placed before the Meeting be and are hereby approved and adopted".

The resolution was passed as an Ordinary Resolution with 99.99% assent as detailed below:-

Vote cast through	No. of votes cast	Votes in favor of the resolution	Votes against the resolution
E Voting	20598058	20596898	1160
Poll	1509946743	1509946338	405
TOTAL	1530544801	1530543236	1565



2. Declaration of Final Dividend and Confirmation of Payment of Interim Dividend for the year 2014-15;

“ RESOLVED that the interim dividend @ 18 % (Re.1.80 per share) paid and the final dividend @ 10% (Re.1/- per share) recommended by the Board of Directors on the paid-up equity share capital of Rs.1677,70,96,000/- of the Company aggregating to 28% be and is hereby declared as the dividend for the financial year 2014-15.

“RESOLVED further that the final dividend as above, be paid to those Shareholders whose name appear on the Register of Members on 16th September, 2015 and also to the beneficial owners as per the data provided by the Depositories as at the end of business hours on 9th September,2015 in respect of shares held in electronic form”.

The resolution was passed as an Ordinary Resolution with 99.99% assent as detailed below:-

Vote cast through	No. of votes cast	Votes in favor of the resolution	Votes against the resolution
E Voting	20598053	20596998	1055
Poll	1509946543	1509945438	1105
TOTAL	1530544596	1530542436	2160

3. Re-appointment of Shri. Sarat Kumar Acharya (DIN 03357603) as a Director :

“RESOLVED that Shri. Sarat Kumar Acharya(DIN 03357603), Director, who retires by rotation and being eligible, offering himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

The resolution was passed as an Ordinary Resolution with 99.99% assent as detailed below:-

Vote cast through	No. of votes cast	Votes in favor of the resolution	Votes against the resolution
E Voting	20597758	20541332	56426
Poll	1509946743	1509946038	705
TOTAL	1530544501	1530487370	57131



4. Appointment of Shri. Subir Das (DIN 06988287), as a Director;

"RESOLVED that pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and in terms of Ministry of Coal letter No. 21/15/2013-ASO dated 29th September,2014, Shri.Subir Das (DIN 06988287), be and is hereby appointed as a Director of the Company liable to retire by rotation".

The resolution was passed as an Ordinary Resolution with 99.99% assent as detailed below:-

Vote cast through	No. of votes cast	Votes in favor of the resolution	Votes against the resolution
E Voting	20597758	20561022	36736
Poll	1509946743	1509946538	205
TOTAL	1530544501	1530507560	36941

5. Appointment of Smt.Sujata Prasad (DIN 06587461), as a Director;

"RESOLVED that pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and in terms of Ministry of Coal letter No. 21/9/2013-ASO (part-II) dated 11th June 2015, Smt.Sujata Prasad (DIN 06587461), be and is hereby appointed as a Director of the Company liable to retire by rotation".

The resolution was passed as an Ordinary Resolution with 99.99% assent as detailed below;

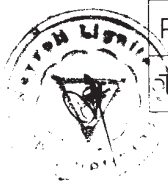
Vote cast through	No. of votes cast	Votes in favor of the resolution	Votes against the resolution
E Voting	20597753	20541285	56468
Poll	1509946743	1509946179	564
TOTAL	1530544496	1530487464	57032

6. Appointment of Shri. Rajesh Lakhoni (DIN 01288879), as a Director;

"RESOLVED that pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and in terms of Ministry of Coal letter No. 21/9/2013-ASO (part-II) dated 15th July,2015, Shri. Rajesh Lakhoni (DIN 01288879) be and is hereby appointed as a Director of the Company liable to retire by rotation".

The resolution was passed as an Ordinary Resolution with 99.99% assent as detailed below;

Vote cast through	No. of votes cast	Votes in favor of the resolution	Votes against the resolution
E Voting	20597758	20541385	56373
Poll	1509946743	1509946238	505
TOTAL	1530544501	1530487623	56878



7. Ratification of remuneration to Cost Auditor for the year 2015-16;

“Resolved that pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.3.00 lakh (plus applicable taxes) fixed for the Cost Auditor appointed under Section 148(3) of the Companies Act,2013 for the year 2015-16 be and is hereby ratified”.

The resolution was passed as an Ordinary Resolution with 99.99% assent as detailed below;

Vote cast through	No. of votes cast	Votes in favor of the resolution	Votes against the resolution
E Voting	20598058	20596477	1581
Poll	1509946743	1509946178	565
TOTAL	1530544801	1530542655	2146

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CHAIRMAN

DATE: 29.09.2015

