

**CHAIRMAN-CUM-MANAGING DIRECTOR**

Shri. B. Surender Mohan

DIRECTORS

Dr. A.K. Dubey
 Shri. N.S. Palaniappan
 Shri. R. Kandasamy
 Shri. Sarat Kumar Acharya
 Shri. Rakesh Kumar
 Shri. S. Rajagopal
 Shri. M.S. Ravindranath
 Shri. S.K. Roongta
 Shri. L.N. Vijayaraghavan
 Shri. A.P.V.N. Sarma
 Shri. M.B.N. Rao
 Shri. M.M. Sharma
 Shri. V. Murali
 Shri. R.K. Mishra

COMPANY SECRETARY

Shri. K. Viswanath

STATUTORY AUDITORS

M/s. L.U. Krishnan & Co.,
 Chartered Accountants,
 Sam's Nathaneal Tower,
 3-1 West Club Road,
 Shenoy Nagar, Chennai - 600 030.

M/s. Sreedhar, Suresh & Rajagopalan,
 Chartered Accountants,
 3B, No.26, Green Haven, 3rd Main Road,
 Gandhi Nagar, Adyar,
 Chennai - 600 020.

BRANCH AUDITORS

M/s. Surender K Goyal & Co.,
 Chartered Accountants,
 Nawal Niwas, Behind Roadways Depot,
 Sardar Shahar, Rajasthan - 331 403.

COST AUDITORS

M/s. M. Krishnaswamy & Associates,
 Cost Accountants,
 New No.4, K.V. Colony,
 West Mambalam,
 Chennai - 600 033.

PRINCIPAL BANKERS

State Bank of India
 Canara Bank
 Central Bank of India
 Syndicate Bank
 United Bank of India
 Indian Bank
 Karur Vysya Bank Limited
 Indian Overseas Bank

REGISTERED OFFICE

'Neyveli House',
 No.135, Periyar E.V.R. High Road,
 Kilpauk, Chennai - 600 010.

DEPOSITORY REGISTRAR & SHARE TRANSFER AGENT

M/s. Integrated Enterprises (India) Ltd.,
 II Floor, 'Kences Towers',
 No.1, Ramakrishna Street,
 North Usman Road, T. Nagar,
 Chennai - 600 017.

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BOARD OF DIRECTORS



B. Surender Mohan
Chairman-cum-Managing Director



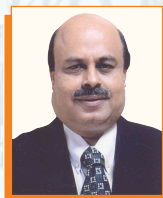
A.K. Dubey
Director



N.S. Palaniappan
Director



R. Kandasamy
Director (Plng.&Proj.)



Sarat Kumar Acharya
Director (Human Resource)



Rakesh Kumar
Director (Finance)



S. Rajagopal
Director (Power)



M.S. Ravindranath
Director (Mines)



S.K. Roongta
Director



L.N. Vijayaraghavan
Director



A.P.V.N. Sarma
Director



M.B.N. Rao
Director



M.M. Sharma
Director



V. Murali
Director



R.K. Mishra
Director



SENIOR MANAGEMENT



Shiv Raj Singh
Chief Vigilance Officer



K. Veeraprasad
Executive Director (Mines)



C. Senthamilselvan
Executive Director (P&BD)



K. Alagar
CGM (Central Safety Wing)



R. Sreenivasan
CGM (Contracts)



N. Muthu
CGM (HR)



V. Mohan
CRM (Chennai)



S. Boopathy
CEO (NUPPL)



K.M. Suresh Babu
CGM (Barsingsar Project)



C. Ramachandran
CEO (NTPL)



N. Ilamparuthi
CGM (SME&Conv./Mines)



R. Mohan
CGM (Finance)



Dr. K. Sankar
CGS (Medical)



Syed Abdul Fateh Khalid
CGM (Mine-I & Mine-IA)



R. Kanagachalam
CGM (Mine-II & Expn.)



T. Avudaithangam
CGM (Thermal)



Dr. K. Janardhan
CGS (Medical)



10 Years Performance at a glance - Financial

(₹ in crore)

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
INCOME STATEMENT										
Sales	5590.07	4866.85	4295.95	4121.02	3354.91	2981.65	2108.11	2201.41	3001.94	2806.09
Other Income	582.95	748.36	571.69	569.22	720.79	611.45	635.66	498.18	664.87	642.39
TOTAL INCOME	6173.02	5615.21	4867.64	4690.24	4075.70	3593.10	2743.77	2699.59	3666.81	3448.48
Operating Expenses	3581.01	3129.75	2674.47	2801.08	2589.33	1705.86	1383.38	1434.49	1320.80	1475.97
Earning before Int., Depm. & Tax	2592.01	2485.46	2193.17	1889.16	1486.37	1887.24	1360.39	1265.10	2346.01	1972.51
Depreciation	512.31	430.18	412.87	253.89	424.50	454.49	447.34	349.45	516.30	499.78
Interest	193.39	149.54	112.77	33.58	8.15	8.80	43.28	54.28	66.09	69.01
Profit for the year	1886.31	1905.74	1667.53	1601.69	1053.72	1423.95	869.77	861.37	1763.62	1403.72
Prior Period Adjustments(Net)	0.00	0.00	0.00	3.17	-7.71	-2.66	4.89	16.25	-9.06	9.36
Exceptional items	161.34	78.15	17.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extra-ordinary income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109.77	2.12	0.00
Profit before tax	2047.65	1983.89	1684.55	1604.86	1046.01	1421.29	874.66	987.39	1756.68	1413.08
Provision for tax	587.90	572.56	386.22	357.40	224.92	319.72	307.88	285.04	541.68	269.57
Profit after tax	1459.75	1411.33	1298.33	1247.46	821.09	1101.57	566.78	702.35	1215.00	1143.51
Dividend	469.76	469.76	385.87	335.54	335.54	335.54	201.33	335.54	335.54	234.88
Dividend tax	78.55	76.21	62.60	56.37	57.03	57.02	34.22	47.06	46.70	30.09
BALANCE SHEET										
Equity Capital	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71
Reserves & Surplus	11273.62	10362.18	9496.82	8646.96	7791.52	7362.57	6652.80	6321.08	6001.47	5168.85
Networth	12925.15	11989.57	11121.40	10225.60	9412.78	9008.79	8309.29	7990.38	7673.06	6824.25
Loans Outstanding	3524.14	3819.28	4004.04	4077.36	4057.70	2790.68	1505.70	1286.71	1229.69	1295.70
Net Fixed Assets	6538.64	6706.75	4990.15	5088.20	3272.39	3536.23	3809.20	4023.12	4254.36	4530.24
Investments	1432.40	1197.05	964.75	1044.94	811.37	826.22	929.41	2591.42	2590.77	2590.77
Net Current Assets	6227.99	5775.55	5666.10	5033.74	5219.86	4548.49	4574.84	3041.78	2513.41	1512.76
Capital Employed (operating)	14199.03	13679.35	11621.00	11166.88	9303.62	8910.94	9313.45	9656.32	9358.54	8633.77
RATIOS										
Operating Margin(OPM)(%)	35.94	35.69	37.74	32.03	22.82	42.79	34.38	34.84	56.00	47.40
Return on Capital Employed (ROCE)(%)	10.28	10.32	11.17	11.17	8.83	12.36	6.09	7.27	12.98	13.24
Return on Networth (RONW)(%)	11.29	11.77	11.67	12.20	8.72	12.23	6.82	8.79	15.83	16.76
Debt Equity (%)	27.27	31.86	36.00	39.87	43.11	30.98	18.12	16.10	16.03	18.99
Current Ratio	3.78	3.17	3.04	2.56	2.65	3.21	3.27	5.01	3.89	2.43
Quick Ratio	3.46	2.97	2.85	2.39	2.46	2.96	2.99	4.51	3.50	2.15
VALUE ADDED PER EMPLOYEE (in ₹)	2642505	2204260	1934346	1844515	1218369	1276836	1090907	1036468	1348250	1253704
BOOK VALUE PER SHARE (in ₹)	77.04	71.46	66.29	60.95	56.10	53.70	49.53	47.63	45.74	40.68
EARNING PER SHARE (in ₹)	8.70	8.41	7.74	7.44	4.89	6.01	3.88	4.27	7.64	6.52
DIVIDEND (%)	28.00	28.00	23.00	20.00	20.00	20.00	12.00	20.00	20.00	14.00



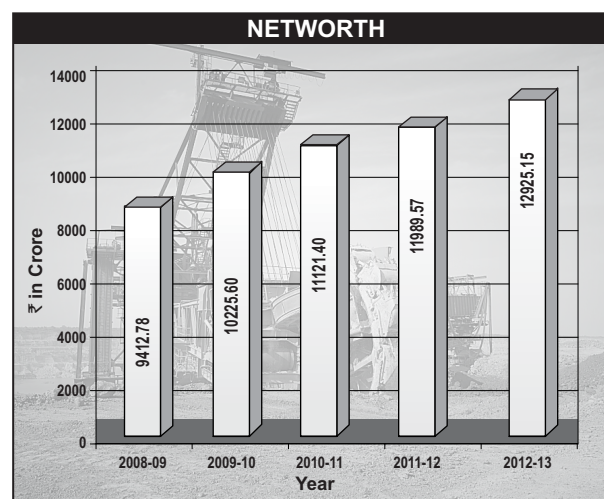
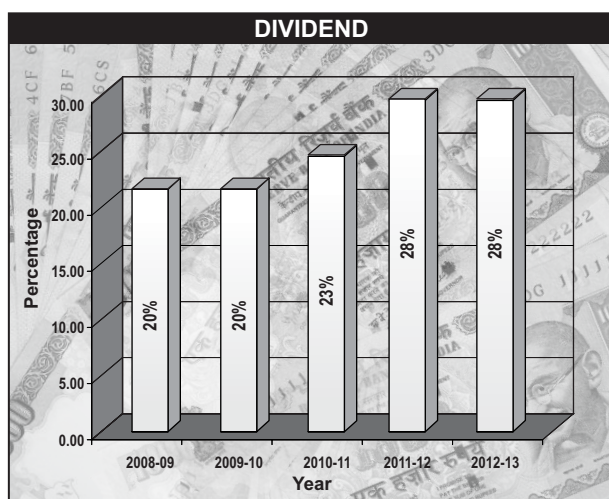
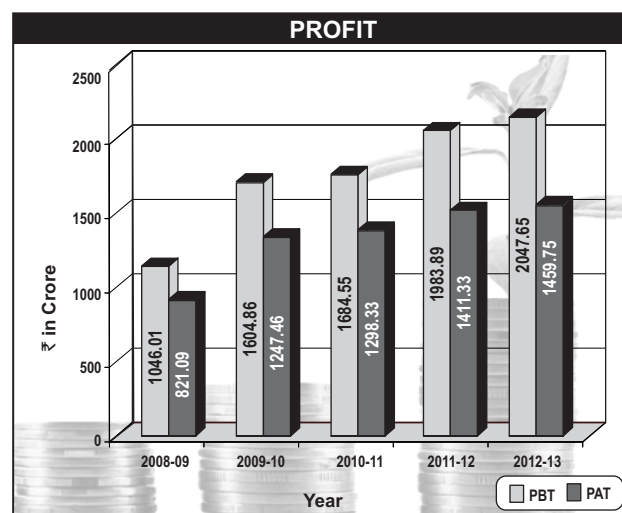
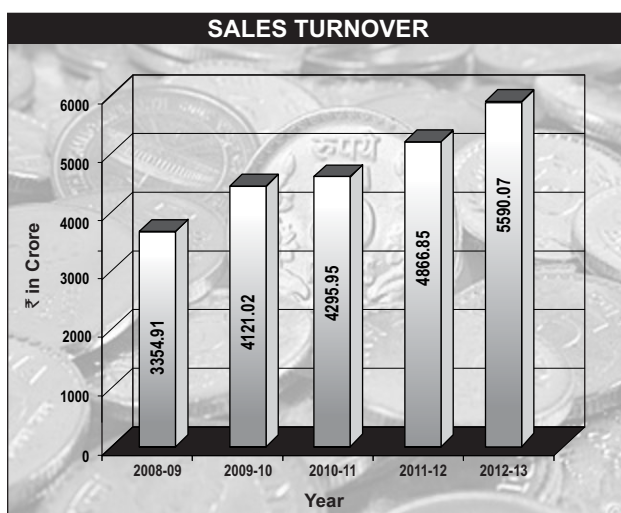
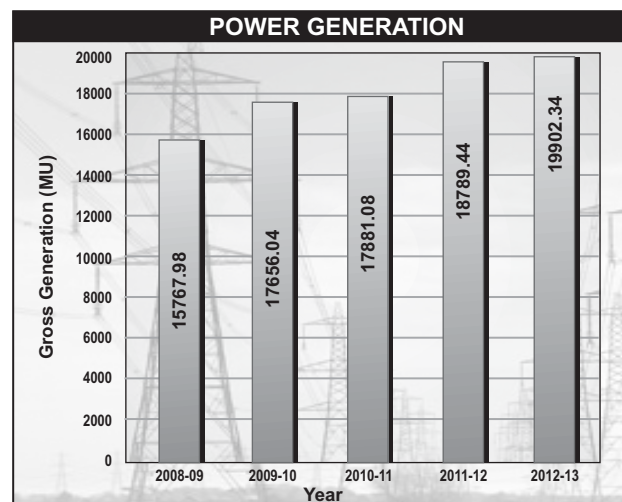
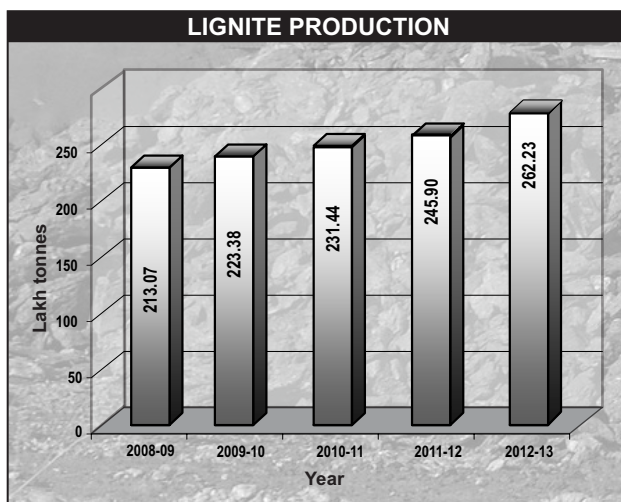
10 Years Performance at a glance - Physical

PARTICULARS	UNIT	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
PRODUCTION											
Lignite											
Mine-I	LT	79.60	77.34	83.05	91.59	90.40	87.82	105.48	102.72	105.28	103.91
Mine-IA	LT	29.40	28.77	27.19	27.11	30.56	33.27	38.04	37.35	32.11	14.61
Mine-II	LT	139.44	130.96	117.11	104.43	91.09	94.37	66.62	64.28	78.28	87.05
Barsingar Mine	LT	13.79	8.83	4.09	0.25	1.02	0.40	0.00	0.00	0.00	0.00
TOTAL	LT	262.23	245.90	231.44	223.38	213.07	215.86	210.14	204.35	215.67	205.57
Power											
T.P.S.-I	- Gross MU	4035.43	3987.85	3878.65	4114.44	3577.49	3671.54	3981.53	3990.17	4259.15	4401.64
	- Net MU	3569.44	3510.55	3400.54	3630.13	3141.03	3235.03	3521.64	3540.30	3772.90	3895.90
T.P.S.-I Expn.	- Gross MU	3319.77	3042.68	2997.04	2979.43	3126.05	3267.66	3264.96	3081.81	3237.96	1983.25
	- Net MU	3035.58	2809.97	2743.44	2720.12	2858.42	2994.06	2988.50	2802.11	2944.82	1877.09
T.P.S.-II	- Gross MU	11238.09	11087.65	10739.78	10559.69	9064.44	10517.69	8540.09	9170.44	9249.27	10004.08
	- Net MU	10152.16	10018.96	9701.51	9549.99	8172.14	9486.88	7719.76	8279.10	8344.53	9051.57
Barsingar T.P.S.	- Gross MU	1280.85	617.68	265.61	2.48	0.00	0.00	0.00	0.00	0.00	0.00
	- Net MU	1118.40	514.29	193.45	2.48	0.00	0.00	0.00	0.00	0.00	0.00
T.P.S.-II Expn.	- Gross MU	28.20	53.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Net MU	19.81	39.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	- Gross MU	19902.34	18789.44	17881.08	17656.04	15767.98	17456.89	15786.58	16242.42	16746.38	16388.97
	- Net MU	17895.39	16893.11	16038.94	15902.72	14171.59	15715.97	14229.90	14621.51	15062.25	14824.56
SALES											
Lignite	LT	27.56	27.18	21.68	21.69	21.35	22.94	20.68	16.62	16.50	17.63
Power	MU	16841.51	15810.67	14971.26	14828.22	13204.05	14775.84	13330.80	13747.90	14162.11	13918.76

LT - Lakh Tonnes MU - Million Units



PHYSICAL AND FINANCIAL CHARTS





DIRECTORS' REPORT FOR THE YEAR 2012-13

To
The Members,
Neyveli Lignite Corporation Limited

Your Directors are pleased to present the 57th Annual Report of your Company together with the audited accounts for the year ended 31st March, 2013. The financial year 2012-13 was an year of achievements as your Company achieved a record performance in all its operational areas.

Snapshot of Physical Performance

Particulars	2012-13	2011-12	Growth (%)
Overburden removal (in LM ³)	1674.85	1651.47	1.42
Lignite Production (in LT)	262.23	245.90	6.64
Power Generation - Gross (in MU)	19902.34	18789.44	5.92
Power Export (in MU)	16841.51	15810.67	6.52

LM³-Lakh Cubic Metre LT-Lakh Tonnes MU-Million Units

Highlights

- ★ Highest overburden removal and lignite production in any year since inception.
- ★ All time high generation and export of power.
- ★ Lignite production from Mine-II highest in any year since inception.
- ★ Highest ever lignite production from Barsingsar Mine.
- ★ Highest ever generation and export of power from TPS-II & TPS-I Expansion.
- ★ More than 90% Plant Load Factor achieved by TPS-I Expansion.

Segment-wise Performance

Mines

The aggregate installed capacity of all lignite mines stands at 30.6 MTPA as on 31st March, 2013. Your Company has once again achieved the highest ever performance in Overburden (OB) removal and lignite production during the year 2012-13. The aggregate OB removal and lignite production during the year under review were 1674.85 LM³ and 262.23 LT, respectively compared to 1651.47 LM³ and 245.90 LT achieved during the year 2011-12. The OB removal and lignite production during the year 2012-13 registered a growth of 1.42% and 6.64% respectively when compared to the previous year 2011-12.

The details of Mine-wise performance are as under:

Mine-I (including expansion) - 10.5 MTPA

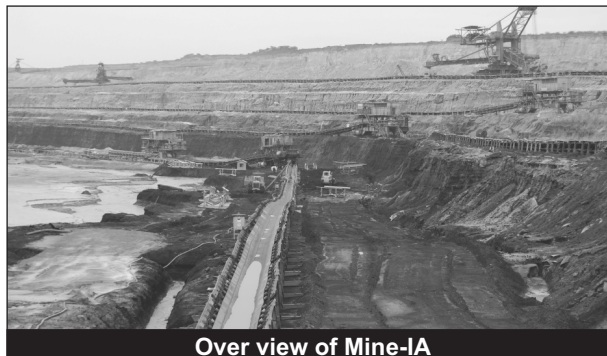
The Overburden (OB) removal from this Mine during the year 2012-13 was 502.15 LM³ as against 528.17 LM³ in 2011-12. The lower performance of OB removal during the year 2012-13 when compared to the previous year was on account of works carried out in system equipment in the year under review. Further, because of reduction in lignite seam thickness frequent conveyor re-arrangement was carried out resulting downtime of the system. Lignite production during the year under review was 79.60 LT as compared to 77.34 LT registering a growth of 2.92% over the previous year 2011-12. Further, in order to meet the lignite requirement of linked power stations TPS-I & TPS-I Expn., additional quantity of 13.80 LT was transferred from other mines.

**Mine-IA - 3.0 MTPA**

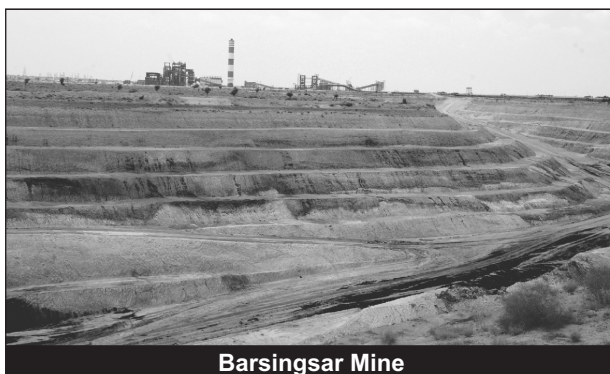
The OB removal from this Mine during the year 2012-13 was 281.81 LM³ as against 215.10 LM³ in 2011-12, registering a growth of 31.01%. Lignite production during the year 2012-13 was 29.40 LT compared to 28.77 LT during 2011-12, registering a growth of 2.19%.

As Members may be aware, the Thermal Power Station - I (TPS-I) is in operation since 1962 and the Government of India (GOI) has sanctioned for implementation of Neyveli New Thermal Power Station (NNTPS) (1000 MW) project as a replacement to TPS-I. Presently, Mine-I (including expansion) with an installed capacity of 10.5 MTPA feeds TPS-I (600 MW) and TPS-I Expn. (420 MW). The Mine-IA of 3.0 MTPA capacity caters to the requirement of an Independent Power Producer and also meets the requirement of lignite sales.

Taking into account the higher capacity of NNTPS Project, the proposal for re-structuring of Mine-I & Mine-IA by adding contiguous lignite blocks so as to raise the aggregate mining capacity to 15.0 MTPA, has been approved by the Board of Directors of your Company. The estimated cost for the above re-structuring of Mines is ₹1458.17 crore.

**Over view of Mine-IA****Mine-II (including expansion) - 15.0 MTPA**

This Mine is linked to TPS-II & TPS-II Expansion project. The OB removal from this Mine was 813.36 LM³ as against 828.05 LM³ during the year 2011-12. The lower performance in OB removal during 2012-13 when compared to the previous year was on account of seepage problems encountered. The Lignite production during the year under review was 139.44 LT as against 130.96 LT during 2011-12 and this was the highest for any year since inception. The lignite production from this Mine registered a growth of 6.48% over the previous year 2011-12.

**Barsingsar Mine****Barsingsar Mine - 2.1 MTPA**

During the year 2012-13, overburden removal and lignite production were 77.53 LM³ and 13.79 LT respectively, as against 80.15 LM³ and 8.83 LT, respectively, during the previous year 2011-12. Because of non-stabilisation of operation of the units in the Thermal Power Plant during the year 2012-13, the lignite exposed in earlier years could not be mined out fully and utilised in the power plant and hence the overburden removal was restricted during the year under review. Lignite production from this mine

at 13.79 LT achieved during the year 2012-13 was the highest for any year since inception.

Power

The present installed capacity of thermal power plants of your Company is 2740 MW. Your Company has once again achieved the highest power generation and export during the year 2012-13. The aggregate power generation during the year under review was 19902.34 MU as compared to 18789.44 MU generated during the year 2011-12. The aggregate power export during the year 2012-13 was 16841.51 MU as against 15810.67 MU registered during the year 2011-12. The power generation and export during 2012-13 registered a growth of 5.92% and 6.52% respectively over the previous year 2011-12.



The details of Plant-wise performance are as under:

Thermal Power Station - I (600 MW)

During the year 2012-13, power generation from this plant was 4035.43 MU compared to 3987.85 MU in the year 2011-12, registering a growth of 1.19%. The power export from this plant during the year under review was 3215.98 MU as against 3171.82 MU achieved during the year 2011-12, recording a growth of 1.39%. The performance of this plant needs to be specially recorded as it is one of the oldest power plants in the Country and still in operation. This plant achieved a Plant Load Factor (PLF) of 76.77% during the year 2012-13.

Thermal Power Station - I Expansion (420 MW)

The power generation and the export from this Plant during the year 2012-13 were the highest achieved in any year since inception. During the year 2012-13 power generation and export from this plant were 3319.77 MU and 3035.58 MU respectively compared to 3042.68 MU and 2809.97 MU respectively achieved in 2011-12. This plant registered a growth of 9.11% in power generation and 8.03% in export of power, over the previous year 2011-12. This plant achieved a PLF of 90.23% during the year 2012-13.



Thermal Power Station-I Expansion

Thermal Power Station - II (1470 MW)

Power generation during the year 2012-13 was 11238.09 MU as against 11087.65 MU in the year 2011-12, registering a growth of 1.36% and the export during the year under review was 9455.81 MU compared to 9278.76 MU in the year 2011-12, registering a growth of 1.91%. The power generation and the export from this power station during the year under review were the highest in any year since inception. This plant achieved a PLF of 87.27% during the year 2012-13.

Barsingsar Thermal Power Station (250 MW)

During the year 2012-13, power generation and export from this plant were 1280.85 MU and 1114.33 MU respectively compared to 617.68 MU and 510.79 MU respectively achieved in 2011-12. This was the first full year operation for both the Units.

Productivity

The output per man shift during the year 2012-13 as compared with the previous year is given below:

Product	Unit	2012-13	2011-12	Growth (%)
Lignite	Tonne	11.97	11.18	7.07
Power	Kw./hr.	21386	20130	6.23

Financial Performance

During the year ended 31st March, 2013, the Company registered a total sales of ₹5590.07 crore as against ₹4866.85 crore recorded for the year 2011-12, registering a growth of 14.86%. The sales registered for the year 2012-13 was the highest ever since inception.

The Profit Before Tax (PBT) and the Profit After Tax (PAT) for the year 2012-13 were ₹2047.65 crore and ₹1459.75 crore, respectively, as against ₹1983.89 crore and ₹1411.33 crore, respectively, registered for the year 2011-12. As compared to the previous year 2011-12, the PBT and the PAT for the year 2012-13 recorded a



growth of 3.21% and 3.43%, respectively. The PBT and the PAT for the year ended 31st March, 2013 were the highest for any year since inception.

The reason for increase in the profit for the year 2012-13 was on account of higher lignite production, generation and export of power which had resulted in increase in the sales.

The details of profit earned for the financial year 2012-13 and appropriation of the same in comparison with the previous year 2011-12 are as under:

(₹ in crore)

	2012-13	2011-12
Profit Before Tax	2047.65	1983.89
Tax provision	587.90	572.56
Profit After Tax	1459.75	1411.33
Appropriation :		
Transfer to		
Bond Redemption Reserve	15.00	15.00
Interest Differential Fund Reserve	15.71	18.08
General Reserve	150.00	145.00
Interim Dividend	167.77	0.00
Tax on Interim Dividend	27.22	0.00
Proposed Final Dividend	301.99	469.76
Tax on proposed Final Dividend	51.33	76.21

Dividend

The Board of Directors of your Company has recommended a final dividend of 18% (₹1.80 per share) for the year 2012-13. An Interim Dividend @10% (₹1.00 per share) has already been paid to shareholders during the month of March 2013 and taking into account the final dividend of 18%, the total dividend for the year 2012-13 works out to 28% (previous year 28%) and the total dividend outgo including distribution tax will be ₹548.31 crore (previous year ₹545.97 crore), which works out to 37.57% for the year 2012-13.

MoU Rating for the year 2011-12

Your Directors have pleasure to share with the Members that the Company has achieved 'Excellent' rating for its performance during the year 2011-12 in terms of the Memorandum of Understanding (MoU) entered into with the Ministry of Coal as per guidelines.

Projects under construction/implementation

Thermal Power Station-II Expansion (2x250 MW)

Thermal Power Station-II Expansion project linked to Mine-II Expansion is under implementation for expanding the capacity of TPS-II from 1470 MW to 1970 MW. The project was scheduled to be commissioned during the year 2009. Besides initial delay in start of engineering and finalisation of civil and erection sub-contractors for boiler island & power house and slow progress of work by the Main Plant Package contractor, the prolonged delay was also on account of the fact that there were several teething problems during commissioning which had to be overcome.



During the year Unit-I was synchronised again in November 2012 and in-firm power of 28.20 MU was generated and 19.81 MU was exported. The operation of the unit could not be sustained on account of failures in refractory, coil punctures and failure of Fluidized Bed Heat Exchanger (FBHE) coil supporting arrangements. BHEL, the Main Plant Package Contractor along with M/s. Lentjes, the process developer for the CFBC technology, has reviewed all the critical issues causing repeated failure of FBHE coil supports and has suggested for modification. Implementation of the project by BHEL has also been taken up with the MoU Taskforce of the Ministry of Heavy Industries. BHEL has given a commitment to the Taskforce for commissioning of Unit-I by December 2013 and Unit-II by Jan.2014. However, BHEL subsequently assured to expedite the works and furnished a schedule to commission Unit-I in Sep.2013 and to take up the FBHE modification. Refractory dismantling work in FBHE of Unit-I has commenced to facilitate coil removal and it is nearing completion. Tube cutting works are in progress while modification and re-erection of FBHE coil in all the four FBHE of Unit-I is to be carried out. The works are being closely followed up with periodic review with BHEL and are also reviewed periodically by the Ministry of Coal and other agencies of GOI.

Approval has been accorded by your Board of Directors in April 2012 for the second Revised Cost Estimate of ₹3027.59 crore for this project. The cumulative expenditure incurred up to 31st March, 2013 was ₹2654.22 crore.

Neyveli New Thermal Power Project (2x500 MW)

Government of India (GOI) has sanctioned the Neyveli New Thermal Power Project (1000 MW) at a capital cost of ₹5907.11 crore in June 2011 with a commissioning schedule of 48 months and 54 months for Unit-I & II respectively, from the date of sanction. Two units of 500 MW each have been proposed to be set up as a replacement of the existing 600 MW TPS-I which has served for more than 50 years. This power station will adopt pulverised fuel firing technology. Tenders have been floated for Main Plant Packages and Balance of Plant Package and evaluation of the same is in progress. The cumulative expenditure incurred up to 31st March, 2013 was ₹28.00 crore.

Restructuring of Mines

Members may be aware that the existing TPS-I of 600 MW capacity at Neyveli is continuously in operation since 1962 and it has been decided by your Board of Directors to phase out the operation of the Units and to set up a 1000 MW thermal power plant at Neyveli viz., Neyveli New Thermal Power Station (NNTPS) in its place. As stated earlier, in order to meet the lignite requirement of NNTPS, your Board of Directors has accorded approval for restructuring of Mine-I (including Mine-I Expn.) from 10.5 to 8.0 MTPA and expansion of Mine-IA from 3.0 to 7.0 MTPA, at an aggregate estimated cost of ₹1458.17 crore.

Wind (50 MW) & Solar (25 MW) Power Project

In order to harness green energy, your Company has proposed to enter into wind and solar based power generation. The proposed wind power project capacity is 50 MW and the estimated cost is ₹364.75 crore. Tender has been floated for setting up of the above wind farm and the evaluation of the same is in process. In the first phase, a 10 MW capacity solar power plant is proposed to be set up at Neyveli at an estimated cost of ₹85 crore and as an expansion another 15 MW project will be set up later. Setting up of a 10MW solar power plant at Barsingsar is also on the anvil.

Project Funding

In respect of Mine-II Expn. linked to TPS-II Expn. project and also for Barsingsar Mine-cum-Power project, your Company had availed long term loan of ₹3575 crore from a consortium of domestic banks with Canara Bank



as the consortium leader. In addition to the above, Euro 50 million in the form of foreign currency loan under External Commercial Borrowings (ECB) was availed besides issue of Secured Redeemable Taxable Non-convertible Bonds aggregating to ₹600 crore for the said projects. So far a sum of ₹1300 crore has been repaid on the term loan from Canara Bank consortium while the ECB has been repaid in full. To meet part of the debt requirement for the Neyveli New Thermal Power Project, your Company has tied up with State Bank of India for availing rupee term loan of ₹2500 crore and the balance debt requirement will be met through various other options such as ECB, issue of Bonds etc.

Joint Venture Projects

Thermal Power Plant at Tuticorin (2x500 MW)

Members may be aware that a Coal based thermal power project at Tuticorin (1000 MW) is being implemented by your Company as a joint venture with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), through NLC Tamilnadu Power Limited (NTPL), the Subsidiary Company. Erection of Boiler structures, pressure parts, ESP, Air heaters, Ducts, Fans, TG and Mills in the Main Plant Package and Coal & Ash Handling Systems, Cooling Towers, Chimney and Switchyard etc., are in progress in both the Units. Hydro test of pressure parts of both the boilers was completed during the year. The physical progress of works as on 31st March, 2013 was 71.90%. As per the present status of the project, Unit-I is expected to be commissioned by December 2013 and Unit-II by March 2014.



Fuel linkage for this project is being tied up with Mahanadi Coalfields Limited (MCL), a Subsidiary Company of Coal India Limited. The formal Fuel Supply Agreement (FSA) will be entered into with MCL on completion of all the milestone activities prescribed by the Standing Linkage Committee (Long term) of Ministry of Coal. Excepting clearance from the Forest Department as some portion of the land leased by V.O. Chidambaranar Port Trust has been classified as forest land in the revenue records, all other prescribed milestone activities have been completed. The issue regarding obtaining clearance from the Forest Department has been taken up with the concerned Department and also with the Government of Tamilnadu.

Approval has been accorded by the Board of Directors of NTPL for the Revised Cost Estimate (RCE) of ₹6540.93 crore and the same has been submitted to the Ministry of Coal for sanction. During the year 2012-13 an agreement was entered into with the Consortium of Bankers led by Bank of India for availing Rupee Term Loan of ₹937 crore for implementation of the project. This is in addition to the Rupee Term Loan agreement of ₹2500 crore entered into with Bank of Baroda Consortium and with this, the financial closure for the original sanctioned cost of ₹4909.54 crore has been completed. The additional debt requirement on account of revision in the cost will be tied up after obtaining sanction from the Government. The cumulative expenditure incurred up to 31st March, 2013 was ₹4128.29 crore.

MNH Shakti

MNH Shakti Limited is the Joint Venture Company (JVC) promoted by Mahanadi Coalfields Limited (MCL) holding 70% stake, Hindalco and your Company each holding 15% stake. The JVC is implementing a 20.0 MTPA coal mining project at Talabira, Odisha and MCL being the majority stakeholder is piloting the above project.



New Projects under formulation

NLC-UPRVUNL Ghatampur Thermal Power Project (3x660 MW)

In terms of MoU dated 30.11.2010 and Joint Venture Agreement dated 06.10.2012 entered into with Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL), a Joint Venture Company (JVC) in the name and style of Neyveli Uttar Pradesh Power Limited (NUPPL) has been incorporated with equity participation in the ratio of 51:49 by NLC and UPRVUNL. The JVC will set up a 1980 MW (3x660 MW) coal based thermal power project in Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh at an estimated cost of ₹14375 crore. The Public Investment Board (PIB) has recommended the above project proposal with the observation that necessary clearance from Ministry of Environment & Forest (MoE&F) is to be obtained at the earliest. The Public Consultation Meeting (Public Hearing) was held by the District Administration as part of the process involved for obtaining MoE&F clearance. The Project proposal will be submitted by the Ministry of Coal to the Cabinet Committee on Infrastructure for sanction shortly. Notifications under Sec.4 & 6 of the Land Acquisition Act, 1894 have been issued for acquisition of 1806 acres of land for the project and a sum of ₹130.32 crore has been deposited with the Uttar Pradesh Revenue Department towards acquisition of land. The Government of Uttar Pradesh has accorded sanction for supply of 80 cu.secs of water for the above project.

In response to GOI invitation for allotment of coal blocks, NUPPL has been allocated Pachwara-South coal block in the State of Jharkhand. The development and exploitation of the above coal mine will be carried out by NUPPL for captive use for its Ghatampur Thermal Power Project.

Bithnok Thermal Power Project (250 MW) with linked Mine (2.25 MTPA)

Your Company has proposed to set up a Thermal Power Plant of 250 MW capacity with linked Mine of 2.25 MTPA at Bithnok in Bikaner District, in the State of Rajasthan at an estimated cost of ₹2298.83 crore. The total land required for the Bithnok TPS and Mine is 2883 hectares. Government of Rajasthan has issued award for acquisition of 1175.87 hectares of private land in Bithnok village and the balance government land will be diverted to your Company by the Government of Rajasthan after acquisition of private land. No Objection Certificate from forest department is awaited for forest diversion. Issue of mining lease by Government of Rajasthan is expected after forest diversion. With regard to environmental clearance for the Mine Project, the Expert Appraisal Committee of MoE&F has advised to conduct social cost benefit analysis through a reputed institution. The work has been assigned to Madras School of Economics. MoE&F will be approached again for environmental clearance with social cost benefit analysis report.

Barsingsar Extension Power Project (250 MW) and Hadla & Palana Lignite Mine (2.5 MTPA)

Your Company, by exploiting the lignite deposits in Hadla and Palana lignite blocks, has proposed to set up a 250 MW Power Plant with linked Mine of 2.5 MTPA capacity, in Bikaner District of Rajasthan, as an extension of the existing Barsingsar Power Plant. The aggregate estimated cost of the project is ₹2041.78 crore. Land acquisition for the said project through Government of Rajasthan is in progress. Action has already been initiated for obtaining mining lease. All statutory clearances for the Thermal Power Project and the Hadla mine project have been obtained. However your Company is facing difficulty in progressing with the Palana mine. Hence as a parallel course, expansion of the existing Barsingsar mine is also being planned by your Company.

Sirkali Thermal Power Project (4000 MW)

Your Company has also proposed to setup a 4000 MW coal based thermal power plant at Sirkali in the coastal district of Nagapattinam, Tamilnadu in two phases. The present cost estimate for the project is ₹14482 crore for



phase-I of 1980 MW. Site for locating the power plant has been identified at Thirumullaivasal and action has been initiated for acquisition of land through the Government of Tamil Nadu and for obtaining clearances from various statutory authorities. The Board of Directors had accorded approval for initiating pre-project sanction activities under Advance Action Proposal for a value of ₹56.52 crore. Action has also been initiated for appointing a consultant for preparation of Feasibility Report, EIA/EMP Report and other pre-project activities. Your Company has been allocated Jilga-Barpali coal block in the State of Chhattisgarh to meet the fuel requirement for this project.

Devangudi Mine Project

Your Company proposes to develop the Devangudi lignite block, which has a mining area of about 8.56 Sq.km. and a mineable lignite reserve of 42.91 million tonnes, at an estimated cost of ₹542.67 crore. The capacity of this Mine will be 2.0 MTPA and the lignite mined out will cater to the needs of industries such as cement, paper, brick and other small scale industries in the neighbourhood area.

Coal Assets

As stated in the Directors' Report of the previous year, your Company had floated 'Expression of Interest' (EOI) for acquiring coal assets abroad. The offers received in response to the above EOIs are under evaluation. Acquisition of coal assets by your Company would ensure fuel security for the coal based power projects of the Company.

Other Projects

Members may be aware, consequent to the change in the policy of power procurement by Distribution Companies through tariff based competitive bidding route, excepting such power projects for which PPA has been signed prior to 6th Jan. 2011 any new projects could be implemented only when the concerned Distribution Companies formally issue a notification for purchase of power through tariff based competitive bidding process. As stated in the previous year's report, your Company had addressed to Ministry of Power through Ministry of Coal, seeking exemption from the above requirement for lignite based Power Projects for the reasons that coal and lignite cannot be equated on the same platform. In this regard, Ministry of Power has stated that lignite based power projects can be developed under Case-II bidding route. Under Case-II, the procurer (Distribution Companies) of power specifies location, specific project with specific fuel allocation such as captive mine. Lignite based power project can be set up through this mechanism only when such bids are invited by Distribution Companies who specifying that power should be generated using lignite available at the identified location. In view of the above, the Ministry of Coal has again been addressed to take up with the Ministry of Power to accord exemption to Lignite based Thermal Power Projects.

Power Tariff

The Central Electricity Regulatory Commission (CERC) initially constituted under the Electricity Regulatory Commission Act, 1998 is a statutory body governed by the Electricity Act, 2003 and has the responsibility to regulate the tariff of generating Companies owned or controlled by the Central Government and Generators having sale of electricity in more than one State. The terms and conditions of tariff regulations and tariff order for the period 2009-14 in respect of TPS- I, TPS-I Expn. and TPS-II have been issued by CERC. Tariff petition has been filed before CERC for the Barsingsar Power Plant and CERC during Oct.2012 has awarded provisional tariff for the power exported from this project.

Power Dues

As on 31st March, 2013, the total outstanding power dues from the beneficiaries is ₹3802.37 crore and out of that the dues from TANGEDCO (erstwhile Tamil Nadu Electricity Board) alone was ₹2473.97 crore (excluding



surcharges). The realisation of power dues has been given top priority and the matter is being closely pursued with the beneficiaries. The Ministry of Coal has taken up the matter with the Government of Tamilnadu for early settlement of dues.

Research and Development (R&D)

Centre for Applied Research and Development (CARD) of your Company has been recognised by Department of Science and Technology since 1975 as an in-house R&D Centre. During the year 2012-13, in addition to eight in-house S&T projects, CARD has been carrying out two Coal S&T projects that mainly concentrate on corrosion problems in Specialised Mining Equipment (SME) in mines and development of suitable treatment to prevent erosion /corrosion in de-watering pipes in mines.

Members may be aware that your Company has already patented the process for the production of “Potassium Humate” from lignite through its R&D efforts. Commercialisation of the above patented process is carried out through National Research Development Corporation.

Further the R&D Centre of your Company jointly with Indian Institute of Technology, Kharagpur has applied for a patent for the process of production of Zeolite from lignite fly ash. Study on solid waste utilisation of bottom ash generated from thermal power stations as substitute for river sand is in progress.

CARD is entering into new developmental activities to cater to the requirement of the Company. In order to up-grade lignite to get higher calorific value and also to utilise the same in Ultra Super Critical Boiler (USCB), your Company has signed a Non-Disclosure Agreement with M/s.KOBELCO, Japan. Your Company is also interested to take up studies on Integrated Gasification Combined Cycle (IGCC), to improve the efficiency of power generation. It is also contemplated to undertake a study in association with firms having expertise in the field to produce diesel from lignite.

Human Resource

With a view to develop and maintain harmonious relationships at workplace and striking a balance between organisational goals and individual goals, your Company continues to have good HR practices and recognise the huge potential of its human resource. The thrust on achieving higher growth coupled with optimal utilisation of manpower continued. The focus on improving productivity and adoption of best practices in every area was relentlessly pursued. Efforts for active participation by employees has been at the core of HR initiatives and interventions. The total manpower of your Company as on 31.03.2013 was 17,364.

Employee Development

Your Company is imparting training/learning initiatives for skill, competency building and overall development of employees and also for the surrounding society. During the year under review, 542 in-house programmes in various categories such as General Management, Technical Training, Safety, Quality Training etc., covering 15,252 employees have been organised. In addition to the regular programmes, “Timeless Leadership Programme” was conducted in association with IIM/Kozhikode for Functional Directors. Focus has also been made on the development of the society at large including the Student community through conducting Entrepreneurial Development Programme benefiting around 9,000 people.

Industrial Relations

Thrust on participative culture continued during the year under review and the Industrial Relations in various Units and Service Divisions of your Company remained harmonious and cordial but for some minor aberrations of Contract labour strike.



Implementation of Official Language Policy

During the year 2012-13, your Company continued its thrust on official language implementation in line with the Government of India's policy and the provisions prescribed under the Official Languages Act, 1963 and the rules made there under. Employees numbering 419 have been enrolled for courses like Prabodh, Praveen and Pragya through correspondence being conducted.

Hindi Fortnight was organised from 14.09.2012 to 28.09.2012 and Hindi Day was celebrated on 14th Sept. 2012. Various Hindi competitions were conducted among employees. Cash awards and Merit certificates were given to those employees who passed Hindi examinations and to the winners in the competitions. Also workshops with a focus on working in Unicode fonts on Computers were organised and about 193 employees participated and benefited.

Reservation of posts

Your Company has been following the rules of the Government of India with regard to reservation for SC and ST and the details of Group-wise Men-in-Position as on 31.03.2013 are as under:

Group	Total Strength	Strength of SC/ST			% of SC/ST		
		SC	ST	Total SC/ST	SC	ST	Total SC/ST
A	4168	870	170	1040	20.87	4.08	24.95
B	237	23	124	147	9.70	52.32	62.02
C	11479	2322	117	2439	20.23	1.02	21.25
D	1480	341	10	351	23.04	0.68	23.72
Total	17364	3556	421	3977	20.48	2.42	22.90

Sustainability Development

Your Company firmly believes that sustainability has to be at the heart of the business model with focus on growth and less environmental impact. Your Company continues to carry on its mining and power generation activities in an environmentally sustainable manner. As a socially responsible Company, nine sustainable development projects have been taken up during the financial year 2012-13 that include eco restoration, ground water recharging, protection of bio-diversity, waste utilisation, sustainability training. Your Company has taken up collaborative sustainable development projects with Pondicherry Engineering College towards CO₂ sequestration for producing bio-fuel from flue gas of Thermal Power Plants and Indian Institute of Technology, Kanpur for air pollution apportionment. Residual Life Assessment (RLA) studies of Turbine and replacement of final loop of Re-heater 2 coil in Unit-II (210 MW) of TPS-II have been taken up to improve reliability and operational efficiency.

Environmental Measures

Reclamation and afforestation

Your Company is having a well developed Environment Management Plan since its inception and it has revisited its own Comprehensive Environment Policy to safeguard the environment in line with National and International standards. The Environment Management Plan includes restoring the degraded mined out land, water conservation, waste utilisation and biodiversity conservation. The degraded mined out land is reclaimed to grow agricultural, horticulture crops, forestry, pasture etc., on a continuous basis. During 2012-13, an area of about



126 hectares of land has been reclaimed in all the three mines in Neyveli. As a part of massive afforestation programme, around 18 million trees have been planted so far in and around Neyveli Township. In addition, all out efforts are taken to reduce carbon foot print by implementing latest power generation technology like Circulating Fluidized Bed Combustion, installing best pollution control equipment and improving energy efficiency in processes. A Continuous Ambient Air Quality Monitoring Station is in operation in CARD with real time data display at various places in Neyveli.



All the operating Mines and Thermal Power plants are accredited with ISO 14001 (Environment Management) standards. In recognition of its excellent performance in Environment Management and Eco-care during the year 2012-13, your Company received the prestigious 'Indira Gandhi Paryavaran Puraskar Award-2009' and has also bagged the prestigious Gold Trophy of "SCOPE Meritorius Award for Environmental Excellence and Sustainable Development" for the year 2011-12.

Safety

Your Company is taking concerted efforts in the industrial safety area. Risk Assessment and Safety Audit are conducted separately for Mines and Thermal Power Stations in regular periodicity by engaging accredited external agencies and their recommendations are implemented. Fire mock drills and emergency preparedness drills are conducted regularly. OHSAS 18001:1999 Certification is obtained for the Occupational Health & Safety for all Mines and Thermal Power Stations at Neyveli.

Zero accident potential was achieved for the year 2012-13 at both Mines and Thermal Power Station (TPS) at Barsingsar, TPS-II and TPS-I Expansion at Neyveli for the year 2012-13. Safety related trainings like Refresher, Basic, On-the-job, job related briefing etc., are being imparted to all sections of employees in well designed training centres like Group Vocational Training Centre in Mines, Thermal Training Centre and Employees Development Centre, besides general awareness campaign is conducted periodically.

Vigilance

Based on the suggestion of the Vigilance Branch, various circulars/guidelines have been issued for streamlining the rules/procedures etc. Vigilance Awareness Week - 2012 was observed in NLC from 29th October, 2012 to 3rd November, 2012 and the updated 'Compendium of CVC Circulars' was released during the function. As greater transparency facilitates in improving the system & procedure and minimise the scope for corruption, all efforts are taken to improve the transparency by leveraging of technology through e-governance initiatives.

MoU with Transparency International

Members may be aware that your Company has signed a Memorandum of Understanding with Transparency International India, part of Asia Pacific forum comprising 20 nations. Transparency International India is the Indian chapter of Transparency International, an international civil society organisation based at Berlin that has turned the fight against corruption into a worldwide movement.

Township

Neyveli Township spread over 50 Sq.kms with about 21,000 residential quarters has a total population of about 1,35,000. The Township which was established in February 1959 has grown into a self-contained unit with all infrastructural facilities which include schools, college, sophisticated general hospital, library, swimming pools, air-conditioned auditorium, stadium, community welfare centre, recreation clubs, reading rooms, parks, banks,



shopping complexes etc. The township is a plastic free zone as use of plastic is totally banned. Waste plastic recycling machine has also been erected and commissioned in Feb. 2012. About 2 tonnes of plastic pellets have been produced by using waste plastic materials collected from residential areas of Neyveli Township and such pellets are used for laying of roads. A 60 MLD water treatment plant is functioning to treat the mine water into potable water for supply to Township. A 30 MLD modern sewage treatment plant is also in operation. Township with all facilities has also been established in Barsingsar.

Medical Services

The General Hospital in Neyveli with 355 beds remains the major provider of service in various base specialties like emergency care, general medicine, surgery, paediatrics, obstetrics & gynaecology, eye, ortho, ENT, skin, psychiatry and chest medicine. The General Hospital undertakes programmes that address health issues at the five major levels of preventive, promotive, curative, rehabilitative and disability limitation strategies. The hospital contributes to the goal of conducting various National Health programme like Family Welfare Programme, Tuberculosis Control Programme, Leprosy Control Programme, Immunisation Programme, Aids Control Programme, Blindness Prevention Control Programme and Breast Feeding Promotion etc.

This hospital fulfils the statutory requirement of meeting the Occupational health and safety needs of miners as per the guidelines of Director General of Mines Safety (DGMS) and thermal employees under requirement of OHSAS18001. NLC's Occupational Health Services (OHS) has been acclaimed as the centre of excellence. OHS-NLC is also the recognised centre for conducting medical examination to assess fitness of miners as per the directive of DGMS.

Corporate Social Responsibility

Your Company, as a socially responsible corporate citizen, has been carrying out development works in the surrounding villages, right from its inception.

- An Annual CSR budget of not less than 1% of the profit after tax has been created by your Company and the CSR projects are monitored periodically by a Sub-committee of Board of Directors. Your Board of Directors have sanctioned ₹14.11 crore as budget for CSR projects for the year 2013-14.
- Base line survey is conducted by your Company before commencement of any CSR Projects.
- Time frames and various milestones are fixed before commencement of any Project.
- Initiatives of State Governments/Central Government Departments/Agencies are dovetailed/synergized with the CSR activities of your Company.

The CSR expenditure of your Company for the year 2012-13 is ₹14.26 crore. The major CSR initiatives undertaken during the year 2012-13 are given below:-

CSR - Peripheral

From the year 1998, the system of executing capital works for the development of social infrastructure in the surrounding villages has been streamlined and a structured Peripheral Development Scheme is in operation for the benefit of the villages surrounding Neyveli. Under this scheme, infrastructure and development works like provision of drinking water by sinking/maintaining bore wells, construction of roads, school buildings, libraries, bridges, developing medical facilities, de-silting of lakes etc., are carried out. Works numbering 19 for a value of ₹396.64 lakh have been completed during the year 2012-13 for the benefit of population in 16 peripheral villages, while 12 nos. of development works for an estimated value of ₹837.90 lakh are in progress. Your Company provides water to nearby villages for irrigating over 23,000 acres of land.



CSR - Community

As part of CSR for the community at large, your Company has proposed to provide social infrastructure facilities to the Igloo village in Leh-Ladakh area which was devastated by cloud burst and consequent landslide during August 2010, at an approximate value of ₹3 crore and this provision is in addition to the allocations under CSR budget. The recent unprecedented flood situation in Uttarakhand had resulted into a large scale damage to the people and property. As this was a national calamity, your Company as part of CSR initiative contributed ₹2.5 crore to the Prime Minister's Relief Fund. This was in addition to other CSR Projects taken up for the year 2013-14.

Since 1987, your Company has been extending all assistance including grant and infrastructure to Sneha Opportunity Services to run a day-care education and training centre for special children of the region. Moreover, Neyveli Health Promotion and Social Welfare Society patronised by your Company has been serving the society by supplying artificial limbs/calipers to the differently abled, apart from running a school for the hearing impaired and a Computer Centre imparting training for physically challenged, widows and destitute and gainfully employing them.

Your Company has been conducting various CSR focused training programmes for the benefit of the students, teachers and others of Neyveli region and 8,707 persons have been benefitted during the year 2012-13.

CSR - Education

Your Company recognises the importance of education in human development of the region and offers best education facilities to the students through its 13 schools – 3 Higher Secondary Schools, 2 High Schools, 5 Middle Schools and 3 Elementary Schools under its management. These schools have been providing education to the students from the peripheral villages also along with the wards of your Company's employees.

Your Company extends infrastructural support and also periodical financial grants to Jawahar Education Society, which provides education not only to the wards of employees but also to the children of villages around Neyveli Township.

An Industrial Training Institute in Barsingsar village is functioning to impart technical skills in various trades to the population around the project site.



CSR - Health

Your Company also provides quality medical treatment and occupational health service through its General Hospital to all inhabitants of the Neyveli Township and its surrounding villages.

During the year 2012-13:

- Free medical consultation was extended in 1,79,972 instances of out-patient treatment to the rural public. 24,600 patients were given emergency treatment for various causes.
- Medical treatment identity books have already been issued to 10,200 eligible contract workmen for availing medical treatment for self and their family members including inpatient treatment at free of cost. Comprehensive health care services were rendered to more than 33,000 contract workmen and their dependents.



- Community Health Screening for diabetes, hypertension and HIV covering 14,814 persons during the Annual Book Fair and Safety Week Celebration and counseled for behavioural change.
- 24 medical camps were conducted in peripheral villages which are located within 15 Kilometer radius of Neyveli Township. 11,824 persons were health-screened and given medical advice and medicines in the camps.
- 4 Eye-camps were conducted in association with the “District Blindness Control Society” of Cuddalore in the identified villages, viz., Mangalore, Periyakurichi, Palakkollai and Eraiur. 2,265 persons were screened for eye defects. In the follow-up, 232 patients have undergone Cataract Operation.
- From February 2013 onwards, your Company is providing nutritious food supplement to 272 HIV affected children belonging to the Cuddalore District HIV Positive Society, Cuddalore.



Contribution to the cause of Women

NLC Chapter of “Forum of Women in Public Sector” (WIPS) under the aegis of SCOPE is being patronised by your Company. Your Company provides all the requisite support to this forum in organising various programmes for the growth and development of women.

Visit of Parliamentary Committees

- Department related Parliamentary Standing Committee on Science & Technology, Environment & Forest, reviewed the steps taken to mitigate pollution in Steel, Power, Mines & Coal Sectors.
- Parliamentary Standing Committee on Industry reviewed MoU Performance of your Company.
- Study Tour Programme of the Parliamentary Standing Committee on Coal & Steel, reviewed the production of Coal & Lignite - Projections, Planning & Stock study.
- Department related Parliamentary Standing Committee on Industry, reviewed the capacity addition and expansion of manufacturing facilities.

Awards & Recognition

Awards received by your Company during the year 2012-13 are given below:

- Gold Trophy of “SCOPE Meritorius Award for Environmental Excellence and Sustainable Development” for the year 2011-12.
- ‘Indira Gandhi Paryavaran Puraskar Award 2009’, (Organisational Category) instituted by Union Ministry of Environment and Forests appreciating the outstanding contribution in the area of environment conservation and creating environment awareness.
- ‘India Power Award 2012’ instituted by Council of Power Utilities for developing the energy sector.
- ‘IPE CSR Corporate Governance Award’ instituted by Institute of Public Enterprises for the dedicated service to the society.

**Compliance under Persons with Disabilities Act, 1995**

Your Company ensures compliance of provisions under the Persons with Disabilities Act, 1995. Suitable arrangements/modifications are made in the working place to meet the requirements of persons with disability.

Compliance under the Right to Information Act, 2005

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

During the year 2012-13, 352 number of requests containing 1739 queries were received and as on the date of this report 1727 requests have been complied with.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSME) has notified the Public Procurement Policy. In terms of the above notification, an annual target for procurement from MSME was set for the three years beginning from the FY 2012-13. The target set for the FY 2012-13 for procurement of such items which are within the scope of MSMEs was 10% and as against the same the achievement was 27.14%.

Citizen's Charter

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

Particulars of Employees

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 – Nil.

Energy Conservation and Research & Development

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 regarding energy conservation measures, technology absorption and expenditure on R&D are furnished in Annexure-1.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis Report is furnished in Annexure-2. The report on Corporate Governance and the Auditors' Certificate on the compliance of Corporate Governance conditions stipulated by Clause-49 of the Listing Agreement and DPE guidelines are furnished in Annexure-3 and 4 respectively.

Auditors**Cost Audit**

M/s. M. Krishnaswamy & Associates, Cost Accountants, were appointed as the Cost Auditors for the year 2012-13, to carry out the cost audit for the Mines & Power Stations of the Company. The Cost Audit Report for the year 2011-12 was filed with the Ministry of Corporate Affairs on 15.01.2013 against the due date of 28.02.2013.

Branch Audit

M/s. Surender K Goyal & Co., Chartered Accountants, has been appointed as the Branch Auditors for the year 2012-13 by Comptroller and Auditor General of India (C&AG) for conducting the audit of Mine and Thermal Units at Barsingsar.

**Statutory Audit**

M/s. L.U. Krishnan & Co., Chartered Accountants and M/s. Sreedhar, Suresh & Rajagopalan, Chartered Accountants, were appointed by the C&AG as Joint Statutory Auditors for the year 2012-13 under Section 619 (2) of the Companies Act, 1956. The Board of Directors of the Company has fixed ₹12 lakh plus applicable service tax as the Statutory Audit fees, to be shared equally by the Joint Statutory Auditors in addition to reimbursement of out of pocket expenses at actual.

C&AG's Comments

C&AG's comments on the accounts for the year ended 31st March 2013 is furnished in Annexure-5.

Directors' Responsibility Statement as per Section 217(2AA) of the Companies Act, 1956

The Board of Directors declares:

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that 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 of the Company for that period;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the annual accounts on a going concern basis.

Board of Directors

Shri. N. Sundaradevan, the then Principal Secretary to the Government of Tamil Nadu relinquished the Directorship on 30.09.2012 consequent on his superannuation.

Shri. Vikram Kapur, the then Principal Secretary to the Government of Tamil Nadu (GOTN), Industries Department was appointed as a Director w.e.f.14.11.2012 and Shri. Vikram Kapur held the office till 18.12.2012. Shri. N.S. Palaniappan, Principal Secretary to GOTN, Industries Department has been inducted into the Board as an Additional Director w.e.f. 16.01.2013.

Ms. Zohra Chatterji, the then Special Secretary, Ministry of Coal (MOC), Government of India (GOI), relinquished the Directorship w.e.f.01.02.2013. Dr. A.K. Dubey, Additional Secretary, MOC, GOI has been inducted into the Board as an Additional Director w.e.f. 03.04.2013.

Shri. J. Mahilselvan relinquished the position of Director on 28.02.2013 on attaining the age of superannuation. Shri. S. Rajagopal and Shri. M.S. Ravindranath have been inducted into the Board as Additional Directors w.e.f. 01.03.2013 and 23.04.2013 respectively.

The Board places on record its appreciation for the valuable contribution made by Ms. Zohra Chatterji, Sarvashri N. Sundaradevan, Vikram Kapur and J. Mahilselvan during their tenure as Directors on the Board of the Company.

Sarvashri Sarat Kumar Acharya, R.K. Mishra, M.M. Sharma and A.P.V.N. Sarma, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.



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 Finance, Ministry of Environment & Forest, Ministry of Industry, Ministry of Labour, Ministry of Heavy Industries, Planning Commission, Central Electricity Authority, Central Electricity Regulatory Commission, State Electricity Boards and beneficiaries of Tamil Nadu, Andhra Pradesh, 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), Mahanadi Coalfields Limited (MCL) and Hindalco.

The Board of Directors of your Company is pleased to acknowledge with gratitude the co-operation and continued support extended by the Government of Tamil Nadu and the Cuddalore District Administration. The Board also pleased to acknowledge the support extended by Government of Rajasthan and Uttar Pradesh and also the respective State Departments. The support and co-operation by the Comptroller and Auditor General of India, the Statutory Auditors, Director General of Mines Safety, the Factory & Boiler Inspectorates, the 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, the Company's Bankers 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 recognised 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 : Chennai
DATE : 15.07.2013

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR



Annexure-1

A. Conservation of energy

a. Energy Conservation activities carried out in various Units

- ❖ Cleaning of choked mud in Cooling Tower No.5 was carried out in TPS-I to bring down circulating water temperature.
- ❖ Modification of drain lines for effective utilisation of auxiliary steam header inter-connection system during unit starting up in TPS-I Expansion. This led to conservation of 8 Tonne of oil.
- ❖ Effective utilisation of day light solar energy through translucent sheet at roof in stores area in TPS-I Expansion.
- ❖ Replacing conventional tube lights by energy efficient T5 lamps in UCB area in TPS-I Expansion.
- ❖ Modification in Boiler Feed Pumps of Unit- II by replacing Labyrinth with mechanical seals in TPS-II.
- ❖ Operating six units in sliding pressure mode in TPS-II.
- ❖ 40 numbers of 75 KVAR capacitor banks were commissioned in GWC bore wells.
- ❖ Energy efficient T-5 series tube lights and CFL lamps are provided in new buildings of Mine-II.
- ❖ 80 numbers of LED based light fittings provided in the office rooms of administrative buildings, GWC pump starters, SMEs, Conveyors, BWE 1420, BWE 1572, Spreader-II and in tripper-229 in Mine-II.
- ❖ Energy efficient class cage motor of 7.5 KW capacities has been commissioned in BWE-1572 in Mine-II.
- ❖ 115 numbers of 2400 mm belt joints and 51 numbers of 2000mm belt joints were carried out using ceramic heater plates in Mine-II.
- ❖ PLC is introduced for the control and annunciation circuits in Mine-II Expansion BWE machines and also in 2000 & 2400 mm Conveyors, MTC-18 and Drive Head Control Systems in Mine-II.
- ❖ Variable Voltage Variable Frequency drive controls are introduced in the hoist/lower, slewing, track, cable drum, bucket wheel drives, BWE and belt drives of 2400 mm conveyors in Mine-II Expansion.
- ❖ Re-arrangement & Clubbing of loads on 25 MVA, 230/11KV Transformer in Sub-station were done during low load periods like conveyor shifting etc. in Mine-II.
- ❖ Excess drive motors in conveyors were isolated/removed depending upon the power requirement based on the length and lift in S3, S4, S5, M1, M2 and NL4 conveyors and in drive heads of New Surface Bench System.
- ❖ Sixteen number of 125 KVA APFC (Automatic Power Factor Controller) were commissioned to improve power factor of water supply pump distribution transformers in Township.
- ❖ 1850 numbers of CFL lamps, CFL lamp chokes and energy efficient electrical accessories were installed in Township. 40 numbers of 150W mercury vapour lamps were replaced with CFL lamps in Barsingsar Project.



b. Additional Investments proposal for the year 2013-14

The estimated cost of additional investment proposed for reduction of energy consumption is ₹918.13 lakh.

c. Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

The implementation of recommendation of energy audit in various Units and as well as other improvement/conservation measures resulted in a saving of 11.08 Million Units for the year 2012-13.

B. Technology Absorption

Efforts made in technology absorption

As per Form-B annexed.

Total foreign exchange earnings and outgo

Total foreign exchange used : ₹94.85 crore

Total foreign exchange earned : NIL

* * *

**FORM-B****Form for disclosure of particulars with reference to absorption of technology****I. Specific area in which R&D is carried out by the Company****The thrust areas of R&D during the year are:**

- i. The corrosion estimation and laboratory modelling of corrosion mechanism were extensively studied in the Coal S&T Project “Development of customised Organic Coatings for corrosion protection of Specialised Mining Equipments (SME) at Neyveli Lignite Mines” in collaboration with Central Electro Chemical Research Institute (CECRI), Karaikudi. Based on the modelling suitable coating has been developed.
- ii. New Coal S&T Project “Enhancing Life of De-watering pipes Coal/Lignite Mines by prevention of Erosion-Corrosion with Nano-Crystalline surface Engineering Treatments” has been sanctioned with a total outlay of ₹293.99 lakh with a project duration of 4 years. This is a joint project with National Institute of Technology, Tiruchirappalli. Sample collection and characterisation are in progress to develop erosion-corrosion models for different environment.
- iii. The Zeolite produced in the pilot plant facility at CARD in powder form was characterised at IIT, Kharagpur and the product exhibits good calcium removal ability. Suitable binder to make the powder form of Zeolite into pellets and size of the pellets suitable for water softening purpose have been identified. The Zeolite pellets were tested for its calcium binding capacity in the blow down water and ground water. The efficiency of the pellets were found good. A column study for removal of calcium from circulating water in a pilot scale will be carried out using the pellets.
- iv. Better utilisation of bottom ash (generated in thermal power plants) as partial replacement of sand in construction activities has been achieved by a collaborative study with VIT/Vellore. Confirmation tests were carried out by making mortar cubes with different mix proportions using bottom ash and the strength properties were compared with cubes made using river sand. Since the results are encouraging a pilot scale production of Blocks and Reinforced Cement Concrete products will be taken up.
- v. In order to develop green cover in the slag dump area in Mine-II detailed soil investigation was taken up, since the area is not suitable for natural vegetation. Investigation revealed that the soil in that area is highly acidic and devoid of any major plant nutrients. Field trials will be carried out after selecting the plant and tree species which can grow in that area with suitable amendment for reclamation.
- vi. The possibilities of enhancing the heat value of lignite by up-gradation is being explored. Non Disclosure Agreement has been signed with M/s. KOBELCO, Japan to produce upgraded lignite by removing the moisture content.

**II. Benefits derived as a result of R&D**

- i. In this financial year more licenses were issued through M/s. National Research Development Corporation (NRDC) to commercialise the patented process of Potassium Humate production from lignite. Total licenses issued so far is six and two firms had commercialised the process by establishing commercial plant for the production of Potassium Humate.
- ii. Zeolite Synthesis process using Lignite fly ash has been filed for Patent.
- iii. Feasibility tests to remove iron from slag to the maximum extent possible using dry separation equipment such as magnetic and electrostatic separators were conducted at M/s. Indian Rare Earths Limited, Research Centre, Kollam. Studies indicate that the magnetic separators are showing higher separation efficiency and the iron enriched fractions could be potential raw material for utilising in the steel industry after enrichment of purity.

III. Future Plan of action

An Expression of Interest (EOI) has been issued to take up the following projects:-

- i. Studies on sources, effects and control of vibrations in SMEs deployed in Mines.
- ii. Electronification of Ground Water Control (GWC) and Conveyor Systems in Mines.
- iii. Studies on prediction of sintering risk based on lignite quality variation.
- iv. Dynamic loading of Conveyor Drive Heads in Mines.
- v. Soil strata identification for safe SME operation.
- vi. Prevention and analysis of premature failures of Bucket Wheel Excavator (BWE) track systems used in lignite/coal Mines.
- vii. Delineating of buried sub-surface objects, hard bands in open-cast Mines.
- viii. Study of suitable remedial measures for increasing life of span of GWC wells constructed in clay dominated confined aquifer zones.
- ix. Dewatering of lignite.
- x. Development of erosion-corrosion resistant materials for storm water pumps in open-cast Mines.
- xi. Recycling of blow down water and moisture recovery from flue gas of Thermal Power Stations.
- xii. Conversion of lignite to liquid.
- xiii. Hydro seeding for plantation in the Mine dumping areas.

IV. Expenditure on R&D

(₹ in lakh)

Sl. No.	Description	Funded by		Total
		NLC	Other Agencies*	
1	Capital	102.75	0.00	102.75
2	Recurring expenditure	1115.20	3.50	1118.70
3	Total expenditure	1217.95	3.50	1221.45
4	Total R&D expenditure as % on turnover	0.22	-	0.22

* S&T projects funded by Ministry of Coal.



Annexure-2

Management Discussion and Analysis Report**Industry Structure and Development****Power**

India is the world's fifth largest electricity producer after the U.S., China, Japan and Russia. The rising standards of living of people in urban and rural India consequent to higher economic growth have led to a rise in power consumption. Electricity demand in India is growing at a significant rate and there is a need to add enough electric capacity to bridge the demand - supply gap. The Government of India through its various policy decisions in the last few decades has put this agenda on the priority list and has come out with more policy initiatives such as National Electricity Policy, Ultra Mega Power Project Policy, Tariff Policy etc., with an objective to bring in more capacity addition.

Almost 68% of the Country's installed capacity is based on coal followed by hydro at 18% and the balance from renewable energy sources and others. Growing environmental concerns have created interests in renewable energy sources and in order to harness green power to have sustainable growth, the GOI has come out with more incentive schemes to encourage power production from new and renewable sources of energy. The GOI has also created the National Clean Energy Fund (NCEF) with a main aim to fund research and innovative projects in clean energy technologies and such projects/ scheme relating to innovative methods to adapt clean energy/ technology and R&D are eligible for funding under NCEF. The Jawaharlal Nehru National Solar Mission launched by the GOI has set the ambitious target of deploying 20,000 MW of grid connected solar power by 2022. This objective of the Mission is to reduce the cost of solar power generation in the Country through (i) long term policy (ii) large scale deployment goals (iii) aggressive R&D and (iv) domestic production of critical raw materials, components and products, so as to make India a global leader in solar energy.

Demand and Production

Energy is essential for the economic growth and development of a Country and is recognised as a 'strategic commodity'. Any uncertainty in availability of energy threatens the economy of any Country. XII five year plan envisages that the total energy requirement to accelerate from 5.1% per year in the XI Plan to 5.7% per year in the XII Plan and 5.4% per year in the XIII Plan. The share of coal and lignite in commercial energy production is projected to be 67.52% in the terminal year (2016 - 17) of XII Plan and 66.82% in the terminal year (2021-22) of XIII Plan. The supply from renewable energy sources is expected to increase rapidly from 24,503 MW by the end of the XI Plan to 54,503 MW by the end of the XII Plan and 99,617 MW by the end of XIII Plan.

During the year 2012-13 a capacity addition of 2.67 Giga Watt (GW) of power has been achieved in the Country. The total All-India installed capacity as on 31st March, 2013 is 223.36 GW and out of that thermal power generation accounts for 151.53 GW, Nuclear 4.80 GW, Hydro 39.49 GW and the Renewable Energy Sources (RES) 27.54 GW. RES includes small hydro projects, biomass power, wind energy and solar power.



Coal and Lignite

Coal and Lignite is continuing with its dominant role in the commercial energy spectrum of India. Consequent to the limited availability of other conventional sources of energy, coal and lignite have become the best source of energy and particularly the lignite as a fuel for generation of power in the southern part of the Country.

As per Geological Survey of India (GSI), the present geological reserves of Coal in India as on 01.04.2013 was 298.91 BT for coal seams of 0.9 metre and above and upto a depth of 1200 metre. The proved category is 123.18 BT and the indicated category is 142.63 BT and the remaining 33.10 BT is of inferred category. As per the provisional coal statistics published by Coal Controller's Organisation under Ministry of Coal, the total coal extracted since 1950 upto 2012-13 is around 11.97 BT.

In India the lignite reserves are available in the States of Tamilnadu, Rajasthan, Gujarat, Jammu & Kashmir, Paschim Banga, Kerala and Union Territory of Puducherry. Your Company as the nodal agency for lignite exploration and exploitation schemes in the Country, is involved in assessing and evaluating the reported occurrence of lignite besides locating new deposits. In addition GSI, MECL and State Government Departments are also carrying out lignite explorations.

Lignite Inventory as on 01.04.2013

(Reserve in million tonnes)

State	Category-wise Lignite resource			Grand Total
	Proved	Indicated	Inferred	
Tamilnadu	3735.23	22900.05	7712.43	34347.71
Rajasthan	1167.02	2671.93	1850.57	5689.52
Gujarat	1278.65	283.70	1159.70	2722.05
Jammu & Kashmir	0.00	20.25	7.30	27.55
Paschim Banga	0.00	1.13	1.64	2.77
Kerala	0.00	0.00	9.65	9.65
Puducherry	0.00	405.61	11.00	416.61
Total	6180.90	26282.67	10752.29	43215.86

At present lignite production in the Country has reached a level of 46.47 million tonnes. As per the National Lignite Inventory prepared by GSI, the total lignite mined out till 31.03.2013 is 763.33 MT.

Demand and Production

Central Electricity Authority (CEA) has indicated a coal based capacity addition of 79010 MW during the XII Plan period and a coal based generation programme of 1155 BU in 2016-17. CEA has also indicated that 38905 MW coal based capacity addition is in various stages of implementation. As per the capacity addition programme envisaged by CEA, 70% of the projected energy requirement is based on coal and thus the coal requirement for the power sector works out to 682 million tonnes in 2016-17.

Major consumer of lignite is the power generating Companies. The Working Group on Coal and Lignite has projected the installed capacity of the Lignite based power stations at 7491 MW at the end of XII Plan and 11091 MW at the end of XIII Plan as against the installed capacity of 5211 MW at the end of XI Plan. With the above projected installed capacity and anticipated increased demand for lignite from other sectors such as Cement, Chemical, Textiles, Paper etc., the total lignite demand has been projected at 300.30 MT for XII Plan. The demand projected at the terminal year of XII Plan and XIII Plan are 71.96 MT and 108.62 MT respectively.



While projecting the production for the XII Plan period, the Working Group on Coal and Lignite has estimated that coal production to grow from 551.90 MT in 2011-12 to 715.00 MT in 2016-17 and to 950 MT in XIII Plan, with a CAGR of 5.08% and 5.85% respectively, in business as usual scenario.

As far as lignite is concerned, it has been estimated that the total Lignite production at 290.16 MT for the entire XII Plan period and the availability at the terminal years of XII Plan and XIII Plan are projected at 68.60 MT and 104.55 MT respectively.

Under Ground Coal Gasification/Coal Bed Methane

In order to exploit the deep seated lignite deposits which are not amenable for conventional mining alternate technologies such as Underground Coal Gasification (UCG) and extraction of Coal Bed Methane (CBM) are under developmental stage.

For development of UCG projects your Company has renewed the MoU with ONGC and has also proposed to enter into an MoU with Rajasthan State Petroleum Corporation Limited for implementing UCG projects in Rajasthan through a developer agency on profit sharing basis. Your Company is also contemplating to enter into an MoU with GAIL for development of surface gasification plant using lignite.

SWOT analysis

Strength

- Fuel and water security - Availability of lignite and water for power generation.
- Long experience and expertise in operation, maintenance, trouble shooting and project management in open-cast mining, power generation.
- Harmonious industrial relations.
- Pioneering position in open-cast lignite mining with SME technology and lignite fired power station in the Country.
- Committed and experienced employees.
- Highest domestic credit rating.

Weakness

- Mines moving towards higher stripping ratio and consequent increase in cost of mining.
- Necessity of pumping of water below the lignite seam for safe mining leading to higher cost of production.

Opportunities

As stated earlier the power sector would continue to play a dominant role in the economic development of the Country. As stated in the "Approach to XII Five Year Plan" brought out by the Planning Commission, the XII Plan aims to add a capacity addition of 100 GW. The above document also envisages a demand for grid power to grow by 6% p.a. to 1200 BU at the end of XII Plan in order to sustain a GDP growth of 9%. According to the report of the Working Group on Power for XII Plan, the peak demand and energy requirement during the terminal year of XIII Plan is expected to be 290 GW and 1993 BU respectively and the corresponding capacity addition that may be required to meet the above demand is 93 GW. The growing demand for energy, particularly electrical energy from various sectors, both organised and un-organised and added with the demand on account of increased access from rural areas, is certainly an opportunity for the growth of power sector.

As stated earlier, the thrust given by Government of India for development of power sector in the form various policy initiatives/incentives is also giving impetus for the growth of this sector.



Threats

The major threat or concern for the power generators is the belated/non-settlement of power bills by State beneficiaries. However, Government of India has taken steps to overcome the crisis of State Electricity Boards (SEBs) through extending financial restructuring package for such SEBs that were burdened with heavy losses.

Resistance to land acquisition, demand for enhanced compensation, demand for employment and higher cost for rehabilitation & resettlement measures for land evictees may affect long term mining plan.

The power tariff regulation prescribes cap on expenditures on O&M for the purposes of tariff calculation and also on the return on equity. In the days where the cost of generation is on the increasing trend on account of cost increase of various input factors, the above regulatory cap may impact the profitability of the generators and in the long term may affect further investments in this sector.

Most of the lignite deposits in the Country are available in the States of Tamil Nadu followed by Rajasthan and Gujarat. More than 85% of the total available reserves are deep seated or otherwise have high stripping ratio due to thin seams with higher overburden in nature, which are not amenable to conventional mining. Technology to tap the deep seated reserves are in the nascent stage. Further, adverse geological conditions for lignite mining also increase the stripping ratio resulting in higher excavation cost.

Segment-Wise Performance

Covered in the main report.

Outlook

The total power generation capacity of the Company including TPS-II Expansion project under construction in Neyveli is 3240 MW. The present lignite mining capacity of the Company is 30.6 MTPA. Neyveli New Thermal Power Project (1000 MW) which is a replacement of the existing TPS-I (600 MW), is under implementation. Besides the above projects, green energy projects viz., Wind Power project (50 MW) and Solar Power project (10 MW) are also under implementation. Taking into account the other projects under consideration viz., Bithnok Power Project (250 MW), Barsingsar Extn. Power Project (250 MW), Sirkali Coastal Power Project (4000 MW), the total power generation would increase to 8200 MW by the end of XII/XIII Plan. The proposed Mine projects in Bithnok, Hadla and Palana blocks including Devangudi Block and after re-structuring of Mines the total capacity would increase to 38.35 MTPA during the XIII Plan period.

Recently, the Government of India had invited applications from State Government/ Government Companies for allotment of coal blocks. Your Company has been allocated Jilga-Barpali coal block in the State of Chhattisgarh for its proposed Sirkali Power Project. In respect of JV Ghatampur Power Project implemented through the Subsidiary Company viz., Neyveli Uttar Pradesh Power Limited, Pachwara-South Coal Block in the State of Jharkhand has been allocated. Your Company has also initiated for acquisition of coal assets abroad for which an Expression of Interest has been floated and the offers received are under evaluation. Acquisition of coal assets abroad would enable your Company to fulfil the conditions prescribed by CEA with regard to use of imported coal through blending with domestic coal in the ratio of 30:70.

As Members may be aware, your Company had earlier approached Ministry of Power through Ministry of Coal for exemption of lignite based power projects from tariff based competitive bidding route. The reason for seeking such exemption was that the lignite based power projects require higher gestation period as well as higher capital because of its low heating value and therefore the tariff of a lignite based power project cannot compete with a coal based power project of equivalent capacity.

In this regard, Ministry of Power has advised to take up lignite based power projects under case-II of the competitive bidding. Under Case-II, the procurer of power specifies location specific project with specific fuel



allocation such as captive mine. Lignite based power project can be set up through this mechanism only when such bids are invited by a party who specifying that power should be generated using lignite available at the identified location. Under these circumstances setting up of any lignite based power plant is possible only when the intending procurer invites bids under the above category. In view of the above, the Ministry of Coal has again been addressed to take up with the Ministry of Power to accord exemption to Lignite based Thermal Power Projects.

JV projects

The Tuticorin Thermal Power Project (1000 MW) under implementation by NLC Tamilnadu Power Limited, the Subsidiary Company, is anticipated to be commissioned during the year 2013-14. Obtaining GOI sanction for implementation of the Ghatampur Thermal Power Project (1980 MW) through the NUPPL, the subsidiary Company is in process. This project is anticipated to be commissioned during XII/XIII Plan. Your Company is also entitled to 15% share of the total capacity (20.0 MTPA) of coal mined out by MNH Shakti Limited, the JV project.

Risks and Concerns

- ❖ Mounting power sale arrears from DISCOMS of Southern States due to their poor financial health.
- ❖ Company geographically situated in a cyclone prone area and hence possible disruption of mining activities during monsoon periods.
- ❖ Lignite seam washout condition in the operating mines affecting production of lignite and consequentially power generation of linked power stations.
- ❖ Higher stripping ratio leading to higher operation cost of lignite excavation.
- ❖ Cap on O&M expenses and other stringent norms prescribed by regulatory authority affecting power tariff and any adverse changes in the tariff policy may impact the profitability of the Company.
- ❖ Delay in implementation of the projects .
- ❖ Resistance to acquisition of land for mining and power projects hampering capacity addition programmes/ mine advancement.
- ❖ Higher outgo towards rehabilitation and resettlement packages and other issues connected thereto like demand for employment of land evictees etc.

Internal control systems and their adequacy

The Company has well-established internal control systems and procedures commensurate with its size and nature of business with an approved and well laid out delegation of authority, Purchase, Contracts and Personnel Manuals. The internal audit is conducted by five 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.

Discussion on financial performance with respect to operational performance

Covered in the main report.

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

Covered in the main report.

* * *



Annexure-3

Report on Corporate Governance

Mandatory Requirements

Company's Philosophy on Code of Governance

Transparency, accountability and integrity are the main ingredients of 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, 2013, the Board of Directors of your Company comprised an Executive Chairman, four Executive Directors, one Non-executive Director and eight Independent Directors. The said composition is fully complying with the requirements prescribed under the Listing Agreement with the Stock Exchanges and the guidelines issued by Department of Public Enterprises.

The particulars regarding composition of Board of Directors as on 31st March, 2013 and other details are furnished below:

Sl. No.	Name (Sarvashri)	Designation	Other Directorships* held as on 31.03.2013	Other Committee** Memberships held as on 31.03.2013	
				As Member	As Chairman
Executive Directors					
1	B. Surender Mohan	Chairman-cum-Managing Director	2	-	-
2	R. Kandasamy	Director (Planning & Projects)	3	2	-
3	Sarat Kumar Acharya	Director(Human Resource)	-	-	-
4	Rakesh Kumar	Director(Finance)	2	1	-
5	S. Rajagopal	Director (Power)	1	-	-
Non-executive Director					
6	N.S.Palaniappan	Principal Secretary to the Govt.of Tamil Nadu, Industries Department - Part-time official Director	13	-	-
Independent Directors					
7	Sanjay Govind Dhande	Part-time Non- official Director	-	-	-
8	S.K.Roongta	-do-	8	5	1
9	L.N.Vijayaraghavan	-do-	2	-	-
10	A.P.V.N.Sarma	-do-	6	1	-
11	M.B.N.Rao	-do-	14	6	3
12	M.M.Sharma	-do-	-	-	-
13	V.Murali	-do-	1	-	-
14	R.K.Mishra	-do-	2	-	1

*Private Limited Companies and Section 25 Companies are excluded.

**Audit Committee and Shareholders/Investors Grievance Committee.



Board Procedures

The Chairman-cum-Managing Director (CMD) has been delegated with certain administrative and financial powers by the Board of Directors. Major decisions involving large capital expenditure, annual plans, award of major contracts, mobilisation of resources, loans and investments (other than short-term investments), borrowings, all policy decisions including policies relating to all human resource matters are decided only at the meetings of the Board. The Board of Directors of the Company have constituted various Sub-committees of the Board as detailed in this report and the said committees exercise the powers as per the delegation granted.

Dates of Board Meetings and Directors' Attendance

During the financial year 2012-13, 11 meetings of the Board of Directors were held on the following dates:

9th April, 2012, 28th May, 2012, 22nd June, 2012, 27th July, 2012, 28th August, 2012, 14th September, 2012, 15th October, 2012, 9th November, 2012, 17th December, 2012, 28th January, 2013 and 27th February, 2013.

The details of attendance of Directors at the Board Meetings held during the financial year 2012-13, are as under:

Name (Sarvashri)	No. of meetings attended out of 11 held	Remarks
B.Surender Mohan	11	
R.Kandasamy	11	
Sarat Kumar Acharya	9	
Rakesh Kumar	10	Assumed charge as Director (Finance) w.e.f. 23.05.2012
S.Rajagopal	-	Assumed charge as Director (Power) w.e.f. 01.03.2013
A.R.Ansari	3	Relinquished on 30.06.2012 on superannuation
N.S.Palaniappan	-	Inducted w.e.f. 16.01.2013
J. Mahilselvan	10	Relinquished on 28.02.2013 on superannuation
Ms.Zohra Chatterji	9	Relinquished w.e.f. 01.02.2013
N.Sundaradevan	-	Relinquished w.e.f. 01.10.2012
Vikram Kapur	-	Inducted w.e.f. 14.11.2012 and relinquished w.e.f. 19.12.2012
Sanjay Govind Dhande	7	
S.K.Roongta	3	
L.N.Vijayaraghavan	11	
A.P.V.N.Sarma	10	
M.B.N.Rao	6	
M.M.Sharma	10	
V.Murali	11	
R.K.Mishra	11	

**Annual General Meeting Attendance**

Shri. B. Surender Mohan, CMD, Sarvashri. R. Kandasamy, J. Mahiselvan, Sarat Kumar Acharya, Rakesh Kumar, S.K. Roongta, A.P.V.N.Sarma, L.N. Vijayaraghavan, M.B.N. Rao, M.M. Sharma, V. Murali, R.K. Mishra and Dr. Sanjay Govind Dhande, Directors attended the last AGM held on 14th September, 2012.

Board Committees

The following Sub-committees have been constituted by the Board of Directors:

Empowered Committee

This Committee comprises CMD, Director (Finance), Director (Planning & Projects) and the Functional Director concerned, in whose operational area, the proposal belongs to, as its Members. This Committee accords approval for certain activities relating to purchase/contracts, as delegated by the Board, prior to award of order/contract.

Sub-Committee on Purchase/Contracts

The Sub-committee on Purchase/Contracts accords approval for award of order/contract as per the delegation granted by the Board of Directors. Presently, this committee comprises Shri. B. Surender Mohan, CMD as its Chairman and Sarvashri R. Kandasamy, Rakesh Kumar, S. Rajagopal and M.S. Ravindranath, Directors as its Members.

Project Sub-Committee

Project Sub-committee has been constituted by the Board of Directors of the Company to examine the proposals including Feasibility Reports for investment in New/Expansion/Joint Venture Projects or any capital expenditure exceeding the value prescribed by the Board and to make appropriate recommendations to the Board. Further, this Committee has also been mandated by the Board to review periodically the status of projects under implementation by the Company. This Committee presently comprises Shri. B. Surender Mohan, CMD as its Chairman and Sarvashri R. Kandasamy, Rakesh Kumar, S. Rajagopal, M.S. Ravindranath, S.K. Roongta, L.N. Vijayaraghavan and A.P.V.N. Sarma, Directors as its Members.

Audit Committee

The Committee presently comprises Shri. V.Murali, Director as its Chairman and Sarvashri L.N. Vijayaraghavan, R.K. Mishra and M.B.N. Rao, Directors as its Members and all are Independent Directors. The terms of reference of Audit Committee conform to the requirements of Section 292A of the Companies Act, 1956, Clause-49 of the Listing Agreement with the Stock Exchanges and the DPE guidelines on Corporate Governance.

The details of attendance of members for the Audit Committee meetings held during the year 2012-13 are as under:

Name of the Director (Sarvashri)	No. of meetings held during the period of Office	No. of meetings attended
V. Murali	6	6
L.N. Vijayaraghavan	6	6
M.B.N. Rao	6	4
R.K. Mishra	6	4

Note: Company Secretary is the Secretary to the Audit Committee.

**Sub-committee for Contribution/Donation/Sponsorship**

This Sub-committee of Board of Directors accords approval for proposals for Contribution/Donation/Sponsorship by the Company up to the value delegated by the Board. This Committee presently comprises Shri. B. Surender Mohan, CMD as its Chairman and Sarvashri Sarat Kumar Acharya, Rakesh Kumar and M.S.Ravindranath, Directors as its Members.

Sub-committee for Resource Mobilisation

This Committee presently comprising Shri. B.Surender Mohan, CMD as its Chairman and Sarvashri Rakesh Kumar, S. Rajagopal and M.S. Ravindranath, Directors as its Members accords approval for carrying out certain delegated functions in connection with the borrowing/debt raising proposals which have been approved by the Board.

Sub-committee for Short-term Investment

Surplus money, as may be available with the Company from time to time are placed as Short-term deposits as per DPE guidelines and the Board approved investment policy, with the approval of this Sub-committee presently comprising Shri. B. Surender Mohan, CMD as its Chairman, Shri. Rakesh Kumar, Director and any one of the other Functional Directors as its Members.

Committee of Directors for issue of Share/Bond Certificates

This Sub-committee presently consisting of Shri. M.M. Sharma, Director as its Chairman and Sarvashri R.K. Mishra and Rakesh Kumar, Directors as its members, accords approval for issue of Share Certificates against split/consolidation/duplicate share/bond certificate requests and also for issue of share/bond certificates against rematerialisation requests and in lieu of mutilated certificates.

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee presently comprising Shri. M.M. Sharma, Director as its Chairman and Sarvashri Rakesh Kumar and A.P.V.N. Sarma, Directors as its Members, look into the redressal of Shareholders/Investors grievance and review the action taken by the Company.

Integrated Enterprises (India) Ltd., Chennai, is the Share Transfer Agent and the Depository Registrar (STA & DR) of the Company and they attend to transfers/transmission and other requests lodged with the Company. The STA & DR also co-ordinate with NSDL & CDSL, the Depositories and attend to Investors' complaints.

The complaints received from shareholders are monitored regularly and redressal action is taken immediately. During the year, 195 complaints were received from the shareholders/investors, generally pertaining to non-receipt of dividend and Annual Report. As per the report received from the Share Transfer Agent, there were 7 complaints pending for redressal as on 31.03.2013 and all have been redressed during the month of April 2013. As reported by the STA & DR, as on 31st March, 2013, barring 1 application for share transfer lodged with the Company during the last fortnight of March 2013, all other applications for share transfer have been processed. The said 1 application has also been processed in the month of April 2013.

As per the Listing Agreement, the Company Secretary is the Compliance Officer and the activities of the STA & DR are under the supervision of the Compliance Officer.

Sub-committee for Pricing of Lignite and Power

This Committee presently comprising Shri. B.Surender Mohan, CMD as its Chairman and Sarvashri Rakesh Kumar, S. Rajagopal and M.S. Ravindranath, Directors as its Members approves the policies and issues relating to transfer price of lignite, lignite price and policy in respect of sales to outsiders and further approval of this Committee is required for fixation of tariff for power sales, if any, made to direct consumers.



Remuneration Committee

The appointment of Executive Directors including the Chairman-cum-Managing Director is contractual in nature and the remuneration is paid to them as per the terms of their appointment made by the Government of India. However, for finalising the Performance Related Pay for Executive Directors, Executives and Non-unionised Supervisors, as required under the DPE guidelines, the Board has constituted the Remuneration Committee and this Committee presently comprises Shri. A.P.V.N. Sarma, Director as its Chairman and Sarvashri M.M. Sharma, S.K. Roongta and V. Murali, Directors as its Members. Shri. Rakesh Kumar, Director as its Co-opted Member and Shri. Sarat Kumar Acharya, Director as its Member-Convenor. No meetings were held during the year.

CSR Committee

This Committee presently comprising Shri. R.K. Mishra, Director as its Chairman, Shri. V. Murali, Director as its Member and Shri. Sarat Kumar Acharya, Director as its Member-Convenor, evaluate specific CSR initiatives of the Company and also monitor implementation of the same.

Committee on Sustainable Development

The Sub-committee on Sustainable Development has been constituted by the Board of Directors of the Company to examine the proposals for approval of Sustainable Development Plan and the allocation for individual projects. This Committee presently comprises Director (Power) and Director (Mines) as its Members and Director (P&P) as the Member-Convenor.

Risk Management Committee

The Risk Management Committee has been constituted by the Board of Directors of the Company to review the periodic reports and submit appropriate recommendations to Board. This Committee presently comprises Shri. L.N. Vijayaraghavan, Director as its Chairman and Sarvashri R. Kandasamy, Rakesh Kumar and R.K. Mishra, Directors as its Members.

Remuneration Details

The details of remuneration paid to the following Executive Directors during the year 2012-13 are as under:

Sl. No.	Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits (₹)	Performance Related Pay (₹)*
1.	B. Surender Mohan	17,10,183	10,47,242	7,90,973
2.	R. Kandasamy	17,34,794	9,28,569	6,07,507
3.	Sarat Kumar Acharya	18,09,453	8,94,435	2,18,985
4.	Rakesh Kumar	12,90,606	7,01,719	-
5.	S. Rajagopal	1,29,525	69,937	-

*Performance Related Pay for 2010-11 paid in 2012-13.

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 2012-13 no bonus/commission was paid and no Stock Options were issued to them.

No remuneration is being paid to Part-time official Directors nominated by the Government of India and to the Independent Directors on the Board. Independent Directors are being paid Sitting fee @ ₹20,000/- for attending the meetings of the Board of Directors and ₹15,000/- for the meetings of the Sub-Committees thereof.



The details of sitting fees paid to Independent Directors during the year 2012-13 are as under:

Sl. No.	Name of the Director (Sarvashri)	Sitting fee paid for (₹)	
		Board Meetings	Committee Meetings
1.	Sanjay Govind Dhande	1,40,000	60,000
2.	S.K.Roongta	60,000	15,000
3.	L.N.Vijayaraghavan	2,20,000	1,20,000
4.	A.P.V.N.Sarma	2,00,000	60,000
5.	M.B.N.Rao	1,20,000	60,000
6.	M.M.Sharma	2,00,000	1,20,000
7.	V.Murali	2,20,000	1,20,000
8.	R.K.Mishra	2,20,000	1,50,000

Status of unclaimed shares certificates in terms of clause 5A II of the Listing Agreement

There were 1300 equity shares pertaining to 7 shareholders lying unclaimed as on 01.04.2012. During the year 2012-13, one shareholder holding 200 equity shares has claimed the share certificates and the balance 1100 equity shares in respect of 6 shareholders are lying in the Unclaimed Suspense Account as on 31.03.2013.

Code of Conduct

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

“I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2013”.

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 2009-10	02.09.2010 11.00 Hrs	“Kamaraj Memorial Hall”, New No.492, Anna Salai, Chennai - 600 006.
AGM 2010-11	12.09.2011 11.00 Hrs	“Sathguru Gnanananda Hall”, Narada Gana Sabha, No.314, T T K Road, Chennai - 600 018.
AGM 2011-12	14.09.2012 11.00 Hrs	“Sathguru Gnanananda Hall”, Narada Gana Sabha, No.314, T T K Road, Chennai - 600 018.

Special Resolutions

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

Postal Ballot

There was no requirement for seeking approval of the members by Postal Ballot. Any decision for matters requiring approval of shareholders through postal ballot system will be obtained as prescribed in the Companies Act, 1956.

**Disclosures**

The Company, during the year, has not entered into any transactions of material nature with the Directors of the Company that may have potential conflict with the interests of the Company at large. No penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI on any matters relating to capital markets during the last 3 years. 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 3 years.

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) while the annual financial results are generally published in The Hindu, Business Line, The Economic Times, The Financial Express, Business Standard, New Indian Express (Tamilnadu) and Dinamani (Tamil). The financial results are also made available in the Company's website-www.nlcindia.com in addition to uploading of the same in the Corporate filing and Dissemination System of the Stock Exchange. The Company's official news releases are also being made available in the Company's website.

General Shareholder Information

AGM : Date, day, time and venue :

6th September, 2013 - Friday - 11.00 Hours
"Sathguru Gnanananda Hall", Narada Gana Sabha,
No. 314, TTK Road, Alwarpet, Chennai - 600 018.

Financial Calendar for the year 2013-14

Results for the quarter ending 30 th June, 30 th September, 31 st December	Within 45 days from the end of the quarter.
Audited Yearly results	Within 60 days from the end of the financial year.

Stock code

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Ltd.	513683
National Stock Exchange of India Ltd.	NEYVELILIG

Date of Book Closure

The Register of Members and the Share Transfer Register of the Company would remain closed from 28.08.2013 to 06.09.2013 (both days inclusive) for the purpose of ascertaining the list of shareholders entitled for final dividend, if any, declared at the ensuing Annual General Meeting.

Dividend payment date

The Final Dividend on declaration at the AGM, will be paid to the shareholders within 30 days from the date of AGM.

Listing on Stock Exchanges and payment of Listing fees

The equity shares of the Company and the Neyveli Bonds 2009 are presently listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges upto the year 2013-14.



Share Transfer System

The share transfer requests lodged with the Company are processed by the Company's Share Transfer Agent and approved by the Sub-committee for Investor Servicing constituted with senior officers of the Company, which meets depending upon the requirement.

Stock Market Data

The monthly high and low market price of the Company's shares during each month of 2012-13 as quoted at the Bombay Stock Exchange & National Stock Exchange and its comparative performance with the broad base BSE Sensex & NIFTY during the same period are as under:

Month	Share Price (BSE) (₹)		Share Price (NSE) (₹)		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April 2012	92.90	80.60	92.85	80.75	17,664	17,010	5,223	5,154
May 2012	84.00	70.60	85.00	70.50	17,432	15,810	4,909	4,789
June 2012	88.40	73.30	86.15	73.05	17,448	15,749	4,925	4,832
July 2012	86.55	79.85	86.60	79.40	17,631	16,598	5,126	5,032
Aug. 2012	90.65	77.00	90.40	77.20	17,973	17,027	5,237	5,210
Sep. 2012	89.90	76.95	89.90	76.65	18,870	17,251	5,261	5,218
Oct. 2012	89.60	81.30	89.40	81.50	19,137	18,393	5,684	5,634
Nov. 2012	85.60	78.85	85.90	74.00	19,373	18,256	5,614	5,548
Dec. 2012	83.65	79.50	84.00	79.60	19,612	19,149	5,886	5,850
Jan. 2013	87.80	79.60	87.90	79.60	20,204	19,509	6,005	5,947
Feb. 2013	85.15	70.50	85.35	70.05	19,967	18,794	5,839	5,749
March 2013	77.80	64.25	77.90	64.50	19,755	18,568	5,655	5,612

Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2013 is as under:

Category	No. of Shares	% to total
President of India	1569639900	93.56
Financial Institutions / Banks	1785778	0.11
Insurance Companies	78383497	4.67
Mutual Funds/ UTI	1070585	0.06
Bodies Corporate	2895223	0.17
Foreign Institutional Investors	976031	0.06
NRI	1121275	0.07
Public	21597729	1.29
Clearing Members	172987	0.01
Others	66595	0.00
Total	1677709600	100.00

**Depository Registrar and Share Transfer Agent**

M/s. Integrated Enterprises (India) Ltd., is the Depository Registrar and Share Transfer Agent for the Company. The details of their address, contact numbers are as under:

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

Distribution of Shareholding as on 31.03.2013

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of shareholding
1 - 500	96933	93.51	12127610	0.72
501 - 1000	3968	3.83	3258040	0.19
1001 - 2000	1529	1.47	2366390	0.14
2001 - 3000	450	0.43	1172425	0.07
3001 - 4000	206	0.20	757662	0.05
4001 - 5000	172	0.17	807902	0.05
5001 - 10000	229	0.22	1664345	0.10
10001 and above	178	0.17	1655555226	98.68
Total	103665	100.00	1677709600	100.00

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.

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.

Dematerialisation of shares and liquidity

The equity shares of the Company are compulsorily traded in dematerialised form as per the notification issued by SEBI. As on 31st March, 2013, equity shares numbering to 167,50,27,043 (99.84%) have been dematerialised by the shareholders. The Company's equity shares are actively traded on the Stock Exchanges.

Plant locations

Mine-I (including Expansion) Mine-IA, Mine-II (including Expansion), TPS-I, TPS-I Expansion and TPS-II are located in Neyveli in Cuddalore District in the State of Tamilnadu. Barsingsar Mine and Thermal Power Plant are located in the State of Rajasthan. TPS-II Expansion and Neyveli New Thermal Power Station are under construction in Neyveli. The Thermal Power Plant of NTPL the Subsidiary Company is under construction at Tuticorin in the State of Tamilnadu. A Thermal Power Plant will be set up in Ghatampur in the State of Uttar Pradesh on obtaining the sanction of GOI.

Address for correspondence

Shareholders/Investors may send their correspondence to the Company Secretary to either to the Registered Office at 'Neyveli House', No.135, Periyar EVR High Road, Kilpauk, Chennai-600 010 (Tel. No.044-28364617) or 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.com, the exclusive e-mail-id provided as required under the listing agreement.

The investors may also communicate to Integrated Enterprises (India) Ltd., the Depository Registrar & Share Transfer Agent for redressal of their grievance, if any.

**Non-Mandatory Requirements****Chairman of 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.

Remuneration Committee

As the Company is a Government Company in terms of Section 617 of the Companies Act, 1956, the remuneration of Executive Directors is fixed by the Government of India. However, as stated earlier, Remuneration Committee has been constituted by the Board, in terms of DPE guidelines, to finalise the Performance Related Pay for the Executive Directors, Executives and Non-unionised Supervisors.

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 the Listing Agreement, the results of the Company are also furnished immediately to the Stock Exchanges and also uploaded in the Company's web site www.nlcindia.com for the information of shareholders and other investors, in addition to uploading of the same in the Corporate Filing and Dissemination System of the Stock Exchanges.

Audit Qualifications

It is always the Company's endeavour to present unqualified financial statements. The Audit Report for the year 2012-13 does not contain any audit qualifications.

Training of Board Members

The Executive Directors are the functional heads of their respective functional areas by virtue of possessing the requisite expertise & experience are aware of the business model of the Company as well as the risk profile of the Company's business. The Non-executive Directors are fully aware of the Company's business model. The risk profile of the Company's business has been well defined by the Board and the Board Members are apprised periodically on the same.

Mechanism for evaluation of Non-executive Board Members

The Non-executive Directors (Official Part-time Directors) are nominated by Ministry of Coal and the Government of Tamil Nadu respectively and being the official nominees, their performance is evaluated as per the rules of their respective departments. The Non-executive Independent Directors are selected by the Government of India for appointment as Board Members through Ministry of Coal and Department of Public Enterprises. Generally, the appointment is made for a tenure of three years. The Administrative Ministry and the Department of Public Enterprises do the review before the appointment/extension of tenure.

Whistle Blower Policy

Your Company has an independent Vigilance Branch, headed by a Chief Vigilance Officer functioning under the overall guidance of the Central Vigilance Commission. 'Drop Boxes' have been kept at various places in the Company, wherein employees and others could report to the Vigilance Branch, concerns, if any, about unethical behaviour, actual or suspected fraud etc., and the complaints so lodged are reviewed by Vigilance Branch and necessary action as deemed fit is taken, while protecting the identity of the complainants.

As a measure of preventive vigilance and to create awareness about the rules and procedures, the Vigilance Branch is carrying out surprise checks regularly. Based on the suggestion of the Vigilance Branch, various Circulars/guidelines have been issued by the various units/corporate management regarding streamlining the rules/procedures etc.

All efforts are taken to improve the transparency by leveraging of technology through e-governance initiatives by improving the system and procedure and minimise the scope of corruption.

* * *



Annexure-4

M/s. L.U.KRISHNAN & CO.,
Chartered Accountants,
Sam's Nathaneal Tower,
3-1, West Club Road, Shenoy Nagar,
Chennai – 600 030.

M/s. SREEDHAR, SURESH & RAJAGOPALAN
Chartered Accountants,
3-B, No. 26, Green Haven, 3rd Main Road,
Gandhi Nagar, Adyar,
Chennai – 600 020.

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

M/s. Neyveli Lignite Corporation Limited,

1. We have examined the compliance of conditions of Corporate Governance by Neyveli Lignite Corporation Limited for the year ended 31st March 2013 as stipulated in Clause-49 of the Listing Agreement of the said Company with the Stock Exchange(s) and guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises. (DPE)
2. 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 Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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 stipulated in Clause-49 of the Listing Agreement and in DPE guidelines.
4. 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. L.U.KRISHNAN & CO.,**
Chartered Accountants
Firm Regn. No. 001527S

S. Jothirajan
Partner
M.No.: 211121

For **M/s. SREEDHAR, SURESH & RAJAGOPALAN,**
Chartered Accountants
Firm Regn. No. 003957S

K. Sreedhar
Partner
M.No.: 024314

Place : Chennai
Date : 28.05.2013



Annexure-5

Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Neyveli Lignite Corporation Limited for the year ended 31st March, 2013.

The preparation of financial statements of Neyveli Lignite Corporation Limited, Neyveli for the year ended 31st March, 2013 in accordance with the financial reporting frame work prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28.05.2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Neyveli Lignite Corporation Limited, Neyveli for the year ended 31st March, 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

M.V. RAJESWARI

Principal Director of Commercial Audit and
Ex-Officio Member Audit Board, Chennai

Place : Chennai
Date : 28.06.2013



M/s. L.U.KRISHNAN & CO.,
Chartered Accountants,
Sam's Nathaneal Tower,
3-1 West Club Road, Shenoy Nagar,
Chennai - 600 030.

M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants,
3B, No.26, Green Haven, 3rd Main Road,
Gandhi Nagar, Adyar,
Chennai - 600 020.

Independent Auditors' Report

To

The Members of Neyveli Lignite Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Neyveli Lignite Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Emphasis of Matter

Attention is invited to:

- a) Note No:25(d) & (e) to the Financial statements. Final adjustment will be made in the accounts on receipt of Central Electricity Regulatory Commission (CERC) order on power tariff, which is not ascertainable at this stage.
- b) Note No:25(f) to the Financial statements. Pending receipt of CERC order regarding reduction in power sales of ₹17.78 crore on account of deemed export benefit granted by Government of India has not been given effect.

Our opinion is not qualified in respect of these matters mentioned above.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Rajasthan branch not visited by us. The Branch Auditor's Report has been forwarded to us and has been appropriately dealt with.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the audited returns received from Rajasthan branch not visited by us.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) As per the Notification No: G.S.R. 829(E) dated 21.10.2003, issued under Section 620(1) of the Companies Act, 1956, clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to Government Companies.
- f) As the Central Government is yet to notify Cess payable under section 441A, the reporting requirement under section 227(3) (g) of the Companies Act, 1956, does not arise.

For **M/s. L.U.KRISHNAN & CO.,**
Chartered Accountants
Firm Regn. No. 001527S

S. Jothirajan
Partner
M.No.: 211121

For **M/s. SREEDHAR, SURESH & RAJAGOPALAN,**
Chartered Accountants
Firm Regn. No. 003957S

K. Sreedhar
Partner
M.No.: 024314

Place : Chennai
Date : 28.05.2013



Annexure to Auditors' Report

I. Fixed Assets

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The Company has a policy of verifying all the fixed assets once in five years. As explained to us, physical verification was carried out during the year 2010-11. **Pending reconciliation of discrepancies observed on the physical verification done during the financial year 2012-2013, a sum of ₹0.59 crore has been adjusted with the Provision amount of ₹1.00 crore created in the previous year and the balance of ₹ 0.41 crore is available.**
- (c) During the year the Company had not disposed off substantial part of fixed assets.

II. Inventories

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification as compared to book records.

III. Transactions with persons covered by register maintained u/s 301 of the Companies Act, 1956

- (a) The Company has not granted/taken any loan to/from Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) There were no transactions of purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year ₹5,00,000 or more.
- (c) According to the information and explanations given to us, during the year the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act.

IV. Internal Control

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

V. 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 section 58A, 58AA or any other provisions of the Companies Act, 1956 and the rules made there under are not applicable to the Company.

VI. Internal Audit System

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

**VII. Cost Accounting Records**

The Central Government has prescribed the maintenance of records under Section 209(1) (d) of the Companies Act, 1956 in respect of Thermal Power Station Units and Mining Units. We are of the opinion that prima facie, the books of accounts prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2001, have been maintained by the Company for Thermal Power Station Units and the proforma specified therein for the year are under preparation. In the case of Mining Units, the books of accounts have been maintained to meet the requirements of the Companies (Cost Accounting Records) Rules, 2011. We have however not carried out a detailed verification of such records.

VIII. Statutory Dues

- (a) The Company has generally been regular in depositing Provident Fund dues of its own employees. Based on information and explanations given to us the Company has laid down systems and procedures regarding deposit of PF and ESI dues relating to contractors' workers.
- (b) Based on information and explanation given to us, no undisputed amounts payable in respect of Investors Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except as reported below:

Name of the Statute	Nature of the dues	Demand Amount (₹ in lakh)	Amount Deposited under protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Finance Act, 2006	Land tax	57.53	28.76	2008-09	Tax Board, Ajmer
		173.73	63.28	2009-10	
		173.73	86.86	2010-11	
		192.92	99.96	2011-12	
		192.92	99.96	2012-13	
Customs Act, 1962	Customs duty	2932.74	300 (by way of bank guarantee)	-	CESTAT

IX. Accumulated Losses

The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

X. Funds from Banks/Financial Institutions/Public

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (b) The Company has not given any guarantee for loans taken by others from banks or financial institutions based on the records produced to us.



- (c) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (e) According to the information and explanations given to us and the records examined by us, securities have been created in respect of bonds issued.

XI. Frauds

According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

XII. Other Matters

The nature of the Company's business/activities during the year was such that paragraphs 4 (xii), (xiii), (xiv), (xx) of Companies (Auditor's Report) Order, 2003 are not applicable.

For **M/s. L.U.KRISHNAN & CO.,**
Chartered Accountants
Firm Regn. No. 001527S

S. Jothirajan
Partner
M.No.: 211121

For **M/s. SREEDHAR, SURESH & RAJAGOPALAN,**
Chartered Accountants
Firm Regn. No. 003957S

K. Sreedhar
Partner
M.No.: 024314

Place : Chennai
Date : 28.05.2013



Significant Accounting Policies

I. Basis of Accounting

The financial statements are prepared on accrual basis of accounting under historical cost convention, in accordance with generally accepted accounting principles, accounting standards, the relevant provisions of the Companies Act, 1956 and Electricity Act, 2003 to the extent applicable.

II. Fixed Assets

- Fixed Assets are stated at historical cost less depreciation. 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.
- Land for mining in Tamilnadu is acquired in accordance with and subject to the provisions of Land Acquisition Act, 1894 and Tamilnadu Acquisition of Land for Industrial purpose Act, 1997. Capitalisation of land is done with reference to the date of taking over the physical possession of land.

III. Depreciation

- Depreciation is provided for under straight-line method as indicated below:

Description of Assets covered	Basis
i. Assets of Thermal Power Stations, excluding vehicles other than Ash Tippers.	The Company follows the provisions of the Electricity Act, 2003. The rates are prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
ii. Residential Buildings - II & III Class	At rates prescribed by Bureau of Public Enterprises
iii. Buildings : Non-residential Buildings Roads Plant & Machinery : CME other than dozers and pipe layers, workshop machinery, pumps GWC & SWC pipes and civil construction machinery. Furniture and equipments used in welfare centres other than typewriter and duplicators.	At technically assessed rates
iv. Specialised Mining Equipments : Commissioned on or after 31.08.2007	At the rate approved under section 205 (2) (d) of the Companies Act, 1956.
v. Other Assets	At rates prescribed in Schedule XIV of the Companies Act, 1956.

Rates under (ii) and (iii) above are followed so long as they are higher than the rates covered under base (v).

- Fixed assets relating to Research and Development are depreciated in a like manner as any other fixed asset of the Company.



3. In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, based on the number of months for which asset has been put to use.

4. Assets costing up to ₹5000/- are fully depreciated in the year in which they are put to use.

5. Amortisation of Mine Development Account

Overburden removal costs are classified under mine development account till achievement of quantity para-meters as approved for each Project. Such amounts are amortised as depreciation on the basis of annual lignite production to the total estimated mineable reserves, reckoning from the year in which regular lignite production is commenced after achievement of mine development.

6. Machinery Spares

Initial spares purchased along with fixed assets are capitalised and depreciated along with the asset. Insurance spares purchased subsequent to the commissioning of the fixed assets costing ₹50 lakh and above which can be used only in connection with an item of fixed asset and whose usage are expected to be irregular are fully depreciated over the residual useful life of the fixed assets and if the spare is utilised, the carrying cost is fully charged as depreciation in the year of utilisation.

IV. Intangible Assets

a. Computer Software:

Application Software acquired for an amount of more than ₹10 lakh are capitalised as intangible assets and amortised over a period of 5 years.

b. Research & Development (Internally generated projects):

i. Expenditure incurred during the phase of research is charged to revenue.

ii. Expenditure incurred during the phase of development is capitalised with respect to each project and amortised over its useful life.

V. Mine Closure Expenditure

Concurrent mine closure expenses are accounted as and when incurred. The annual cost of final mine closure is calculated and accounted on the basis of guidelines for preparation of mine closure plan issued by Ministry of Coal.

VI. Prepaid Expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed ₹1 crore in each case.

VII. Investments

Long term Investments are carried at cost. Provision is made for diminution if any, other than temporary, in the value of such investments.

VIII. Preliminary Project Expenditure

Preliminary Project Expenditure includes expenditure on feasibility studies documentation of data, other development expenditure, expenditure on exploratory works, technical know-how etc., to be added to the capital cost of the project, as and when implemented. In case such projects are identified for transfer of business by the Govt. of India, the expenditure incurred will be recovered from the prospective buyer. If the



projects are abandoned with reference to Government orders or cannot be implemented such expenditures are charged to Profit & Loss Account in the respective years.

IX. Accounting for Grants

- i. Government and other grants received relating to depreciable fixed assets are taken to capital grants and treated as 'Deferred income' and recognised in the Profit and Loss Account by allocating to income over the period in which the depreciation is charged.
- ii. Grants relating to non-depreciable assets are credited to income over a period in which the cost of meeting the obligations attached to the grants is charged to income.
- iii. Revenue grants to the extent utilised are accounted in Profit and Loss Account.

X. Reserves and Surplus

Interest Differential Reserve

Interest Differential Reserve created as provided in the Loan Agreement entered into with KfW has debt discharging effect, and is utilised in accordance with the terms of the Loan Agreement and such utilisation is shown as withdrawal from the Reserve.

XI. Employee Benefits

Employee benefits are accounted as follows as per Accounting Standard 15 (Revised) 2005:

- i. Short term employee benefits such as wages, salaries, incentives, short term EL and HPL are fully provided for.
- ii. Long term employee benefits such as EL and HPL are provided for as per Department of Public Enterprises Guideline and actuarial valuation and funded in SBI Life Insurance Corporation.
- iii. Post employment benefits such as Gratuity is treated as defined benefit plan and is accounted as per actuarial valuation. Contribution to gratuity is made to L.I.C. Group Gratuity Fund.
- iv. Post Retirement Medical Benefit Scheme is treated as defined contribution scheme and accounted accordingly.
- v. Contribution to Provident Fund Trust and Superannuation Fund Trust are recognised in Profit & Loss Account on the basis of actual liability.

XII. Allocation of common charges/social overhead expenses

These are allocated to production units based on salaries and wages of these units.

XIII. Prior period and Extra-ordinary Items

Prior Period and Extra-ordinary items are accounted in accordance with Accounting Standard-5. Transactions arising out of errors or omissions exceeding ₹1 crore in each case considered as material are accounted under Prior Period Transactions. Extra-ordinary items of value exceeding ₹1 crore in each case are considered as material and accounted for under Extra-ordinary items. Prior Period/ Extra-ordinary items are not considered for stock valuation purposes.

XIV. Significant events occurring after the Balance Sheet date

Treatment of contingencies and significant events are in accordance with Accounting Standard-4. For this purpose, event having an effect of ₹1 crore and above in value is considered as significant.

XV. Revenue Recognition

- a. Sale of power is accounted for by following Electricity Act, 2003, where the tariff rates are approved by the Central Electricity Regulatory Commission constituted under the Electricity Act 2003. In case



of power stations 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 norms and parameters for capacity charges are adopted.

- b. Claim towards insurance, surcharge on belated settlement of power bills and interest on delayed payment of income tax recoverable are accounted in the year of settlement and/or in the year of acceptance of the claim/certainty of realisation as the case may be.
- c. Cash discounts for prompt payments are accounted as and when the related dues are settled.

XVI. Foreign Exchange transactions

Exchange rate variations in foreign exchange transactions are accounted as per Accounting Standard-11 of Companies (Accounting Standards) Rules, 2006, and an option has been exercised to capitalise the exchange difference.

XVII. Accounting for taxes on income

Tax expense comprises of current and deferred tax. Current tax is the amount of tax payable in respect of taxable income for the period measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Deferred tax is recognised on timing difference between accounting income and taxable income that originate in one period and are capable of being reversed in one or more subsequent periods, subject to consideration of prudence. Deferred tax is measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets/Liabilities are reviewed at each Balance Sheet date.

XVIII. Borrowing Cost

Borrowing costs (net of interest earned on temporary investments) specially attributable to the qualifying fixed assets are capitalised along with the cost of such assets and in general, weighted average interest cost is capitalised to the qualifying assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.

XIX. Construction Projects

1. Capitalisation and Depreciation Provision

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, Tipper, 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. Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. Provisional take over date of the Turbo-generator pursuant to Seventy two hours full load operation is deemed as the date of commercial commissioning of the units. Depreciation charge commences from the date of commercial commissioning. Direct expenses and interest charges incurred during the test and trial run are capitalised and the power sale revenue earned during that period is abated to the capital cost of the project.

2. Net pre-commissioning income/expenditure are adjusted directly in the cost of related assets.

* * *

**BALANCE SHEET AS AT 31ST MARCH, 2013**

(₹ in crore)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	1	1677.71	1677.71
b) Reserves and Surplus	2	11273.62	10362.18
(2) Non-current Liabilities			
a) Long term borrowings	3	3126.61	3422.13
b) Deferred tax liability - Net	4	855.44	614.15
c) Other Long term liabilities	5	221.45	198.85
(3) Current Liabilities			
a) Trade payables	6	431.13	497.49
b) Other current liabilities	7	1370.52	1464.97
c) Short term provisions	8	555.79	798.49
TOTAL		19512.27	19035.97
II. ASSETS			
(1) Non-current assets			
a) Fixed Assets			
(i) Tangible assets	9	5813.82	5885.18
(ii) Intangible assets	10	821.54	850.68
(iii) Capital work-in-progress	11	3120.31	2875.52
(iv) Intangible assets under development	12	26.18	36.50
b) Non-current investments	13	1329.20	1093.85
c) Long term loans and advances	14	161.81	121.85
d) Other Non-current assets	15	13.07	23.83
(2) Current Assets			
a) Current Investments	16	103.20	103.20
b) Inventories	17	683.72	506.19
c) Trade receivables	18	3800.27	3647.03
d) Cash and Bank balances	19	2866.64	3329.10
e) Short term loans and advances	20	610.27	387.25
f) Other current assets	21	162.24	175.79
TOTAL		19512.27	19035.97

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 28.05.2013

This is the Balance Sheet referred to in our report of even date.

For M/s. L.U. KRISHNAN & CO.,
Chartered Accountants
Firm Regn. No. 001527S

For M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants
Firm Regn. No. 003957S

S. JOTHIRAJAN
Partner
M.No.: 211121

K. SREEDHAR
Partner
M.No.: 024314

Place: Chennai

Date: 28.05.2013



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in crore)

Particulars	Note No.	For the year ended 31.03.2013	For the year ended 31.03.2012
I. Revenue from operations	25	5590.07	4866.85
II. Other income	26	582.95	748.36
III. Total Revenue (I+II)		6173.02	5615.21
IV. Expenses:			
Increase (-) / Decrease in stock	27	-72.18	-2.88
Employee benefits expense	28	1952.42	1698.20
Finance Cost	29	193.39	149.54
Depreciation and amortisation expenses	30	512.31	430.18
Other Expenses	31	1687.00	1475.03
Prior Period Adjustments(Net)	32	35.55	-2.56
		4308.49	3747.51
Less: Expenses Capitalised	33	21.78	38.04
Total expenses		4286.71	3709.47
V. Profit before exceptional and extra-ordinary items and tax (III-IV)		1886.31	1905.74
VI. Exceptional items	34	161.34	78.15
VII. Profit before Extra-ordinary Items and tax (V+VI)		2047.65	1983.89
VIII Extra-ordinary Item		0.00	0.00
IX. Profit before tax (VII+VIII)		2047.65	1983.89
X. i) Tax Expense:			
For current year		340.00	496.00
For previous year		6.61	41.79
ii) Deferred tax:			
For current year		305.97	66.21
For previous year		-64.68	-31.44
		587.90	572.56
XI. Profit for the period from continuing operation (IX-X)		1459.75	1411.33
XII. Profit for the period		1459.75	1411.33
XIII. Earning Per Share			
Basic and Diluted (₹)	35	8.70	8.41

There is no discontinued operation.

Notes to the Financial Statement and Significant Accounting Policies annexed form an integral part of Profit and Loss Statement.

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 28.05.2013

This is the Profit and Loss Statement referred to in our report of even date.

For M/s. L.U. KRISHNAN & CO.,
Chartered Accountants
Firm Regn. No. 001527S

For M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants
Firm Regn. No. 003957S

S. JOTHIRAJAN
Partner
M.No.: 211121

K. SREEDHAR
Partner
M.No.: 024314

Place: Chennai

Date: 28.05.2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in crore)

	For the year ended 31.03.2013	For the year ended 31.03.2012
A.CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	2047.65	1983.89
Adjustments for:		
Less: Profit on Disposal of Asset	4.26	5.80
Interest Income	492.31	611.36
	496.57	617.16
Add: Depreciation including prior period	519.04	430.18
Advance OB removal charge off	13.82	20.73
Other non-cash charges	-52.16	46.58
Interest charged to P&L A/c	193.39	149.54
	674.09	647.03
Operating Profit before working capital changes	177.52	29.87
Adjustments for: Trade and other receivables:	2225.17	2013.76
Sundry Debtors	-153.25	-1443.86
Loans & Advances	-55.38	18.42
Inventories & other current assets	-173.82	-14.93
Trade Payables	-82.99	-130.91
Cash flow generated from operations	1759.73	442.48
Direct Taxes paid	-539.85	-478.06
Cash flow before extra-ordinary items and P.P.T.	1219.88	-35.58
Grants received	2.36	1.02
Net Cash from operating activities	1222.24	-34.56
B.CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets/ Preliminary expenses	-608.42	-480.92
Sale of Fixed Assets/Projects		
From continuing operations	23.37	9.39
Sale/Purchase of Investments	-235.35	-232.30
Interest received	493.15	632.81
Net Cash used in investing activities	-327.25	-71.02
C.CASH FLOW FROM FINANCING ACTIVITIES:		
Long term borrowings (Net)	-295.14	-184.76
Interest paid	-321.68	-352.89
Dividend (including Dividend Tax)	-740.63	-448.40
Net Cash used/received in financing activities	-1357.45	-986.05
Net increase, decrease (-) Cash and cash equivalents	-462.46	-1091.63
Cash and cash equivalents as at the beginning of the year	3329.10	4420.73
Cash and cash equivalents as at the end of the year	2866.64	3329.10

NOTE : (-) INDICATES CASH OUTFLOW.

	As at 31.03.2013	As at 31.03.2012
DETAILS OF CASH AND CASH EQUIVALENTS:		
Cash in hand	0.01	0.17
Cash at bank in current account	521.21	26.54
Cash at bank in deposit account	2345.42	3302.39
Total	2866.64	3329.10

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 28.05.2013

This is the Cash Flow Statement referred to in our report of even date.

For M/s. L.U. KRISHNAN & CO.,
Chartered Accountants
Firm Regn. No. 001527S

For M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants
Firm Regn. No. 03957S

S. JOTHIRAJAN
Partner
M.No.: 211121

K. SREEDHAR
Partner
M.No.: 024314

Place: Chennai

Date: 28.05.2013



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
1	Share Capital	As at 31.03.2013	As at 31.03.2012
a.	Authorised		
	2,00,00,00,000 Equity Shares of ₹10/- each	2000.00	2000.00
b.	Issued, Subscribed and Paid-up		
	1,67,77,09,600 Equity shares of ₹10 each fully paid	1677.71	1677.71
c.	1,56,96,39,900 (previous year 1,56,96,39,900) Equity Shares being 93.56% (previous year 93.56%) held by the President of India.		
d.	No new shares were issued during the current year and previous year. Hence there is no change in number of shares outstanding as at the beginning and as at the end of the years.		
2	Reserves and Surplus	As at 01.04.2012	As at 31.03.2013
a.	Capital Reserve (capital grants)		
i.	USTDA Grant	1.51	1.51
ii.	Fly Ash Housing Grant	0.02	0.02
iii.	Plant Renovation Grant	0.14	0.14
iv.	Safety Investigation System	0.70	0.70
b.	Profit and Loss Account	9176.29	9907.02
c.	KfW Interest Differential Reserve	251.52	267.23
d.	General Reserve	872.00	1022.00
e.	Bond Redemption Reserve	60.00	75.00
	Total	10362.18	11273.62
3	Long term Borrowings	As at 31.03.2013	As at 31.03.2012
a.	Secured		
i.	Neyveli Bonds - 2009	600.00	600.00
ii.	Term Loans from Banks		
	Canara Bank Consortium Loan	1900.00	2182.50
	State Bank of India Loan	100.00	100.00
b.	Unsecured		
	Foreign Currency loan from KfW-Germany##		
	9.86 Million Euro (10.30 Million Euro) - I	68.62	70.42
	65.86 Million Euro (68.66 Million Euro) - II	457.99	469.21
	Total	3126.61	3422.13
	## Guaranteed by the Government of India.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	c. Neyveli Bonds 6000, 8.83% 10 Years, Secured, Redeemable, Taxable, Non-convertible Bonds in the nature as Debentures of ₹10 lakh each secured by way of paripassu charge on the present and future fixed assets of Mine-II Expansion Project, TS-II Expansion Project, Barsingsar Mine and Thermal Power Station and exclusive charge on an immovable property. Redeemable on 23.01.2019. (without Put or Call Option).		
	d. The Rupee Term Loan of ₹3750 crore from Canara Bank consortium is secured by paripassu charge on project fixed assets financed and repayable in twenty equal bi-annual installment commenced from 23.02.2010, ending on August 2019.		
	e. The Rupee Term Loan of ₹2500 crore from State Bank of India is secured by paripassu charge on project fixed assets financed. The repayment would be made in 42 equated quarterly installments, starting from 30 th September 2016, ending on December 2026.		
	f. Bi-annual equal repayment (0.44 Million Euro) of Foreign Currency loan-I from KfW Germany, commenced from 30.12.2001, ending on 30.06.2036.		
	g. Bi-annual equal repayment (2.80 Million Euro) of Foreign Currency loan-II from KfW Germany, commenced from 30.06.2002, ending on 30.06.2037.		
4	Deferred Tax Liability - Net	As at 31.03.2013	As at 31.03.2012
	a. Deferred tax liability: Related to depreciation	992.08	825.72
	b. Deferred tax Asset: Provisions, etc.	136.64	211.57
	Deferred tax liability (Net)	855.44	614.15
5	Other Long term Liabilities	As at 31.03.2013	As at 31.03.2012
	Capital purchase, Capital Work-in-Progress and other liabilities	221.45	198.85
6	Trade Payables	As at 31.03.2013	As at 31.03.2012
	a. Sundry creditors	266.59	252.34
	b. Others	164.54	245.15
	Total	431.13	497.49
	c. Principal amount remaining unpaid to any supplier belonging to Micro, Small and Medium Enterprises as at the end of the year ₹11.79 crore (previous year ₹7.33 crore)		
	d. Amount of Interest due and payable for the period of delay in making payment but without adding the interest specified under this Act ₹0.15 crore (previous year ₹0.33 crore).		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
7	Other Current Liabilities	As at 31.03.2013	As at 31.03.2012
a.	Current maturities of long term debt		
i.	Loan from Banks - Canara Bank Consortium	375.00	375.00
ii.	Foreign Currency loan from KfW -3.24 Million Euro	22.53	22.15
b.	Interest accrued but not due on borrowing		
i.	Neyveli Bonds	9.87	9.99
ii.	KfW	1.03	1.05
c.	Unclaimed dividend	1.27	0.93
d.	Unutilised revenue grant	6.99	4.78
e.	Staff security deposit	0.01	0.01
f.	Other liabilities	953.82	1051.06
	Total	1370.52	1464.97
	Other liabilities includes LD, EMD from contractors, credit balance from vendors, deposits for lignite supply, caution deposits etc.		
8	Short term Provisions	As at 31.03.2013	As at 31.03.2012
a.	Accrued earned leave	90.66	120.68
b.	Half pay leave	0.00	54.36
c.	Short term benefit of earned leave	5.58	10.69
d.	Short term benefit of half pay leave	3.73	4.21
e.	Post retirement medical benefit	17.21	14.98
f.	Provision for loss on assets	0.41	1.00
g.	Proposed final dividend	301.99	469.76
h.	Proposed final dividend tax	51.33	76.21
i.	Contingencies	84.88	46.60
	Total	555.79	798.49
j.	Actuarial valuation liability in respect of long term employee benefits EL and HPL amounting to ₹293.96 crore has been partly funded with SBI Life Insurance Corporation. Balance liability had been provided.		
k.	Scheme of encashment of half pay leave at the time of superannuation has been realigned in line with the Department of Public Enterprises guideline. Accordingly excess provision amounting to ₹66.47 crore made in earlier years has been withdrawn and shown under exceptional item vide Note No: 34.		



Notes to the Financial Statement

Sl. No.	Particulars											(₹ in crore)
9	Tangible Assets											
		Description	Gross Cost				Depreciation				Net Value	
			As at 31.03.2012	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2013	As at 31.03.2012	Withdrawals Trans./Adj.	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	a	Land ***	420.59	21.09	0.00	441.68	0.00	0.00	0.00	0.00	441.68	420.59
	b	Roads	56.13	8.76	1.01	63.88	12.86	0.58	1.57	13.85	50.03	43.27
	c	Buildings ++	320.52	29.78	17.05	333.25	120.14	7.82	7.71	120.03	213.22	200.38
	d	Elec. Installations	331.55	20.23	7.19	344.59	136.46	0.01	10.87	147.32	197.27	195.09
	e	Water Supply & Drainage	141.32	8.33	0.14	149.51	74.42	0.12	11.66	85.96	63.55	66.90
	f	Plant & Machinery *	11540.78	341.60	24.45	11857.93	6647.60	22.29	446.70	7072.01	4785.92	4893.18
	g	Furniture & Equipments	66.65	5.79	3.18	69.26	42.39	2.03	2.99	43.35	25.91	24.26
	h	Vehicles	91.06	1.44	0.80	91.70	49.54	0.75	6.67	55.46	36.24	41.52
	i	Assets costing ₹5000 and below	5.94	0.23	0.07	6.10	5.94	0.07	0.23	6.10	0.00	0.00
	Total		12974.54	437.25	53.89	13357.90#	7089.35	33.67	488.40	7544.08	5813.82	5885.18
	Previous Year		12686.63	355.80	67.89	12974.54	6749.44	63.59	403.51	7089.35	5885.18	5937.19
	* Includes assets belonging to Ministry of Coal obtained under Coal S&T Projects and Insurance spares. ++ Includes leasehold buildings of value ₹2.10 crore for which lease agreement is yet to be signed. Normal depreciation rate adopted in view of lower amortisation rate. # Includes Assets non commissioned amounting to ₹ Nil (Previous year ₹17.29 crore). *** Pending High Court decision, the additional land compensation of ₹0.58 crore (Previous year ₹0.89 crore) deposited with Court has not been capitalised. There is no impairment loss identified for the assets.											
10	Intangible Assets											
		Description	Gross Cost				Depreciation				Net Value	
			As at 31.03.2012	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2013	As at 31.03.2012	Withdrawals Trans./Adj.	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	a	Software	9.26	0.46	0.00	9.72	7.18	0.00	1.12	8.31	1.41	2.08
	b	Mine Development										
		Mine-I	464.33	0.00	0.00	464.33	205.94	0.00	12.35@	218.30	246.03	258.39
		Mine-IA	127.49	0.01	0.00	127.50	26.91	0.00	2.94@	29.85	97.65	100.58
		Mine-II	467.02	3.72	0.00	470.74	98.20	0.00	13.69@	111.89	358.85	368.82
		Barsingsar Mine	123.87	-0.01	0.00	123.86	3.06	0.00	3.20@	6.26	117.60	120.81
	Total		1191.97	4.18	0.00	1196.15	341.29	0.00	33.30	374.61	821.54	850.68
	Previous Year		1169.79	22.18	0.00	1191.97	311.16	0.00	30.13	341.29	850.68	858.63
	@ Represents provisions for amortisation There is no impairment loss identified for the assets.											



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)			
11	Capital Work-in-Progress	As at 31.03.2013	As at 31.03.2012		
a.	Plan Expenditure				
i.	TPS-II Expansion				
	Supply and Erection	1992.79		1986.79	
	Capital Goods in Stock	0.00		2.80	
	Expenditure during Construction	218.97		145.31	
	Interest during Construction	564.47	2776.23	454.39	2589.29
ii.	Barsingsar Mines and Thermal				
	Supply and Erection	0.06		4.28	
	Capital Goods in Stock	0.03	0.09	0.03	4.31
iii.	Mine-II Expansion				
	Supply and Erection	43.59		73.78	
	Capital Goods in Stock	22.28	65.87	22.06	95.84
iv.	Neyveli New Thermal Plant				
	Supply and Erection	17.59		14.60	
	Expenditure during Construction	6.10		0.00	
	Interest during Construction	1.82	25.51	0.00	14.60
b.	Non-Plan Expenditure				
	Supply and Erection	220.30		82.73	
	Capital Goods in Stock	31.09		10.79	
	Capital Goods in Transit	1.22	252.61	77.96	171.48
	Total		3120.31		2875.52
c.	Thermal -II Expansion project consist of two units of 250 MW each. Unit -I of the plant was lighted up on 28.02.2011 and synchronised on 18.05.2011. The operation during the trial run could not be sustained due to technical problem/under performance of lignite extraction and transport feeder, refractory and coil supporting arrangement in Fluidized Bed Heat Exchanger (FBHE). Action are being taken to commission the unit at the earliest. Interest during construction and other expenses incurred are being capitalised in line with accounting policy of the Company.				
12	Intangible Assets under Development	As at 31.03.2013	As at 31.03.2012		
	Preliminary Project Expenditure	57.26		67.72	
	Less: provisions	31.08		31.22	
		<u>26.18</u>		<u>36.50</u>	
13	Non-current Investments (Unquoted)	As at 31.03.2013	As at 31.03.2012		
a.	8.5% tax free SLR Power Bonds issued by State Governments.	206.38		309.58	
b.	In Equity Shares, fully paid up 1,06,80,00,000 (44,50,00,000) shares of ₹10/- each of NLC Tamilnadu Power Ltd., - Subsidiary Company	1068.00		445.00	
	Carried forward	1274.38		754.58	



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
		As at 31.03.2013	As at 31.03.2012
	Brought forward	1274.38	754.58
c.	Pending allotment of 4,20,00,000 (32,65,00,000) Equity Share of ₹10/- each in NLC Tamilnadu Power Ltd., Subsidiary Company	42.00	326.50
d.	In Equity Shares, fully paid up 12765000 shares of ₹10/- each of MNH Shakti Ltd. - Joint venture	12.77	12.77
e.	In Equity Shares, fully paid up 51000 shares of ₹10/- each of NUPPL Ltd., Subsidiary Company	0.05	0.00
	Total	1329.20	1093.85
14	Long term Loans and Advances	As at 31.03.2013	As at 31.03.2012
a.	Loans and Advances-Staff (Secured)	100.46	65.83
b.	Capital Advances (Unsecured - considered good)	61.35	56.02
	Total	161.81	121.85
15	Other Non-current Assets	As at 31.03.2013	As at 31.03.2012
	Unsecured considered good	13.07	23.83
16	Current Investments	As at 31.03.2013	As at 31.03.2012
	8.5% tax free SLR Power Bonds issued by State Governments (Unquoted)	103.20	103.20
17	Inventories	As at 31.03.2013	As at 31.03.2012
	(As certified by the Management)		
a.	Raw Materials	129.61	57.43
b.	Stores and Spares	479.96	428.89
c.	Goods-in-transit	77.33	27.91
		557.29	456.80
	Less: Provision	5.84	9.55
		551.45	447.25
d.	Solid/Hollow/Fly Ash Bricks	2.66	1.51
	Total	683.72	506.19
e.	Inventory valuation - Value of Inventory at the lower of cost and net realisable value.		
i.	Lignite - At absorption cost excluding share of common charges and social overhead.		
ii.	Stores & Spares procured - At weighted average acquisition cost.		
iii.	Fly ash bricks - At absorption cost.		
iv.	Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.		
f.	Stocks of stores, spares, raw materials and finished goods are under hypothecation for cash credit facilities arranged with State Bank of India.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
18	Trade Receivables	As at 31.03.2013	As at 31.03.2012
	Unsecured		
	Considered Good		
	More than six months	2110.54	1068.74
	Others	1689.73	2578.29
	Considered Doubtful	2.10	2.09
		3802.37	3649.12
	Less: Provision for Doubtful Debts	2.10	2.09
	Total	3800.27	3647.03
19	Cash and Bank Balances		
	Cash and cash equivalents	As at 31.03.2013	As at 31.03.2012
a.	Balances with Scheduled Banks in Current A/c	519.94	25.61
b.	Cash on hand	0.01	0.17
c.	Unpaid Dividend A/c	1.27	0.93
d.	Fixed Deposits		
	i. Short term Deposit	2318.23	3275.20
	ii. Staff Security Deposit	0.01	0.01
	iii. Endowment fund in the name of NLC schools	0.18	0.18
	iv. Short term Deposits for lien for guarantee	27.00	27.00
	Total	2866.64	3329.10
20	Short term Loans and Advances	As at 31.03.2013	As at 31.03.2012
	(Recoverable in cash or in kind or for value to be received)		
a.	Unsecured		
	i. Considered good	165.58	135.78
	ii. Considered doubtful	2.68	2.14
		168.26	137.92
	Less: Provision for doubtful advances	2.68	2.14
		165.58	135.78
b.	Advance Income tax	1800.70	1323.82
	Less : Provision for taxation	1356.05	1072.41
		444.65	251.41
c.	Deposit with Central Excise, Port Trust and Customs authorities	0.04	0.06
		610.27	387.25
d.	i. Due by officers	-	-
	ii. Maximum amount due at any time during the year	-	-
e.	i. Due by Directors	-	-
	ii. Maximum amount due at any time during the year	-	-
f.	i. Due from Subsidiary Companies	56.09	1.49
	ii. Maximum amount due at any time during the year	58.32	1.65



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
21	Other Current Assets	As at 31.03.2013	As at 31.03.2012
a.	Interest accrued	154.91	155.75
b.	Disposable/Dismantled assets, Spares	1.09	0.85
	Less: Provision for impairment of assets	0.68	0.36
c.	Prepaid expenses	6.04	4.33
d.	Advance Overburden removal expenditure	0.00	13.82
e.	Asset not in the Books of Accounts (Net of charge)	0.88	1.40
	Total	162.24	175.79
22	Capital Employed	As at 31.03.2013	As at 31.03.2012
	(Excluding Thermal Power Station-II/Expansion and Neyveli New Thermal Power Station)	14199.03	13679.35
23	Contingencies and Commitments	As at 31.03.2013	As at 31.03.2012
a.	Contingent Liability exists in respect of: Guarantees issued by Company	4.13	3.38
b.	Claims against the Corporation not acknowledged as debts:		
i.	From employees/others	0.22	0.22
ii.	From suppliers/contractors/customers	1640.56	1721.04
iii.	Statutory authorities	87.49	19.34
iv.	Disputed amount of Income tax	458.45	280.97
c.	i. Estimated value of contracts remaining to be executed on capital accounts not provided for	1159.76	523.93
	ii. Commitment for the acquisition of lands	59.86	40.89
24	Advances, Sundry Debtors and Sundry Creditors have been linked with corresponding credits/debits to the extent practicable. Balances due in respect of advances and amounts due to creditors are subject to confirmation.		
25	Revenue from Operations	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Power	5069.49	4476.23
b.	Lignite	514.54	462.88
c.	Miscellaneous	19.26	13.75
		5603.29	4952.86
	Less: Excise duty	10.36	4.62
		5592.93	4948.24
	Less: Transfer to Capital Expenditure Accounts	2.86	81.39
		5590.07	4866.85



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	d. Pending determination of final power tariff by Central Electricity Regulatory Commission (CERC), tariff rate has been provisionally accounted based on the provisional order issued by the CERC in respect of Barsingsar Thermal Power Station.		
	e. Revision in capacity charges of power tariff and transfer price of lignite(in accordance with Ministry of Coal (MOC) guidelines) for energy charges of power tariff on account of "truing up" (i.e., adjustments based on actuals as against projected) to the actual, wherever and whenever applicable will be considered subject to approval by Central Electricity Regulatory Commission (CERC).		
	f. Pending receipt of order from CERC reduction in power sales of ₹17.78 crore on account of deemed export benefit granted by Govt. of India has not been given effect.		
26	Other Income	For the year ended 31.03.2013	For the year ended 31.03.2012
	a. Interest		
	(i) Bank Deposit	298.89	392.22
	(ii) Employees	6.71	14.68
	(iii) Long term investments	32.89	41.67
	(iv) Others	153.82	162.79
	b. Recoveries		
	(i) Rent	9.91	7.90
	(ii) Others	0.38	0.48
	c. Handling charges recovered	0.00	0.12
	d. Profit on Sale of assets	4.26	5.80
	e. Provision written back	6.02	23.46
	f. Miscellaneous	83.21	108.51
		596.09	757.63
	Less: Transfer to Capital Expenditure Accounts	13.14	9.27
		582.95	748.36
	g. As per the accounting policy of the Corporation, surcharges recoverable from Electricity Boards on the belated settlement of the power bill, amounting to ₹230.35 crore (previous year ₹64.66 crore) has not been reckoned as income since there is uncertainty in realisation. The same will be accounted on certainty of realisation.		
27	Increase(-)/decrease in Stock	For the year ended 31.03.2013	For the year ended 31.03.2012
	a. OPENING STOCK		
	Raw Material		
	Lignite	57.43	54.55
		57.43	54.55
	b. CLOSING STOCK		
	Raw Material		
	Lignite	129.61	57.43
		129.61	57.43
	Increase (-) /Decrease in Stock	-72.18	-2.88



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
28	Employee Benefits Expense	For the year ended 31.03.2013 For the year ended 31.03.2012
a.	Salaries, Wages and Incentives	1634.22 1415.26
b.	Contribution to Provident and other funds	225.53 220.60
c.	Gratuity	42.05 58.20
d.	Welfare expenses	88.17 76.20
		1989.97 1770.26
	Less: Transfer to Capital Expenditure Accounts	37.55 72.06
		1952.42 1698.20
e.	Pending pay revision settlement provision of ₹139.70 crore has been made towards arrears of salaries and other benefits revision in respect of Non - executives.	
f.	Disclosure under Accounting Standard-15 on Employee benefits:	For the year ended 31.03.2013 For the year ended 31.03.2012
	1. Disclosure in respect of Defined benefit obligations in respect of Gratuity Fund:	
	i. The actuarial gain or losses will be recognised in the year of occurrence.	
	ii. The LIC Group Gratuity Fund maintains the defined benefit plan Contribution is made to the fund based on the actuarial valuation done at the year-end.	
	iii. The amounts recognised in the Balance Sheet are as follows:	
	Present value of funded obligations	737.48 676.91
	Fair value of Plan assets	737.48 676.91
	Unrecognised past service cost	0.00 0.00
	Net liability in the Balance Sheet	0.00 0.00
	iv. The amounts recognised in the Statement of profit and loss are as follows:	
	Current service cost	18.02 18.14
	Interest on obligation	54.15 48.32
	Expected return on plan assets	-61.42 -55.99
	Net actuarial losses (gains) recognised in the year	29.51 34.34
	Total included in Employee benefit expense	40.26 44.80
	Actual return on plan assets	61.42 55.98
	v. Changes in the present value of the defined benefit obligation:	
	Opening defined benefit obligation	676.91 603.99
	Service cost	18.02 18.14
	Interest cost	54.15 48.32
	Actuarial losses (gains)	29.51 34.34
	Benefits paid	-41.11 -27.88
	Closing defined benefit obligation	737.48 676.91



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
		For the year ended 31.03.2013 For the year ended 31.03.2012
	vi. Changes in the fair value of plan assets.	
	Opening fair value of plan assets	676.91 603.99
	Expected return	61.42 55.99
	Actuarial gains and (losses)	0.00 0.00
	Contributions by employer	40.26 44.80
	Benefits paid	-41.11 -27.88
	Closing fair value of plan assets	737.48 676.91
	vii. Principal actuarial assumptions at the balance sheet date (expressed as weighted average)	
	Discounted rate per annum	8.00 8.00
	Expected return per annum on plan assets	8.00 8.00
	Salary escalation per annum	5.00 5.00
	Retirement age	60 years 60 years
	Mortality	LIC 1994-96 LIC 1994-96
	Attrition rate	1-3% 1-3%
	2. Disclosure in respect of Defined contribution plan in respect of Post Retirement Medical Benefit Scheme:	
	i. Amount recognised in the Profit and Loss Account as premium paid to the Insurance Company	16.56 6.73
	ii. Liability provided for the fixed Medical Assistance	7.08 9.90
29	Finance Cost	For the year ended 31.03.2013 For the year ended 31.03.2012
	a. Interest Expenses	
	Fixed loans	
	Unsecured loans - KfW - Foreign currency loan	4.37 4.29
	Unsecured loans - Credit Agricole Corporate & Investment Bank - Foreign currency loan	0.00 7.47
	Secured loans-NLC Bonds	52.86 53.10
	Loan from Banks	256.63 261.22
	Others	0.94 14.87
	Guarantee Fees KfW loan	6.74 6.48
		321.54 347.43
	Less: Transfer to Capital Expenditure Accounts	128.15 197.89
		193.39 149.54
	b. Borrowing cost capitalised during the year	
	Interest	128.15 197.89



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
30	Depreciation and Amortisation Expenses	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Fixed Assets	482.81	404.66
b.	Mine Development and other amortisations	32.18	28.98
		<u>514.99</u>	<u>433.64</u>
	Less: Transfer to Capital Expenditure Accounts	2.53	3.28
	Transfer from Grants	0.15	0.18
		<u>512.31</u>	<u>430.18</u>
31	Other Expenses	For the year ended 31.03.2013	For the year ended 31.03.2012
	Consumption of stores and spares	543.93	502.04
	Fuel	72.19	96.15
	Mine closure	19.80	18.87
	Advance Overburden removal charge off	13.82	20.73
	Excise duty	58.16	28.98
	Rent	0.49	0.48
	Rates and taxes		
	Electricity tax	1.45	1.28
	Clean energy cess	128.46	122.36
	Others	3.06	2.44
	Wealth Tax	0.22	0.26
	Repairs and Maintenance		
	Plant and Machinery	136.22	112.30
	Buildings	8.62	8.70
	Others	209.31	178.66
	Overburden removal expenditure	83.25	44.85
	Insurance	5.03	4.82
	Payments to auditors		
	Audit fees	0.15	0.15
	Tax audit fees	0.08	0.08
	Other certification fees	0.15	0.08
	Reimbursement of expenses	0.08	0.03
	Travelling expenses	15.10	12.73
	Training expenses	3.68	2.92
	Family welfare expenses	3.63	3.02
	Selling expenses - Discounts	13.33	36.24
	Afforestation expenses	13.08	12.23
	Royalty	222.31	177.44
	Carried forward	<u>1555.60</u>	<u>1387.84</u>

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Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)																											
34	Exceptional Items <table> <tr> <th></th><th>For the year ended 31.03.2013</th><th>For the year ended 31.03.2012</th></tr> <tr> <td>a. Power sales</td><td>142.66</td><td>-63.46</td></tr> <tr> <td>b. Contingency provision</td><td>-20.27</td><td>0.00</td></tr> <tr> <td>c. Lignite sales</td><td>9.18</td><td>57.23</td></tr> <tr> <td>d. Interest - Income</td><td>16.07</td><td>161.21</td></tr> <tr> <td>e. Employee remuneration</td><td>66.47</td><td>-76.83</td></tr> <tr> <td>f. Cash discount</td><td>-51.11</td><td>0.00</td></tr> <tr> <td>g. Other expenses</td><td>-1.66</td><td>0.00</td></tr> <tr> <td></td><td><u>161.34</u></td><td><u>78.15</u></td></tr> </table> <p>(-) indicate Expenditure</p> <p>h. Power sales includes previous period adjustment by way of reduction of ₹12.83 crore towards secondary fuel price adjustment, ₹9.15 crore for tariff adjustment in respect of Barsingsar Thermal Power Station on receipt of provisional tariff order and ₹43.40 crore towards income tax reimbursement claim refundable to Electricity Boards.</p> <p>i. Sale of power also includes ₹139.05 crore amount receivable from Electricity Boards on account of increased capacity charges due to pay revision in earlier years. Further Sale of power and lignite includes ₹68.99 crore and ₹9.18 crore respectively, in respect of earlier years towards energy charges in power tariff and lignite sales on account of inclusion of Mine-II Expansion expenditure in lignite price. Royalty expenditure and excise duty expenditure to the tune of ₹1.66 crore has also been provided.</p> <p>j. Contingency provision of ₹20.27 crore has been provided in respect of earlier years towards possible reduction in the power tariff due to revision in lignite price to be considered by CERC.</p> <p>k. Cash discount of ₹51.11 crore has been accounted on receipt of CERC order in respect of earlier years.</p> <p>l. Interest income of ₹16.07 crore pertained to earlier years has been reckoned on receipt of order from CERC towards power tariff and discount.</p>		For the year ended 31.03.2013	For the year ended 31.03.2012	a. Power sales	142.66	-63.46	b. Contingency provision	-20.27	0.00	c. Lignite sales	9.18	57.23	d. Interest - Income	16.07	161.21	e. Employee remuneration	66.47	-76.83	f. Cash discount	-51.11	0.00	g. Other expenses	-1.66	0.00		<u>161.34</u>	<u>78.15</u>	
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35	Earning Per Share <table> <tr> <th></th><th>For the year ended 31.03.2013</th><th>For the year ended 31.03.2012</th></tr> <tr> <td>a. Profit after tax</td><td>1459.75</td><td>1411.33</td></tr> <tr> <td>b. Number of Shares</td><td>1677709600</td><td>1677709600</td></tr> <tr> <td>c. Face Value of Share (₹)</td><td>10.00</td><td>10.00</td></tr> <tr> <td>d. Earning Per Share - Basic and Diluted (₹)</td><td>8.70</td><td>8.41</td></tr> </table>		For the year ended 31.03.2013	For the year ended 31.03.2012	a. Profit after tax	1459.75	1411.33	b. Number of Shares	1677709600	1677709600	c. Face Value of Share (₹)	10.00	10.00	d. Earning Per Share - Basic and Diluted (₹)	8.70	8.41													
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36	The effect of Foreign Exchange Fluctuation <table> <tr> <th></th><th>For the year ended 31.03.2013</th><th>For the year ended 31.03.2012</th></tr> <tr> <td>a. The amount of exchange rate difference debited/ (credited) to the Profit & Loss Account</td><td>0.34</td><td>1.02</td></tr> <tr> <td>b. The amount of exchange rate difference adjusted and debited /(credited) to the carrying amount of fixed assets & WIP</td><td>12.49</td><td>55.27</td></tr> </table>		For the year ended 31.03.2013	For the year ended 31.03.2012	a. The amount of exchange rate difference debited/ (credited) to the Profit & Loss Account	0.34	1.02	b. The amount of exchange rate difference adjusted and debited /(credited) to the carrying amount of fixed assets & WIP	12.49	55.27																			
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Notes to the Financial Statement

Sl. No.	Particulars		(₹ in crore)		
37	Expenditure Incurred on Research & Development	For the year ended 31.03.2013	For the year ended 31.03.2012		
a.	Capital expenditure	1.03	0.75		
b.	Revenue expenditure	11.18	9.86		
38	Profit Appropriation	For the year ended 31.03.2013	For the year ended 31.03.2012		
a.	Surplus brought forward from previous year	9176.29	8489.01		
b.	Profit after tax	1459.75	1411.33		
c.	Transfer to/from Interest Differential Fund reserve	-15.71	-18.08		
d.	Transfer to Bond Redemption Reserve	-15.00	-15.00		
e.	Transfer to General Reserve	-150.00	-145.00		
f.	Interim dividend	-167.77	0.00		
g.	Tax on Interim dividend	-27.22	0.00		
h.	Proposed dividend	-301.99	-469.76		
i.	Tax on proposed dividend	-51.33	-76.21		
j.	Surplus carried to Balance Sheet	9907.02	9176.29		
k.	It has been decided to create corpus fund for operating post retirement medical benefit assistance scheme for employees who have got separated from service prior to 1.1.2007. Necessary appropriation of fund and investment thereon shall be made in due course. However expenditure for the current year had been incurred and included in the employee welfare expenses (Note No. 28 d).				
39	Details of Contingency Provisions	As at 01.04.2012	Additions	Withdrawal	As at 31.03.2013
a.	Interest on disputed tax deducted at source	16.60	0.00	0.00	16.60
b.	Power Tariff adjustment	0.00	28.28	0.00	28.28
c.	Provision for arbitration	30.00	10.00	0.00	40.00
	Total	46.60	38.28	0.00	84.88
40	Consumption of Raw Material and Spare Parts	For the year ended 31.03.2013	For the year ended 31.03.2012		
	Value of Indigenous and Imported Spares consumed				
	INDIGENOUS				
	Spare parts	259.83	293.22		
	Percentage	77.11	87.47		
	IMPORTED				
	Spare parts	77.14	41.99		
	Percentage	22.89	12.53		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
41	Remuneration to Directors	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Salaries	0.86	0.87
b.	Contribution to Provident and other funds	0.22	0.10
c.	Cost of benefits	0.85	1.19
d.	Sitting fees paid to Independent Directors	0.21	0.16
42	C.I.F. Value of Imports	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Capital Goods	6.28	6.56
b.	Components and spares	60.41	23.01
43	Expenditure in Foreign Currency	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Travelling expenses	0.36	0.14
b.	Professional and Consultancy	0.12	4.07
c.	Interest charges	4.37	11.76
44	<p>Disclosure of transactions with the related parties as defined in the Accounting Standard-18 are given below:</p> <p>(i) List of related parties: (a) Key Management Personnel:</p> <p>Shri B.Surender Mohan - Chairman-cum-Managing Director</p> <p>Shri A.R. Ansari - Chairman-cum-Managing Director</p> <p>Directors</p> <p>Ms. Zohra Chatterji</p> <p>Shri N. Sundaradevan</p> <p>Shri. N.S. Palaniappan</p> <p>Shri. Vikram Kapur</p> <p>Shri. R. Kandasamy</p> <p>Shri. Sarat Kumar Acharya</p> <p>Shri. Rakesh Kumar</p> <p>Shri. S. Rajagopal</p> <p>Shri. J. Mahilselvan</p> <p>(ii) Transactions during the year with related parties:</p> <p>Remuneration to Directors listed in (a) above: ₹1.71 crore</p>		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
45	Disclosure in respect of the interests in Joint Venture as per Accounting Standard -27 is furnished as under:		
	a. Company Name : M/s. MNH Shakti Limited		
	b. Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.		
		For the year ended 31.03.2013	For the year ended 31.03.2012
	c. Joint Venture/Interest :		
	i. M/s. Mahanadi Coalfields Limited	70%	70%
	ii. M/s. Neyveli Lignite Corporation Limited	15%	15%
	iii. M/s. Hindalco Industries Limited	15%	15%
	d. Share of interest in the Joint Venture:		
	i. Non Current Assets	6.69	6.77
	ii. Current Assets	6.38	6.25
	iii. Current Liability	0.38	0.33
	iv. Reserves & Surplus	-0.08	-0.08
	v. Income	Nil	Nil
	vi. Expenditure	Nil	Nil
46	Figures of the previous year have been re-grouped wherever necessary.		



Notes to the Financial Statement

Sl. No.	Particulars								(₹ in crore)
47	Segmentwise Result for the year 2012-13								
		Lignite Mining		Power Generation		Inter-segment adjustment		Total	
		For the year ended		For the year ended		For the year ended		For the year ended	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	REVENUE								
	External Sales	505.04	458.26	5085.03	4408.59			5590.07	4866.85
	Inter-segment sales	3570.49	3238.35	297.64	288.66	3868.13	3527.01		
	Total Revenue	4075.53	3696.61	5382.67	4697.25	3868.13	3527.01	5590.07	4866.85
	RESULT								
	Segment Result	1122.49	960.85	632.99	559.36			1755.48	1520.21
	Other Income							84.62	113.54
	Unallocated Corporate expenses							217.16	192.39
	Operating Profit							1622.94	1441.36
	Interest Expense							193.39	149.54
	Interest Income							492.31	611.36
	Exceptional Items							161.34	78.15
	Income taxes							587.90	572.56
	Profit from Ordinary activities							1495.30	1408.77
	Prior period / Income / Expenditure (Net)							-35.55	2.56
	Net Profit							1459.75	1411.33
	OTHER INFORMATION	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
	Segment Assets	4696.36	4429.04	6858.40	6958.08			11554.75	11387.12
	Unallocated Corporate assets(Including Capital Work-in Progress)							7957.52	7648.85
	Total Assets							19512.27	19035.97
	Segment liabilities	808.73	821.76	600.36	640.37			1409.09	1462.13
	Unallocated Corporate liabilities							5151.85	5533.95
	Total liabilities							6560.94	6996.08
	Capital Expenditure	171.01	105.15	61.91	134.89			232.92	240.04
	Depreciation	244.17	267.78	248.12	148.80			492.29	416.58
	Non-cash expenses other than depreciation	0.24	0.36	28.31	0.09			28.56	0.45
	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 <ul style="list-style-type: none"> i. Storage charges on the basis of material drawal, ii. Common charges and social overhead on the basis of salaries & wages, iii. Sales Orgn. expenses on the basis of actual sales and iv. Service Centres Assets & Liabilities are apportioned among the segments on the basis of the service rendered. 								

**Statement pursuant to Section 212 of the Companies Act, 1956**

Name of the Subsidiary Company	Financial year ending of the Subsidiary Company	Number of equity shares held	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profit/(loss) so far it concerns the members of the holding Company and not dealt with in the books of account of the holding Company (except to the extent dealt with in Col.6).	Profit/(loss) so far it concerns the members of the holding Company and dealt with in the books of account of the holding Company.	Profit/(loss) so far it concerns the members of the holding Company and not dealt with in the books of account of the holding Company (except to the extent dealt with in Col.8).	Profit/(loss) so far it concerns the members of the holding Company and dealt with in the books of account of the holding Company.
(1)	(2)	(3)	(4)	(5) ₹ in crore	(6) ₹ in crore	(7) ₹ in crore	(8) ₹ in crore
NLC Tamilnadu Power Limited	31.03.2013	1068000000	89%	Nil	Nil	(0.04)	Nil
Neyveli Uttar Pradesh Power Limited*	31.03.2013	51000	51%	(1.02)	Nil	NA	NA

Information of Subsidiary Companies

(₹ in crore)

Sl. No.	Description	NLC Tamilnadu Power Limited		Neyveli Uttar Pradesh Power Limited*
		2012-13	2011-12	2012-13
(a)	1. Capital	1200.00	500.00	0.10
	2. Share application Money pending for allotment	42.00	341.50	0.00
(b)	Reserves	-0.04	-0.04	-2.00
(c)	Total assets	4,734.59	3,271.22	136.17
(d)	Total liabilities	3,492.63	2,429.76	138.07
(e)	Details of investment	Nil	Nil	Nil
(f)	Turnover	Nil	Nil	Nil
(g)	Profit/(loss) before taxation	Nil	Nil	(2.00)
(h)	Provision for taxation	Nil	Nil	Nil
(i)	Profit/(loss) after taxation	Nil	Nil	Nil
(j)	Proposed dividend	Nil	Nil	Nil

*Incorporated on 09.11.2012, hence furnishing of particulars of previous year figure does not arise.

In terms of Circular No.51/12/2007-CL-III dated 8th February 2011, notified by the Ministry of Corporate Affairs, the annual accounts and the related detailed information of Subsidiary Companies i.e, NLC Tamilnadu Power Limited and Neyveli Uttar Pradesh Power Limited for the year ended 2012-13 is available for inspection for the shareholders at the head office of the Company and also of the Subsidiary Companies and shareholders desirous of obtaining a copy of the Annual Report of the Subsidiary Companies for the year 2012-13, containing the annual accounts and other documents, may send their request addressed to the Company Secretary and the same will be forwarded to their registered address.



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) : L93090TN1956GOI003507
2. Name of the Company : Neyveli Lignite Corporation Limited
3. Registered Address : No.135, Periyar E.V.R. High Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India
4. Website : www.nlcindia.com
5. E-mail id : gmms@nlcindia.com
6. Financial Year reported : 2012-13
7. Sector(s) : Mining & Power Generation
8. Key products : Lignite and Power
9. Total number of locations where business activity is undertaken by the Company
 - A. Number of International Locations : None
 - B. Number of National Locations : Mines & Power Plants located in Neyveli and Barsingsar; offices located in Chennai, Hyderabad, Bangalore, Mumbai, Kolkata and New Delhi.
10. Markets served by the Company : Southern India and Rajasthan

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹1,677.71 crore (2012-13)
2. Total Turnover : ₹5,590.07 crore (2012-13)
3. Total PAT : ₹1,459.75 crore (2012-13)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of PAT :

In the previous three financial years, the Company has spent about one per cent of PAT on CSR activities. In 2012-13, the Company has spent 1 per cent of PAT on CSR activities.
5. List of activities in which expenditure in 4 above has been incurred:
 - A. Health and Sanitation Programmes
 - B. Access and Social Infrastructure Development in surrounding villages
 - C. Enhancing Literacy and Education for the community
 - D. Water and irrigation projects
 - E. Disaster Management programmes
 - F. Women empowerment, skill enhancement and entrepreneurship programmes

**SECTION C: OTHER DETAILS**

1. Does the Company have any Subsidiary Company/Companies?
Yes. The Company has two Subsidiary Companies.
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).

Both the Subsidiary Companies adopt the same policies of NLC. In addition NLC has taken BR initiatives in the regions, where its Subsidiaries are operating.
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.

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

- DIN Number : 02865335
- Name : Shri. Rakesh Kumar
- Designation : Director (Finance)

- b. Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri. V. Rajarao
3.	Designation	General Manager - Management Services
4.	Telephone Number	04142-252364
5.	e-mail id	gmms@nlcindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3: Businesses should promote the well being of all employees.
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5: Businesses should respect and promote human rights.
- P6: Business should respect, protect and make efforts to restore the environment.
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8: Businesses should support inclusive growth and equitable development.
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.



Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	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	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	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	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.nlcindia.com/investor/brrreport.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	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	NA	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	NA	Y	Y

2a. If answer to Sl. 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)	-	-	-	-	-	-	*	-	-

* NLC does not advocate influencing the public & regulatory policies for its gain, hence no policy is proposed. If required the Company may approach the appropriate authorities through Trade and Industry Chambers and Association and other such collective platforms.

**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 and the same is available in the following link http://www.nlcindia.com/about/sustainable_development.pdf.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 (P1)**

- 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 Company has signed a Memorandum of Understanding with Transparency International India for implementation of Integrity Pact Programme. Transparency International India is the Indian chapter of Transparency International, an international civil society organisation based at Berlin that has turned the fight against corruption into a worldwide movement. The MoU with Transparency International India serves as the policy for ethics and business conduct. The Integrity Pact Programme envisages an agreement between the prospective Vendors, Bidders & Contractors and NLC, committing the persons/officials of both parties, not to exercise any influence on any aspect of the contract. Only those Vendors/Bidders/ Contractors, who have entered into such an "Integrity Pact" with NLC are allowed to participate in the bidding for bid greater than ₹1 crore. The Code of Conduct has been prescribed for Senior Management Personnel and Board Level Executives. NLC is also governed by the guidelines issued by Government of India and statutory provisions as per applicable Acts.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year 2012-13, Vigilance Branch of the Company received 157 complaints and 114 have been disposed of, which works out to 72.6%.

Principle 2 (P2)

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Lignite
- Power

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

- 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 Unit	2011-12	2012-13	% change
Energy	Kwh/T of Lignite	Mines	39.88	35.75	(-)10.35

**Resources consumption in Power Generation**

Consumption per unit of production	Unit	Thermal Unit	2011-12	2012-13	% change
Lignite	Kg/Kwh (gross generation)	TPS	1.15	1.12	(-)2.6

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?

100% of lignite requirement for the power generation is sourced sustainably by locating the power station at pithead. The Company is in the process of switching towards star rated equipment, which ensure 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:

- Contracts pertaining to Township Administration are being awarded to project affected people.
- Workmen in and around Neyveli are engaged for service sector.
- Products of small scale industries viz., phenol, soaps, chalk pieces etc. are procured from local manufacturers.
- Women self-help group organisations are given opportunities to run canteens in offices.
- NLC buys greeting cards from SNEHA, an organisation for differently abled people.
- Consumables such as vegetables, milk, agriculture products, manure for reclamation and horticulture purposes are procured from local vendors.
- Various self-employment training programmes (including practical trainings) are imparted to the downtrodden surrounding people and their services are utilised.
- Complies with the Public Procurement Policy of the Government.

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.
- The Company produces fly ash in its thermal power plants during power generation process. Keeping in mind the environmental concerns in disposal of fly ash, the Company utilises 100% of fly ash generated from thermal power stations for brick, windows, door frames etc., manufacturing or sells it to cement plants as fly-ash is a raw-material for Portland Pozzolana Cement (PPC).



- iii. NLC's plastic recycling plant ensures 100% recycling of waste plastic collected at site.
- iv. In the Township at Neyveli, NLC has constructed modern sewage treatment plant of capacity 30 MLD. The treated effluent and manure from this plant is used for afforestation and agricultural purposes.
- v. The waste storm water generated in the mines is treated and used for total domestic requirement of population in township and partly for industrial and agricultural purposes.
- vi. The waste concrete products are recycled and used for construction works.
- vii. The Company is also exploring possibilities of recovering sand from the bottom ash of the power plants.

Principle 3 (P3)

1. Please indicate the Total number of employees.
Total number of employees as on March 31, 2013 is 17,364.
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 external firms who engage contractual manpower for their requirement.
3. Please indicate the Number of permanent women employees.
Total number of permanent women employees as on March 31, 2013 is 1,298.
4. Please indicate the Number of permanent employees with disabilities.
Total number of permanent employees with disabilities as on March 31, 2013 is 122.
5. Do you have an employee association that is recognised by management?
Yes.
6. What percentage of your permanent employees is members of this recognised employee association?
Approximately 70% of the permanent employees are members of recognised employee associations. 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.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - **Permanent Employees** : 17.1%
 - **Permanent Women Employees** : 0.5%
 - **Casual/Temporary/Contractual Employees** : The workers employed by the Contractors are also considered for periodic training and during the last year 33.6% of them were given training.
 - **Employees with Disabilities** : The suitability of all the disabled are assessed, trained and placed depending on their capabilities.



Principle 4 (P4)

1. Has the Company mapped its internal and external stakeholders?

The stakeholders have been mapped as under:

- a. Government and regulatory authorities
- b. Customers
- c. Employees
- d. Shareholders
- e. Vendors
- f. Peripheral population
- g. Project Affected Persons (PAPs)
- h. 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 marginalised 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 Constitution of India, the laws and policies of Government of India on Human Rights is also applicable to the Subsidiary Companies.

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 2012-13 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 only the Company and its subsidiaries and is not applicable to the Suppliers/Contractors/NGOs/Others.

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,

- Reclamation of lands of Mines.
- Development of Eco Tourism Park.
- Sequestration of CO₂ and production of Bio-fuel from flue gas from Thermal Power Plant.
- Recharging of Ground Water.
- Utilisation of fly ash in making Brick/Window and sale of fly ash to cement plants as an input for cement production.
- Mandatory training Programme on Sustainable Development for Students.



- Entering into green energy business.
- Maintaining green belt in Township area.

The details regarding these initiatives is published at http://www.nlcindia.com/about/sustainable_development.pdf

3. Does the Company identify and assess potential environmental risks?

NLC 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.

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?

The Company is setting up clean energy projects of 10 MW solar power project and 50 MW of windmill project. These projects are at a preliminary stage of implementation.

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 Company is in the process of setting up a 50 MW wind power plant and a 10 MW solar power plant.

In 2012-13, the Company completed Residual Life Assessment (RLA) studies of Turbine and replacement of final loop of Re-heater 2 coil in one Unit-II (210MW) of TPS-II towards improved efficiency. The Company also undertook a study on Pollution Source Apportion Study for Neyveli industrial area. Details are available in http://www.nlcindia.com/about/sustainable_development.pdf.

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 waste generated by the Company were within the permissible limits given by CPCB/SPCB in the financial year 2012-13.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no pending or unresolved show cause/ legal notices received from CPCB/ SPCB as on the end of the FY 2012 -13.

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 Standing Conference of Public Enterprises (SCOPE) and Confederation of Indian Industry (CII).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.

No.

**Principle 8 (P8)**

1. Does the Company have specified programmes/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 communities at large. Also, the Company has established infrastructural facilities for educational institutes and hospitals in the peripheral villages.

In 2012-13, the Company focused on following projects in pursuit of inclusive growth:

- Health and Sanitation Programmes.
- Access and Social Infrastructure Development in surrounding villages.
- Enhancing Literacy and Education for the community.
- Women empowerment, skill enhancement and entrepreneurship programmes.
- Disaster Management Programmes.
- Water and irrigation projects.

The details of CSR initiatives / activities of the Company have been included in the Directors' Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

The Company has undertaken CSR projects through in-house teams, District Administration and external NGOs.

3. Have you done any impact assessment of your initiative?

The Company has done impact assessment of its various CSR initiatives. The Company has trained 12,194 persons during 2012-13 through its CSR focused training programmes. Through its health and sanitation programmes, the Company has provided medical consultation to 1,79,972 patients and emergency treatment to 24,600 patients from peripheral area.

The details of CSR initiatives / activities 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 ₹14.26 crore under various CSR programmes in 2012-13, details of which are shown in below table.

CSR Focus area	Expenditure in 2012-13 (₹ in crore)
Medical health and family welfare	4.76
Drinking water supply	1.75
Education and scholarship	2.45
Community development	0.22
Formation of link road	1.05
Sanitory and other basic amenities	0.46
Construction of school and library	0.62
Others	2.95
Total	14.26



5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain.

The Company has followed participatory approach for all its CSR initiatives. It conducts baseline surveys before commencement of all the CSR projects to understand requirements of the community.

Principle 9 (P9)

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

There are no customer complaints and cases pending against the Company as on March 31, 2013.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The law for displaying product information on the product label is not applicable to the Company.

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.

No. None of the stakeholders has filed any case against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour during last five years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any consumer surveys or analysis of customer satisfaction trends.

* * *



M/s. L.U.KRISHNAN & CO.,
Chartered Accountants,
Sam's Nathaneal Tower,
3-1 West Club Road, Shenoy Nagar,
Chennai - 600 030.

M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants,
3B, No.26, Green Haven, 3rd Main Road,
Gandhi Nagar, Adyar,
Chennai - 600 020.

Independent Auditors' Report on Consolidated Financial Statements to the Board of Directors of Neyveli Lignite Corporation Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Neyveli Lignite Corporation Limited ("the Company") and its subsidiary and joint venture, which comprise the consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We didn't audit the Financial statements of Subsidiary and Joint Venture, whose Financial Statements reflect Total Assets of ₹4883.83 crore as on 31st March, 2013, Total revenue of ₹ Nil and Total Cash Flow amounting to ₹(8.57) crore for the year ended on that date as considered in the consolidated financial statements. The financial statements of Subsidiary and Joint Venture have been audited by other auditors whose reports have been



furnished to us and our opinion, in so far as it relates to the amounts included in respect of Subsidiary and Joint Venture are based solely on the reports of the other auditors.

We report that the Consolidated Financial statements have been prepared by the Company's Management in accordance with the requirement of the Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of interests in Joint Venture as Notified under Companies (Accounting Standard) Rules, 2006.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Consolidated Profit and Loss Account, of the profit for year ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to:

- a. Note No:24(d) & (e) to the Consolidated financial statements. Final adjustment will be made in the accounts on receipt of Central Electricity Regulatory Commission (CERC) order on power tariff, which is not ascertainable at this stage.
- b. Note No:24(f) to the Consolidated financial statements. Pending receipt of CERC order regarding reduction in power sales of ₹17.78 crore on account of deemed export benefit granted by Government of India has not been given effect.

Our opinion is not qualified in respect of these matters mentioned above.

For **M/s. L.U.KRISHNAN & CO.,**
Chartered Accountants
Firm Regn. No. 001527S

S. Jothirajan
Partner
M.No.: 211121

For **M/s. SREEDHAR, SURESH & RAJAGOPALAN,**
Chartered Accountants
Firm Regn. No. 003957S

K. Sreedhar
Partner
M.No.: 024314

Place : Chennai
Date : 28.05.2013



Consolidated Significant Accounting Policies

I. Principles of consolidation

The Consolidated Financial Statements of the Group are prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements" and Accounting Standard-27 "Financial Reporting of Interests in Joint Ventures".

The financial statements of the Company 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 Profit and Loss account is separately shown.

II. Fixed Assets

- Fixed Assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of taxes, duties, freight, and installation and allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement.
- Land for mining in Tamilnadu is acquired in accordance with and subject to the provisions of Land Acquisition Act, 1894 and Tamilnadu Acquisition of Land for Industrial purpose Act, 1997. Capitalisation of land is done with reference to the date of taking over the physical possession of land.

III. Depreciation

- Depreciation is provided for under straight-line method as indicated below:

Description of Assets covered	Basis
i. Assets of Thermal Power Stations, excluding vehicles other than Ash Tippers.	The Company follows the provisions of the Electricity Act, 2003. The rates are prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
ii. Residential Buildings - II & III Class	At rates prescribed by Department of Public Enterprises.
iii. Buildings : Non-residential Buildings Roads Plant & Machinery : CME other than dozers and pipe layers, workshop machinery, pumps GWC & SWC pipes and civil construction machinery. Furniture and equipment used in welfare centres other than typewriter and duplicators.	At technically assessed rates
iv. Specialised Mining Equipment : Commissioned on or after 31.08.2007	At the rate approved under Section 205 (2) (d) of the Companies Act, 1956.
v. Other Assets	At rates prescribed in Schedule XIV of the Companies Act, 1956.

Rates under (ii) and (iii) above are followed so long as they are higher than the rates covered under base (v).



2. Fixed assets relating to Research and Development are depreciated in a like manner as any other fixed asset of the Company.
3. In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, based on the number of months for which asset has been put to use.
4. Assets costing up to ₹5000/- are fully depreciated in the year in which they are put to use.
5. Amortisation of Mine Development Account

Overburden removal costs are classified under mine development account till achievement of quantity para-meters as approved for each Project. Such amounts are amortised as depreciation on the basis of annual lignite production to the total estimated mineable reserves, reckoning from the year in which regular lignite production is commenced after achievement of mine development.

6. Machinery Spares

Initial spares purchased along with fixed assets are capitalised and depreciated along with the asset. Insurance spares purchased subsequent to the commissioning of the fixed assets costing ₹50 lakh and above which can be used only in connection with an item of fixed asset and whose usage are expected to be irregular are fully depreciated over the residual useful life of the fixed assets and if the spare is utilised, the carrying cost is fully charged as depreciation in the year of utilisation.

IV. Intangible Assets

- a. Computer Software:

Application Software acquired for an amount of more than ₹10 lakh are capitalised as intangible assets and amortised over a period of 5 years.

- b. Computer Application Software acquired for an amount of less than ₹10 lakh are fully depreciated in the year in which it has been acquired.

- c. Research & Development (Internally generated projects):

- i. Expenditure incurred during the phase of research is charged to revenue.
- ii. Expenditure incurred during the phase of development is capitalised with respect to each project and amortised over its useful life.

V. Mine Closure Expenditure

Concurrent mine closure expenses are accounted as and when incurred. The annual cost of final mine closure is calculated and accounted on the basis of guidelines for preparation of mine closure plan issued by Ministry of Coal.

VI. Prepaid Expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed ₹1 crore in each case.

VII. Investments

Long term investments are carried at cost. Provision is made for diminution if any, other than temporary, in the value of such investments.

VIII. Preliminary Project Expenditure

Preliminary Project Expenditure includes expenditure on feasibility studies documentation of data, other development expenditure, expenditure on exploratory works, technical know-how etc., to be added to the capital cost of the project, as and when implemented. In case such projects are identified for transfer of



business by the Govt. of India, the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or cannot be implemented such expenditures are charged to Profit & Loss Account in the respective years.

IX. Accounting for Grants

- i. Government and other grants received relating to depreciable fixed assets are taken to capital grants and treated as 'Deferred income' and recognised in the Profit and Loss Account by allocating to income over the period in which the depreciation is charged.
- ii. Grants relating to non-depreciable assets are credited to income over a period in which the cost of meeting the obligations attached to the grants is charged to income.
- iii. Revenue grants to the extent utilised are accounted in Profit and Loss Account.

X. Reserves and Surplus

Interest Differential Reserve

Interest Differential Reserve created as provided in the Loan Agreement entered into with KfW has debt discharging effect, and is utilised in accordance with the terms of the Loan Agreement and such utilisation is shown as withdrawal from the Reserve.

XI. Employee Benefits

Employee benefits are accounted as follows as per Accounting Standard 15 (Revised) 2005:

- i. Short term employee benefits such as wages, salaries, incentives, short term EL and HPL are fully provided for.
- ii. Long term employee benefits such as EL and HPL are provided for as per Department of Public Enterprises Guideline and actuarial valuation and funded in SBI Life Insurance Corporation.
- iii. Post employment benefits such as Gratuity is treated as defined benefit plan and is accounted as per actuarial valuation. Contribution to gratuity is made to L.I.C. Group Gratuity Fund.
- iv. Post Retirement Medical Benefit Scheme is treated as defined contribution scheme and accounted accordingly.
- v. Contribution to Provident Fund Trust and Superannuation Fund Trust are recognised in Profit & Loss Account on the basis of actual liability.

XII. Allocation of common charges/social overhead expenses

These are allocated to production units based on salaries and wages of these units.

XIII. Prior period and Extra-ordinary items

Prior Period and Extra-ordinary items are accounted in accordance with Accounting Standard-5. Transactions arising out of errors or omissions exceeding ₹1 crore in each case considered as material are accounted under Prior Period Transactions. Extra-ordinary items of value exceeding ₹1 crore in each case are considered as material and accounted for under Extra-ordinary items. Prior Period/ Extra-ordinary items are not considered for stock valuation purposes.

XIV. Significant events occurring after the Balance Sheet date

Treatment of contingencies and significant events are in accordance with Accounting Standard-4. For this purpose, event having an effect of ₹1 crore and above in value is considered as significant.

XV. Revenue Recognition

- a. Sale of power is accounted for by following Electricity Act, 2003, where the tariff rates are approved by the Central Electricity Regulatory Commission constituted under the Electricity Act, 2003. In case of power stations 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 norms and parameters for capacity charges are adopted.

- b. Claim towards insurance, surcharge on belated settlement of power bills and interest on delayed payment of income tax recoverable are accounted in the year of settlement and/or in the year of acceptance of the claim/certainty of realisation as the case may be.
- c. Cash discounts for prompt payments are accounted as and when the related dues are settled.

XVI. Foreign Exchange transactions

Exchange rate variations in foreign exchange transactions are accounted as per Accounting Standard-11 of Companies (Accounting Standards) Rules, 2006, and an option has been exercised to capitalise the exchange difference.

XVII. Accounting for taxes on income

Tax expense comprises of current and deferred tax. Current tax is the amount of tax payable in respect of taxable income for the period measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Deferred tax is recognised on timing difference between accounting income and taxable income that originate in one period and are capable of being reversed in one or more subsequent periods, subject to consideration of prudence. Deferred tax is measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets/Liabilities are reviewed at each Balance Sheet date.

XVIII. Borrowing Cost

Borrowing costs (net of interest earned on temporary investments) specially attributable to the qualifying fixed assets are capitalised along with the cost of such assets and in general, weighted average interest cost is capitalised to the qualifying assets. Other borrowing costs are recognized as expenses in the period in which they are incurred.

XIX. Construction Projects

1. Capitalisation and Depreciation Provision

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, Tipper, 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. Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. Provisional take over date of the unit pursuant to Seventy two hours full load operation is deemed as the date of commercial commissioning of the units. Depreciation charge commences from the date of commercial commissioning. Direct expenses and interest charges incurred during the test and trial run are capitalized and the power sale revenue earned during that period is abated to the capital cost of the project.

- 2. Net pre-commissioning income/expenditure are adjusted directly in the cost of related assets.



BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in crore)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	1	1677.71	1677.71
b) Reserves and Surplus	2	11272.48	10362.05
Minority Interest		131.07	70.00
(2) Non-current Liabilities			
a) Long term borrowings	3	5891.61	5361.03
b) Deferred tax liability - Net	4	855.44	614.15
c) Other Long term liabilities	5	604.54	450.70
(3) Current Liabilities			
a) Trade payables	6	600.11	718.21
b) Other current liabilities	7	1628.44	1482.10
c) Short term provisions	8	555.79	798.49
TOTAL		23217.19	21534.44
II. ASSETS			
(1) Non-current Assets			
a) Fixed Assets			
i. Tangible assets	9	5881.05	5953.82
ii. Intangible assets	10	821.54	850.68
iii. Capital work-in-progress	11	7696.55	5892.60
iv. Intangible assets under development	12	34.78	39.35
b) Non-current investments	13	206.38	309.58
c) Long term loans and advances	14	249.17	294.19
d) Other Non-current assets	15	13.07	23.83
(2) Current Assets			
a) Current Investments	16	103.20	103.20
b) Inventories	17	683.72	506.19
c) Trade receivables	18	3800.27	3647.03
d) Cash and Bank balances	19	2876.13	3347.08
e) Short term loans and advances	20	688.87	390.88
f) Other current assets	21	162.46	176.01
TOTAL		23217.19	21534.44

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 28.05.2013

This is the Balance Sheet referred to in our report of even date.

For M/s. L.U. KRISHNAN & CO.,
Chartered Accountants
Firm Regn. No. 001527S

For M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants
Firm Regn. No. 003957S

S. JOTHIRAJAN
Partner
M.No.: 211121

K. SREEDHAR
Partner
M.No.: 024314

Place: Chennai

Date: 28.05.2013



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in crore)

Particulars	Note No.	For the year ended 31.03.2013	For the year ended 31.03.2012
I. Revenue from operations	24	5590.07	4866.85
II. Other income	25	582.95	748.36
III. Total Revenue (I+II)		6173.02	5615.21
IV. Expenses:			
Increase (-) / Decrease in stock	26	-72.18	-2.88
Employee benefits expense	27	1952.42	1698.20
Finance Cost	28	193.39	149.54
Depreciation and amortisation expenses	29	512.31	430.18
Other Expenses	30	1688.99	1475.03
Prior Period Adjustments (Net)	31	35.55	-2.56
		4310.48	3747.51
Less: Expenses Capitalised	32	21.78	38.04
Total expenses		4288.70	3709.47
V. Profit before exceptional and Extra-ordinary items and tax (III-IV)		1884.32	1905.74
VI. Exceptional items	33	161.34	78.15
VII. Profit before Extra-ordinary items and tax (V+VI)		2045.66	1983.89
VIII. Extra-ordinary item		0.00	0.00
IX. Profit before tax (VII+VIII)		2045.66	1983.89
X. i) Tax Expense:			
For current year		340.00	496.00
For previous year		6.61	41.79
ii) Deferred tax			
For current year		305.97	66.21
For previous year		-64.68	-31.44
		587.90	572.56
XI. Profit for the period from continuing operation (IX-X)		1457.76	1411.33
XII. Profit for the period		1457.76	1411.33
XIII. Earning Per Share			
Basic and Diluted (₹)	34	8.69	8.41

There is no discontinued operation.

Notes to the Financial Statement and Significant Accounting Policies annexed form an integral part of Profit and Loss Statement.

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 28.05.2013

This is the Profit and Loss Statement referred to in our report of even date.

For M/s. L.U. KRISHNAN & CO.,
Chartered Accountants
Firm Regn. No. 001527S

For M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants
Firm Regn. No. 003957S

S. JOTHIRAJAN
Partner
M.No.: 211121

K. SREEDHAR
Partner
M.No.: 024314

Place: Chennai

Date: 28.05.2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in crore)

	For the year ended 31.03.2013	For the year ended 31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	2045.66	1983.89
Adjustments for :		
Less: Profit on Disposal of Asset	4.26	5.80
Interest Income	494.87	611.46
	499.13	617.26
Add: Depreciation including prior period	519.03	430.18
Advance OB removal charge off	13.82	20.73
Other non cash charges	-52.16	46.58
Interest charged to P&L A/c	193.39	149.54
	674.08	647.03
Operating Profit before working capital changes	174.95	29.77
Adjustments for : Trade and other receivables :	2220.61	2013.66
Sundry Debtors	-153.25	-1443.86
Loans & Advances	-130.41	15.07
Inventories & other current assets	-173.82	-14.93
Trade Payables	36.62	-119.86
Cash flow generated from operations	1799.75	450.08
Direct Taxes paid	-539.79	-478.10
Cash flow before extra-ordinary Items & P.P.T	1259.96	-28.02
Grants received	2.36	1.02
Net Cash from operating activities	1262.32	-27.00
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets/Preliminary expenses	-1792.19	-1512.02
Sale of Fixed Assets/Projects		
From continuing operations	29.45	9.39
Sale/Purchase of Investments	103.20	103.20
Interest received	495.71	632.70
Net Cash used in investing activities	-1163.83	-766.73
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long term borrowings (Net)	655.96	644.14
Interest paid	-546.83	-493.93
Share Capital purchased	62.05	15.00
Dividend (including Dividend Tax)	-740.62	-448.40
Net Cash used/received in financing activities	-569.44	-283.19
Net increase, decrease(-) Cash and cash equivalents	-470.95	-1076.92
Cash and cash equivalents as at the beginning of the year	3347.08	4424.00
Cash and cash equivalents as at the end of the year	2876.13	3347.08

NOTE: (-) INDICATES CASH OUTFLOW.

	As at 31.03.2013	As at 31.03.2012
DETAILS OF CASH AND CASH EQUIVALENTS:		
Cash in hand	0.01	0.17
Cash at bank in current account	529.43	37.65
Cash at bank in deposit account	2346.69	3309.26
Total	2876.13	3347.08

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 28.05.2013

This is the Cash Flow Statement referred to in our report of even date.

For M/s. L.U. KRISHNAN & CO.,
Chartered Accountants
Firm Regn. No. 001527S

For M/s. SREEDHAR, SURESH & RAJAGOPALAN,
Chartered Accountants
Firm Regn. No. 003957S

S. JOTHIRAJAN
Partner
M.No.: 211121

K. SREEDHAR
Partner
M.No.: 024314

Place: Chennai

Date: 28.05.2013



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
1	Share Capital	As at 31.03.2013	As at 31.03.2012
a.	Authorised		
	2,00,00,00,000 Equity Shares of ₹10/- each	2000.00	2000.00
b.	Issued, Subscribed and Paid-up		
	1,67,77,09,600 Equity Shares of ₹10/- each fully paid-up	1677.71	1677.71
c.	1,56,96,39,900 (previous year 1,56,96,39,900) Equity Shares being 93.56% (previous year 93.56%) held by the President of India.		
d.	No new shares were issued during the current year and previous year. Hence there is no change in number of shares outstanding as at the beginning and as at the end of the years.		
2	Reserves and Surplus	As at 01.04.2012	As at 31.03.2013
a.	Capital reserve (capital grants)		
i.	USTDA Grant	1.51	1.51
ii.	Fly Ash Housing Grant	0.02	0.02
iii.	Plant Renovation Grant	0.14	0.14
iv.	Safety Investigation System	0.70	0.70
b.	Profit and Loss Account	9176.24	9905.96
	- Share of interest in Joint Venture	-0.08	-0.08
c.	KfW Interest Differential Reserve	251.52	267.23
d.	General Reserve	872.00	1022.00
e.	Bond Redemption Reserve	60.00	75.00
	Total	10362.05	11272.48
3	Long term Borrowings	As at 31.03.2013	As at 31.03.2012
a.	Secured		
i.	Neyveli Bonds - 2009	600.00	600.00
ii.	Term Loans from Banks		
	Canara Bank Consortium Loan	1900.00	2182.50
	State Bank of India Loan	100.00	100.00
	Bank of Baroda Consortium Loan	2375.00	1938.90
	Bank of India Consortium Loan	390.00	0.00
b.	Unsecured		
	Foreign Currency loan from KfW-Germany##		
	9.86 Million Euro (10.30 Million Euro) - I	68.62	70.42
	65.86 Million Euro (68.66 Million Euro) - II	457.99	469.21
	Total	5891.61	5361.03
	## Guaranteed by the Government of India.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	c. Neyveli Bonds 6000,8.83%10 Years, Secured, Redeemable, Taxable, Non-convertible Bonds in the nature as Debentures of ₹10 lakh each secured by way of paripassu charge on the present and future fixed assets of Mine-II Expansion Project, TS-II Expansion Project, Barsingsar Mine and Thermal Power Station and exclusive charge on an immovable property. Redeemable on 23.01.2019 (without Put or Call Option).		
	d. The Rupee Term Loan of ₹3750 crore from Canara Bank consortium is secured by paripassu charge on project fixed assets financed and repayable in Twenty equal bi-annual installment commenced from 23.02.2010, ending on August 2019.		
	e. The Rupee Term Loan of ₹2500 crore from State Bank of India is secured by paripassu charge on project fixed assets financed. The repayment would be made in 42 equated quarterly installments, starting from 30 th September 2016, ending on December 2026.		
	f. The term loan of ₹2500 crore from Bank of Baroda consortium is secured by a paripassu charge on project of the subsidiary financed. The Repayment of loan is in twenty (20) equal half yearly consecutive installments starting from November 2013.		
	g. The term loan of ₹937 crore from Bank of India Consortium loan repayment in twenty equal half yearly consecutive instalments starting from August 2015.		
	h. Bi-annual equal repayment (0.44 Million Euro) of Foreign Currency loan-I from KfW Germany, commenced from 30.12.2001 ending on 30.06.2036.		
	i. Bi-annual equal repayment (2.80 Million Euro) of Foreign Currency loan-II from KfW Germany, commenced from 30.06.2002, ending on 30.06.2037.		
4	Deferred Tax Liability - Net	As at 31.03.2013	As at 31.03.2012
	a. Deferred tax liability: Related to depreciation	992.08	825.72
	b. Deferred tax asset: Provisions, etc.	136.64	211.57
	Deferred tax liability (Net)	855.44	614.15
5	Other Long term Liabilities	As at 31.03.2013	As at 31.03.2012
	a. Capital purchase, capital works in progress	221.45	198.85
	b. Others - Liability towards Retention Money	383.09	251.85
		604.54	450.70
6	Trade Payables	As at 31.03.2013	As at 31.03.2012
	a. Sundry creditors	277.89	259.81
	- Share of interest in Joint Venture	0.00	0.02
	b. Others	322.22	458.38
	Total	600.11	718.21
	c. Principal amount remaining unpaid to any supplier belonging to Micro, Small and Medium Enterprises as at the end of the year ₹11.79 crore (previous year ₹7.33 crore).		
	d. Amount of Interest due and payable for the period of delay in making payment but without adding the interest specified under this Act ₹0.15 crore (previous year ₹0.33 crore).		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
7	Other Current Liabilities	As at 31.03.2013	As at 31.03.2012
a.	Current maturities of long term debt		
i.	Loan from Banks - Canara Bank Consortium	375.00	375.00
ii.	Foreign Currency loan from KfW -3.24 Million Euro	22.53	22.15
iii.	Loan from Banks - Bank of Baroda	125.00	0.00
b.	Interest accrued but not due on borrowing		
i.	Neyveli Bonds	9.87	9.99
ii.	KfW	1.03	1.05
iii.	Others interest accrued	0.00	0.01
c.	Unclaimed dividend	1.27	0.93
d.	Unutilised revenue grant	6.99	4.78
e.	Staff security deposit	0.01	0.01
f.	Other liabilities	1086.36	1067.87
	- Share of interest in Joint Venture	0.38	0.31
	Total	1628.44	1482.10
	Other liabilities includes LD, EMD from contractors, credit balance from vendors, deposits for lignite supply, caution deposits and the amount payable to the Parent Company and the Joint Venture Company.		
8	Short term Provisions	As at 31.03.2013	As at 31.03.2012
a.	Accrued earned leave	90.66	120.68
b.	Half pay leave	0.00	54.36
c.	Short term benefit of earned leave	5.58	10.69
d.	Short term benefit of half pay leave	3.73	4.21
e.	Post retirement medical benefit	17.21	14.98
f.	Provision for loss on assets	0.41	1.00
g.	Proposed final dividend	301.99	469.76
h.	Proposed final dividend tax	51.33	76.21
i.	Contingencies	84.88	46.60
	Total	555.79	798.49
j.	Actuarial valuation liability in respect of long term employee benefits EL and HPL amounting to ₹293.96 crore has been partly funded with SBI Life Insurance Corporation. Balance Liability had been provided.		
k.	Scheme of encashment of half pay leave at the time of superannuation has been realigned in line with the Department of Public Enterprises guideline. Accordingly excess provision amounting to ₹66.47 crore made in earlier years has been withdrawn and shown under exceptional item vide Note No: 33.		



Notes to the Financial Statement

Sl. No.	Particulars										(₹ in crore)
9	Tangible Assets										
	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2012	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2013	As at 31.03.2012	Withdrawals Trans./Adj.	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	a Land ***	420.59	21.09	0.00	441.68	0.00	0.00	0.00	0.00	441.68	420.59
	b Lease hold land	50.29	0.00	0.00	50.29	7.82	0.00	1.68	9.50	40.79	42.47
	-Share of interest in Joint Venture	3.99	0.00	0.00	3.99	0.08	0.00	0.12	0.20	3.79	3.91
	c Roads	56.13	8.76	1.01	63.88	12.86	0.58	1.57	13.85	50.03	43.27
	d Buildings ++	330.98	36.70	17.05	350.63	120.33	7.82	8.36	120.87	229.76	210.65
	e Elec. Installations	335.26	20.23	7.19	348.30	136.80	0.01	11.07	147.86	200.44	198.46
	f Water Supply & Drainage	141.93	8.38	0.14	150.17	74.47	0.12	11.69	86.04	64.13	67.46
	g Plant & Machinery*	11547.22	341.61	30.64	11858.19	6647.80	22.40	446.71	7072.11	4786.08	4899.42
	h Furniture & Equipments	68.56	6.30	3.18	71.68	42.51	2.03	3.14	43.62	28.06	26.05
	-Share of interest in Joint Venture	0.02	0.00	0.00	0.02	0.01	0.00	0.00	0.01	0.01	0.01
	i Vehicles	91.11	1.44	0.80	91.75	49.55	0.75	6.67	55.47	36.28	41.56
	j Assets costing ₹5000 and below	6.00	0.25	0.07	6.18	6.00	0.07	0.25	6.18	0.00	0.00
	Total	13052.08	444.76	60.08	13436.76#	7098.23	33.78	491.26	7555.71	5881.05	5953.83
	Previous Year	12748.48	371.48	67.89	13052.07	6755.71	63.59	406.12	7098.24	5953.83	5992.75
	* Includes assets belonging to Ministry of Coal obtained under Coal S&T Projects and Insurance spares. ++ Includes leasehold buildings of value ₹2.10 crore for which lease agreement is yet to be signed. Normal depreciation rate adopted in view of lower amortisation rate. # Includes Assets non commissioned amounting to ₹ Nil (Previous year ₹17.29 crore). *** Pending High Court decision, the additional land compensation of ₹0.58 crore (Previous year ₹0.89 crore) deposited with Court has not been capitalised. There is no impairment loss identified for the assets.										
10	Intangible Assets										
	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2012	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2013	As at 31.03.2012	Withdrawals Trans./Adj.	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	a Software	9.35	0.46	0.00	9.81	7.27	0.00	1.13	8.40	1.41	2.08
	b Mine Development										
	Mine-I	464.33	0.00	0.00	464.33	205.94	0.00	12.36@	218.30	246.03	258.39
	Mine-IA	127.49	0.01	0.00	127.50	26.91	0.00	2.94@	29.85	97.65	100.58
	Mine-II	467.02	3.72	0.00	470.74	98.20	0.00	13.69@	111.89	358.85	368.82
	Barsingar Mine	123.87	-0.01	0.00	123.86	3.06	0.00	3.20@	6.26	117.60	120.81
	Total	1192.06	4.18	0.00	1196.24	341.38	0.00	33.32	374.70	821.54	850.68
	Previous Year	1169.79	22.27	0.00	1192.06	311.16	0.00	30.22	341.38	850.68	858.63
	@ represents provisions for amortisation There is no impairment loss identified for the assets										



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)			
11	Capital Work-in-Progress	As at 31.03.2013	As at 31.03.2012		
a.	Plan Expenditure				
i.	TPS-II Expansion				
	Supply and Erection	1992.79		1986.79	
	Capital Goods in Stock	0.00		2.80	
	Expenditure during Construction	218.97		145.31	
	Interest during Construction	564.47	2776.23	454.39	2589.29
ii.	Barsingar Mines and Thermal				
	Supply and Erection	0.06		4.28	
	Capital Goods in Stock	0.03	0.09	0.03	4.31
iii.	Mine-II Expansion				
	Supply and Erection	43.59		73.78	
	Capital Goods in Stock	22.28	65.87	22.06	95.84
iv.	NLC Tamilnadu Power Ltd.				
	Supply and Erection	4010.34		2693.30	
	Capital Goods in Stock	8.36		32.01	
	Expenditure during Construction	88.57		47.95	
	Interest during Construction	468.97	4576.24	243.82	3017.08
v.	Neyveli New Thermal Plant				
	Supply and Erection	17.59		14.60	
	Expenditure during Construction	6.10		0.00	
	Interest during Construction	1.82	25.51	0.00	14.60
b.	Non-Plan Expenditure				
	Supply and Erection	220.30		82.73	
	Capital Goods in Stock	31.09		10.79	
	Capital Goods in Transit	1.22	252.61	77.96	171.48
	Total		7696.55		5892.60
c.	Thermal -II Expansion project consist of two units of 250 MW each. Unit -I of the plant was lighted up on 28.02.2011 and synchronised on 18.05.2011. The operation during the trial run could not be sustained due to technical problem/under performance of lignite extraction and transport feeder, refractory and coil supporting arrangement in Fluidized Bed Heat Exchanger (FBHE). Action are being taken to commission the unit at the earliest. Interest during construction and other expenses incurred are being capitalised in line with accounting policy of the Company.				
12	Intangible Assets under Development	As at 31.03.2013	As at 31.03.2012		
	Preliminary Project Expenditure	62.98		67.72	
	- Share of interest in Joint Venture	2.88		2.85	
		65.86		70.57	
	Less: provisions	31.08		31.22	
		34.78		39.35	



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
13	Non-current Investments (Unquoted)	As at 31.03.2013	As at 31.03.2012
	8.5% tax free SLR Power Bonds issued by State Governments.	206.38	309.58
14	Long term Loans and Advances	As at 31.03.2013	As at 31.03.2012
a.	Loans and Advances-Staff (Secured)	100.46	65.83
b.	Capital Advances (Unsecured - considered good)	148.71	228.36
	Total	249.17	294.19
15	Other Non-current Assets	As at 31.03.2013	As at 31.03.2012
	Unsecured considered good	13.07	23.83
16	Current investments (Unquoted)	As at 31.03.2013	As at 31.03.2012
	8.5% tax free SLR Power Bonds issued by State Governments	103.20	103.20
17	Inventories	As at 31.03.2013	As at 31.03.2012
	(As certified by the Management)		
a.	Raw Materials	129.61	57.43
b.	Stores and Spares	479.96	428.89
c.	Goods-in-transit	77.33	27.91
		557.29	456.80
	Less: Provision	5.84	9.55
d.	Solid/Hollow/Fly Ash Bricks	2.66	1.51
	Total	683.72	506.19
e.	Inventory valuation - Value of Inventory at the lower of cost and net realisable value.		
i.	Lignite - At absorption cost excluding share of common charges and social overhead.		
ii.	Stores & Spares procured - At weighted average acquisition cost.		
iii.	Fly ash bricks - At absorption cost.		
iv.	Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.		
f.	Stocks of stores,spares,raw materials and finished goods are under hypothecation for cash credit facilities arranged with State Bank of India.		
18	Trade Receivables	As at 31.03.2013	As at 31.03.2012
	Unsecured		
	Considered Good		
	More than six months	2110.54	1068.74
	Others	1689.73	2578.29
	Considered Doubtful	2.10	2.09
		3802.37	3649.12
	Less: Provision for Doubtful Debts	2.10	2.09
	Total	3800.27	3647.03



Sl. No.	Particulars	(₹ in crore)	
19	Cash and Bank Balances	As at 31.03.2013	As at 31.03.2012
	Cash and cash equivalents		
a.	Balances with Scheduled Banks in Current A/c	523.49	37.64
	- Share of interest in Joint Venture	5.94	0.01
b.	Cash on hand	0.01	0.17
c.	Unpaid Dividend A/c	1.27	0.93
d.	Fixed Deposits		
i.	Short term Deposit	2318.23	3275.20
	- Share of interest in Joint Venture	0.00	5.94
ii.	Staff Security Deposit	0.01	0.01
iii.	Endowment fund in the name of NLC Schools	0.18	0.18
iv.	Short term Deposits for lien for guarantee	27.00	27.00
	Total	2876.13	3347.08
20	Short term Loans and Advances	As at 31.03.2013	As at 31.03.2012
	(Recoverable in cash or in kind or for value to be received)		
a.	Unsecured		
i.	Considered good	243.89	139.27
	- Share of interest in Joint Venture	0.22	0.01
ii.	Considered doubtful	2.68	2.14
		246.79	141.42
	Less: Provision for doubtful advances	2.68	2.14
		244.11	139.28
b.	Advance Income tax	1800.77	1323.95
	Less : Provision for taxation	1356.05	1072.41
		444.72	251.54
c.	Deposit with Central Excise, Port Trust and Customs authorities	0.04	0.06
		688.87	390.88
d.	i. Due by officers	-	-
	ii. Maximum amount due at any time during the year	-	-
e.	i. Due by Directors	-	-
	ii. Maximum amount due at any time during the year	-	-
21	Other Current Assets	As at 31.03.2013	As at 31.03.2012
a.	Interest accrued	154.91	155.75
	- Share of interest in Joint Venture	0.22	0.22
b.	Disposable/Dismantled assets, Spares	1.09	0.85
	Less: Provision for impairment of assets	0.68	0.36
		0.41	0.49
c.	Prepaid expenses	6.04	4.33
d.	Advance Overburden removal expenditure	0.00	13.82
e.	Asset not in the Books of Accounts (Net of charge)	0.88	1.40
	Total	162.46	176.01



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
22	Contingencies and Commitments	As at 31.03.2013	As at 31.03.2012
a.	Contingent Liability exists in respect of: Guarantees issued by Company	26.45	21.98
b.	Claims against the Corporation not acknowledged as debts:		
i.	From employees/others	0.22	0.22
ii.	From suppliers/contractors/customers	1640.56	1721.04
iii.	Statutory authorities	91.49	19.34
iv.	Disputed amount of Income tax	458.45	280.97
c.	i. Estimated value of contracts remaining to be executed on capital accounts not provided for	2310.94	2780.81
	ii. Commitment for the acquisition of lands	59.86	44.89
23	Advances, Sundry Debtors and Sundry Creditors have been linked with corresponding credits/debits to the extent practicable. Balances due in respect of advances and amounts due to creditors are subject to confirmation.		
24	Revenue from Operations	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Power	5069.49	4476.23
b.	Lignite	514.54	462.88
c.	Miscellaneous	19.26	13.75
		5603.29	4952.86
	Less: Excise Duty	10.36	4.62
		5592.93	4948.24
	Less: Transfer to Capital Expenditure Accounts	2.86	81.39
		5590.07	4866.85
d.	Pending determination of final power tariff by Central Electricity Regulatory Commission (CERC), tariff rate has been provisionally accounted based on the provisional order issued by the CERC in respect of Barsingsar Thermal Power Station.		
e.	Revision in capacity charges of power tariff and transfer price of lignite(in accordance with Ministry of Coal (MOC) guidelines) for energy charges of power tariff on account of "truing up" (i.e., adjustments based on actuals as against projected) to the actual, wherever and whenever applicable will be considered subject to approval by Central Electricity Regulatory Commission (CERC).		
f.	Pending receipt of order from CERC reduction in power sales of ₹17.78 crore on account of deemed export benefit granted by Govt. of India has not been given effect.		
25	Other Income	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Interest		
i.	Bank Deposit	298.89	392.22
ii.	Employees	6.71	14.68
iii.	Long term investments	32.89	41.67
iv.	Others	156.38	162.89
	Carried Forward	494.87	611.46

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Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
	For the year ended 31.03.2013	For the year ended 31.03.2012
ii.	The LIC Group Gratuity Fund maintains the defined benefit plan. Contribution is made to the fund based on the actuarial valuation done at the year end.	
iii.	The amounts recognised in the Balance Sheet are as follows:	
	Present value of funded obligations	737.48 676.91
	Fair value of Plan assets	737.48 676.91
	Unrecognised past service cost	0.00 0.00
	Net liability in the Balance Sheet	0.00 0.00
iv.	The amounts recognised in the Statement of Profit and Loss are as follows:	
	Current service cost	18.02 18.14
	Interest on obligation	54.15 48.32
	Expected return on plan assets	-61.42 -55.99
	Net actuarial losses (gains) recognised in the year	29.51 34.34
	Total included in Employee benefit expense	40.26 44.80
	Actual return on plan assets	61.42 55.98
v.	Changes in the present value of the defined benefit obligation	
	Opening defined benefit obligation	676.91 603.99
	Service cost	18.02 18.14
	Interest cost	54.15 48.32
	Actuarial losses (gains)	29.51 34.34
	Benefits paid	-41.11 -27.88
	Closing defined benefit obligation	737.48 676.91
vi.	Changes in the fair value of plan assets	
	Opening fair value of plan assets	676.91 603.99
	Expected return	61.42 55.99
	Actuarial gains and (losses)	0.00 0.00
	Contributions by employer	40.26 44.80
	Benefits paid	-41.11 -27.88
	Closing fair value of plan assets	737.48 676.91
vii.	Principal actuarial assumptions at the balance sheet date (expressed as weighted average)	
	Discounted rate per annum	8.00 8.00
	Expected return per annum on plan assets	8.00 8.00
	Salary escalation per annum	5.00 5.00
	Retirement age	60 years 60 years
	Mortality	LIC 1994-96 LIC 1994-96
	Attrition rate	1-3% 1-3%



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
		For the year ended 31.03.2013 For the year ended 31.03.2012
	2. Disclosure in respect of Defined Contribution Plan in respect of Post Retirement Medical Benefit Scheme:	
	i. Amount recognised in the Profit and Loss Account as premium paid to the Insurance Company	16.56 6.73
	ii. Liability provided for the fixed Medical Assistance	7.08 9.90
28	Finance Cost	For the year ended 31.03.2013 For the year ended 31.03.2012
a.	Interest Expenses	
	Fixed loans	
	Unsecured loans - KfW - Foreign currency loan	4.37 4.29
	Unsecured loans - Credit Agricole Corporate & Investment Bank - Foreign currency loan	0.00 7.47
	Secured loans-NLC Bonds	52.86 53.10
	Loan from Banks	481.77 402.27
	Others	0.94 14.87
	Guarantee fees KfW loan	6.74 6.48
		546.68 488.48
	Less: Transfer to Capital Expenditure Accounts	353.29 338.94
		193.39 149.54
b.	Borrowing cost capitalised during the year Interest and commitment charges	353.29 338.94
29	Depreciation and Amortisation Expenses	For the year ended 31.03.2013 For the year ended 31.03.2012
a.	Fixed Assets	485.44 407.29
b.	Mine Development and other amortisations	32.18 28.98
		517.62 436.27
	Less: Transfer to Capital Expenditure Accounts	5.16 5.91
	Transfer from Capital Grants	0.15 0.18
		512.31 430.18
30	Other Expenses	For the year ended 31.03.2013 For the year ended 31.03.2012
	Consumption of stores and spares	543.93 502.12
	Fuel	72.29 96.15
	Mine closure	19.80 18.87
	Advance Overburden removal charge off	13.82 20.73
	Excise duty	58.16 28.98
	Rent	0.56 0.51
	Carried Forward	708.56 667.36



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
	For the year ended 31.03.2013	For the year ended 31.03.2012
	Brought Forward	708.56
	Rates and taxes	667.36
	Electricity tax	1.45
	Clean energy cess	128.46
	Others	3.08
	Power charges	8.85
	Water charges	0.82
	Wealth tax	0.22
	Repairs and Maintenance	
	Plant and Machinery	137.59
	Buildings	8.62
	Others	209.31
	Overburden removal expenditure	83.25
	Insurance	5.03
	Payments to auditors	
	Audit fees	0.16
	Tax audit fees	0.08
	Other certification fees	0.15
	Reimbursement of expenses	0.08
	Travelling expenses	16.05
	Training expenses	3.68
	Incorporation expenses	2.00
	Family welfare expenses	3.63
	Selling expenses - Discounts	13.33
	Afforestation expenses	13.08
	Royalty	222.31
	Central Industrial Security Force expenses	67.10
	Corporate Social Responsibility expenses	14.34
	Miscellaneous expenses	58.75
	Loss on disposal of assets	0.79
	Fixed assets written off	0.08
	Provision for impairment of fixed assets	0.24
	Provision for contingencies	18.01
	Provision for stores & materials	1.57
	Provision for doubtful debts/advances	0.56
	Provision for loss on assets	0.00
	Provision for preliminary expenses	0.00
		1731.23
	Less: Transfer to Capital Expenditure Accounts	42.20
	Transfer from Grant	0.04
	Total	1688.99
		1557.06
		80.86
		1.17
		1475.03



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
31	Prior Period Adjustments (Net)	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Sales	-6.42	0.00
b.	Employee remuneration	32.63	0.00
c.	Depreciation	6.72	0.00
d.	Consumption of Stores and spares	2.62	0.00
e.	CSR expenses	0.00	-2.56
f.	Rent	0.00	2.73
		35.55	0.17
	Less: Transfer to Capital Expenditure Accounts	0.00	2.73
	Prior Period adjustment (Net)	35.55	-2.56
	(-) Indicates income		
32	Expenses Capitalised	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Lignite Consumption during construction	4.08	22.30
b.	Power Consumption during construction	0.05	0.00
c.	Service charges	9.41	9.30
d.	Land Acquisition expenses	8.24	6.44
	Total	21.78	38.04
33	Exceptional Items	For the year ended 31.03.2013	For the year ended 31.03.2012
a.	Power sales	142.66	-63.46
b.	Contingency provision	-20.27	0.00
c.	Lignite sales	9.18	57.23
d.	Interest - Income	16.07	161.21
e.	Employee remuneration	66.47	-76.83
f.	Cash Discount	-51.11	0.00
g.	Other expenses	-1.66	0.00
	(-) Indicates expenditure		
	Total	161.34	78.15
	h. Power sales includes previous period adjustment by way of reduction of ₹12.83 crore towards secondary fuel price adjustment, ₹9.15 crore for tariff adjustment in respect of Barsingsar Thermal Power Station on receipt of provisional tariff order and ₹43.40 crore towards income tax reimbursement claim refundable to Electricity Boards.		
	i. Sale of power also includes ₹139.05 crore amount receivable from Electricity Boards on account of increased capacity charges due to pay revision in earlier years. Further Sale of power and lignite includes ₹68.99 crore and ₹9.18 crore respectively, in respect of earlier years towards energy charges in power tariff and lignite sales on account of inclusion of Mine-II Expansion expenditure in lignite price. Royalty expenditure and excise duty expenditure to the tune of ₹1.66 crore has also been provided.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	j. Contingency provision of ₹20.27crore has been provided in respect of earlier years towards possible reduction in the power tariff due to revision in lignite price to be considered by CERC.		
	k. Cash discount of ₹51.11 crore has been accounted on receipt of CERC order in respect of earlier years.		
	l. Interest income of ₹16.07 crore pertained to earlier years has been reckoned on receipt of order from CERC towards power tariff and discount.		
34	Earning Per Share	For the year ended 31.03.2013	For the year ended 31.03.2012
	a. Profit after tax	1457.76	1411.33
	b. Number of Shares	1677709600	1677709600
	c. Face Value of Share (₹)	10.00	10.00
	d. Earning Per Share - Basic and Diluted (₹)	8.69	8.41
35	The effect of Foreign Exchange Fluctuation	For the year ended 31.03.2013	For the year ended 31.03.2012
	a. The amount of exchange rate difference debited/ (credited) to the Profit & Loss Account	0.34	1.02
	b. The amount of exchange rate difference adjusted and debited/(credited) to the carrying amount of fixed assets & WIP	20.53	56.21
36	Expenditure incurred on Research & Development	For the year ended 31.03.2013	For the year ended 31.03.2012
	a. Capital expenditure	1.03	0.75
	b. Revenue expenditure	11.18	9.86
37	Profit Appropriation	For the year ended 31.03.2013	For the year ended 31.03.2012
	a. Surplus brought forward from previous year	9176.24	8488.96
	b. Profit after tax	1458.74	1411.33
	c. Transfer to/from Interest Differential Fund reserve	-15.71	-18.08
	d. Transfer to Bond Redemption Reserve	-15.00	-15.00
	e. Transfer to General Reserve	-150.00	-145.00
	f. Interim dividend	-167.77	0.00
	g. Tax on interim dividend	-27.22	0.00
	h. Proposed final dividend	-301.99	-469.76
	i. Tax on proposed final dividend	-51.33	-76.21
	j. Surplus carried to Balance Sheet	9905.96	9176.24



Notes to the Financial Statement

Sl. No.	Particulars				(₹ in crore)	
38	k.	It has been decided to create corpus fund for operating post retirement medical benefit assistance scheme for employee who have got separated from service prior to 1.1.2007. Necessary appropriation of fund and investment thereon shall be made in due course. However expenditure for the current year had been incurred and included in the employee welfare expenses (Note No. 27 d).				
		Details of Contingency Provisions	As at 01.04.2012	Additions	Withdrawal	As at 31.03.2013
	a.	Interest on disputed tax deducted at source	16.60	0.00	0.00	16.60
	b.	Power Tariff adjustments	0.00	28.28	0.00	28.28
	c.	Provision for arbitration	30.00	10.00	0.00	40.00
		Total	<u>46.60</u>	<u>38.28</u>	<u>0.00</u>	<u>84.88</u>
39	Disclosure of transactions with the related parties as defined in the Accounting Standard-18 are given below:					
	(i) List of related parties: (a) Key Management Personnel: Shri B.Surender Mohan - Chairman-cum-Managing Director Shri A.R. Ansari - Chairman-cum-Managing Director Directors Ms. Zohra Chatterji Shri. N. Sundaradevan Shri. N.S. Palaniappan Shri. Vikram Kapur Shri. R. Kandasamy Shri. Sarat Kumar Acharya Shri. Rakesh Kumar Shri. S. Rajagopal Shri. J. Mahilselvan Shri. T. Jeyaseelan Shri. P. Soma Shekar Reddy Shri. Dheeraj Sahu Shri. S.K. Agrawal Shri. Sanjiv Kumar Mittal Shri. Alok Kumar (ii) Transactions during the year with related parties: Remuneration to Directors listed in (a) above: ₹1.71 crore					



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
40	Disclosure in respect of the interests in Joint Venture as per Accounting Standard -27 is furnished as under:		
	a. Company Name : M/s. MNH Shakti Limited		
	b. Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.		
		For the year ended 31.03.2013	For the year ended 31.03.2012
	c. Joint Venture/Interest :		
	i. M/s. Mahanadi Coalfields Limited	70%	70%
	ii. M/s. Neyveli Lignite Corporation Limited	15%	15%
	iii. M/s. Hindalco Industries Limited	15%	15%
41	Figures of the previous year have been re-grouped wherever necessary.		



Notes to the Financial Statement

Sl. No.	Particulars								(₹ in crore)
42	Segmentwise Result for the year 2012-13								
		Lignite Mining		Power Generation		Inter-segment adjustment		Total	
		For the year ended		For the year ended		For the year ended		For the year ended	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	REVENUE								
	External Sales	505.04	458.26	5085.03	4408.59			5590.07	4866.85
	Inter-segment sales	3570.49	3238.35	297.64	288.66	3868.13	3527.01		
	Total Revenue	4075.53	3696.61	5382.67	4697.25	3868.13	3527.01	5590.07	4866.85
	RESULT								
	Segment Result	1122.49	960.85	632.99	559.36			1755.48	1520.21
	Other Income							82.06	113.44
	Unallocated Corporate expenses							219.15	192.39
	Operating Profit							1618.39	1441.26
	Interest Expense							193.39	149.54
	Interest Income							494.87	611.46
	Exceptional Items							161.34	78.15
	Income taxes							587.90	572.56
	Profit from Ordinary activities							1493.31	1408.77
	Prior period / Income / Expenditure (Net)							-35.55	2.56
	Net Profit							1457.76	1411.33
	OTHER INFORMATION	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
	Segment Assets	4696.36	4429.04	6858.40	6958.08			11554.75	11387.12
	Unallocated Corporate assets(Including Capital Work-in Progress)							11662.44	10147.32
	Total Assets							23217.19	21534.44
	Segment liabilities	808.73	821.76	600.36	640.37			1409.09	1462.13
	Unallocated Corporate liabilities							8726.84	7962.55
	Total liabilities							10135.93	9424.68
	Capital Expenditure	171.01	105.15	61.91	134.89			232.92	240.04
	Depreciation	244.17	267.78	248.12	148.80			492.29	416.58
	Non-cash expenses other than depreciation	0.24	0.36	28.31	0.09			28.56	0.45
	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 <ul style="list-style-type: none"> i) Storage charges on the basis of material drawal, ii) Common charges and social overhead on the basis of salaries & wages, iii) Sales Orgn. expenses on the basis of actual sales and iv) Service Centres Assets & Liabilities are apportioned among the segments on the basis of the service rendered. 								



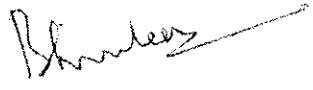

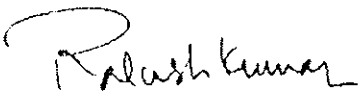

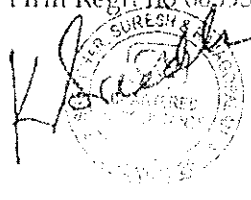
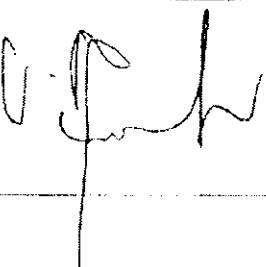
SOCIAL OVERHEAD ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in crore)

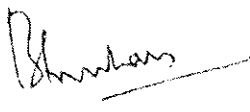

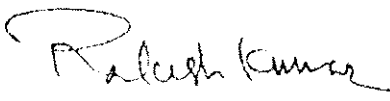


Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Expenses:												
Consumption of Materials												
Stores & Spares	7.70	8.40	0.00	0.01	2.26	3.36	0.05	0.19	0.02	0.02	10.03	11.98
Power (A)	37.90	48.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.90	48.63
Employees' Remuneration and Benefits:												
Salaries, Wages, Bonus and Incentives	80.80	65.65	1.80	1.86	17.59	16.75	11.15	14.59	1.63	1.66	112.97	100.51
Contribution to Provident and other Funds	10.59	10.34	0.33	0.15	3.03	1.29	0.99	0.43	0.30	0.13	15.25	12.34
Gratuity	3.47	4.49	0.00	0.06	0.00	0.15	0.00	0.06	0.00	0.00	3.47	4.76
Welfare expenses	4.81	4.21	0.02	0.02	0.16	0.16	0.17	0.20	0.02	0.02	5.18	4.61
Rent, Rates & Taxes	0.57	0.55	0.00	0.00	0.02	0.00	0.01	0.00	0.00	0.00	0.60	0.55
Repairs & Maintenance:												
Buildings	6.12	4.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	6.12	4.85
Others	25.92	26.82	0.00	0.00	0.51	0.51	0.05	0.04	0.00	0.00	26.48	27.37
Depreciation	10.35	5.05	0.01	0.01	0.26	0.15	0.01	0.01	0.00	0.01	10.63	5.23
Travelling Expenses	0.13	0.14	0.00	0.00	0.01	0.01	0.01	0.02	0.02	0.02	0.17	0.19
Miscellaneous	10.30	12.12	0.05	0.02	0.13	0.10	0.43	0.16	0.08	0.07	10.99	12.47
Total	198.66	191.24	2.21	2.13	23.97	22.48	12.87	15.70	2.07	1.94	239.79	233.49
Receipts:												
Recoveries:												
Rent	9.59	7.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.59	7.56
Electricity Charges	13.26	7.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.26	7.09
Water Charges	0.39	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.38
Grant-in-aid	0.00	0.00	0.00	0.00	0.00	0.00	5.78	6.24	0.00	0.00	5.78	6.24
Bus Receipts	0.00	0.00	0.00	0.00	1.87	1.64	0.00	0.00	0.00	0.00	1.87	1.64
Misc. Receipts	2.74	3.13	0.04	0.04	0.00	0.00	0.06	0.00	0.00	0.00	2.84	3.17
Total	25.98	18.16	0.04	0.04	1.87	1.64	5.84	6.24	0.00	0.00	33.73	26.08
Net Expenditure	172.68	173.08	2.17	2.09	22.10	20.84	7.03	9.46	2.07	1.94	206.06	207.41

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.

FORM A

1	Name of the company	Neyveli Lignite Corporation Limited	
2	Annual Financial statements for the year ended	31 st March 2013 (Standalone)	
3	Type of Audit observation	Matter of Emphasis	
4	Frequency of observation	a) (i) Note no 25 (d) - Second time (ii) Note no 25 (e) - Third time b) Note no 25 (f) - First time	
5	To be signed by -		
	Chairman-cum-Managing Director	 	
	Director (Finance)		
	Auditors of the Company	M/s. L.U. Krishnan, & Co Chartered Accountants Firm Regn no 001527S  S. Jothirajan Partner M.No.211121	M/s. Sreedhar, Suresh & Rajagopalan Chartered Accountants Firm Regn no 003957S  K. Sreedhar Partner M.No.024314
	Audit committee Chairman		

FORM A

1	Name of the company	Neyveli Lignite Corporation Limited	
2	Annual Financial statements for the year ended	31 st March 2013 (Consolidated)	
3	Type of Audit observation	Matter of Emphasis	
4	Frequency of observation	a) (i) Note no 24(d) - Second time (ii) Note no 24(e) - Third time b) Note no 24(f) - First time	
5	To be signed by -		
	Chairman-cum-Managing Director	 	
	Director (Finance)		
	Auditors of the Company	M/s. L.U. Krishnan & Co Chartered Accountants Firm Regn no 001527S  S.Jothirajan Partner M.No.211121	M/s. Sreedhar, Suresh & Rajagopalan Chartered Accountants Firm Regn no 003957S  K.Sreedhar Partner M.No.024314
	Audit committee Chairman	