



CHAIRMAN-CUM-MANAGING DIRECTOR

Shri. B. Surender Mohan

DIRECTORS

Smt. Sujata Prasad
Shri. Rajesh Lakhoni
Shri. Sarat Kumar Acharya
Shri. Rakesh Kumar
Shri. S. Rajagopal
Shri. S. Boopathy
Shri. Subir Das

CHIEF FINANCIAL OFFICER

Shri. Rakesh Kumar

COMPANY SECRETARY

Shri. K. Viswanath

STATUTORY AUDITORS

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

M/s. P.B. Vijayaraghavan & Co.,
Chartered Accountants,
14/27, Cathedral Garden Road,
Nungambakkam,
Chennai - 600 034.

BRANCH AUDITOR

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

COST AUDITOR

M/s. M. Krishnaswamy & Associates,
Cost Accountants,
Flat 1K, Ramaniyam Ganga,
Door No. 27-30, First Avenue,
Ashok Nagar, Chennai - 600 083.

SECRETARIAL AUDITOR

Shri. R. Balasubramaniam,
Practising Company Secretary,
J Block, Second Street, "Newry Suprit",
Door: 27, Flat A2, Anna Nagar East,
Chennai - 600 102.

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

TRUSTEES TO THE NEYVELI BONDS 2009

M/s. IDBI Trusteeship Services Ltd.,
Vishawastha Bhavan, 1st Floor,
218 Pratapganj Peth, Satara - 415 002.
Telefax : 02162 – 280075

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

SHRI. B. SURENDER MOHAN, CHAIRMAN-CUM-MANAGING DIRECTOR (DIN: 02133243)



Shri. B. Surender Mohan, aged 59 years, is a Mining Engineer and a holder of First Class Mine Managers Certificate of competency. He also holds Post Graduate Diploma in Business Administration. He has started his career as Executive Trainee in Coal India Limited and after a brief period moved to Rourkela Steel Plant of SAIL and then to Vishakhapatnam Steel Plant of RINL. During this period he has gained vast experience in fully mechanized iron ore, limestone and dolomite mines.

Shri. B. Surender Mohan joined the Company as Deputy General Manager in 1998 and prior to elevation as Director/Mines in May 2008 was holding the position of Chief General Manager (Mines) and was responsible for the operation and maintenance of open cast lignite mines. Shri. B. Surender Mohan assumed charge as CMD of the Company with effect from 01.07.2012.

SMT. SUJATA PRASAD, DIRECTOR (DIN: 06587461)

Smt. Sujata Prasad, aged 57 years, is on the Board of the Company w.e.f. 11.06.2015. Smt. Sujata Prasad has held senior positions in different ministries and departments of the Central Government. In addition to her current position as the Joint Secretary & Financial Advisor (FA) of Ministry of Coal, she is FA of the Mines, Corporate Affairs, Youth Affairs and Sports Ministries. Smt. Sujata Prasad is on the Boards and other major committees of Coal India, Hindustan Copper, Hindustan Zinc and BALCO.



SHRI. RAJESH LAKHONI, DIRECTOR (DIN: 01288879)



Shri. Rajesh Lakhoni, aged 46 years, presently Secretary to Government of Tamilnadu, Energy Department, is a member of IAS. Shri. Rajesh Lakhoni, is on the Board of the Company w.e.f. 15.07.2015. In addition to his current position as the Secretary to Government of Tamilnadu, Energy Department, he is a Director on the Boards of TNEB Ltd., TANGEDCO, TANTRANSCO, Tamilnadu Power Finance, Poompuhar Shipping Corporation Ltd. and Tamil Nadu Civil Supplies Corporation.

SHRI. SARAT KUMAR ACHARYA, DIRECTOR (HUMAN RESOURCE) (DIN: 03357603)

Shri. Sarat Kumar Acharya, aged 57 years, holds an Honours Degree in Economics and Post Graduation in Personnel Management. An expert in strategic HR with equal proficiency in operations, Shri. Sarat Kumar Acharya carries with him over three decades of rich experience. Shri. Sarat Kumar Acharya assumed charge as Director (Human Resource) w.e.f. 16.12.2010 and prior to joining NLC he held the position of Head (Corporate HR) in NTPC-SAIL Power Company Limited, a Joint Venture of NTPC and SAIL.





SHRI. RAKESH KUMAR, DIRECTOR (FINANCE)
(DIN: 02865335)

Shri. Rakesh Kumar, 53 years old, is a Commerce Graduate with Master Degree in Business Administration in Finance. He joined NLC on 23rd May, 2012. He has three decades of rich experience. Prior to his joining in NLC, he was Director (Finance) of Brahmaputra Crackers and Polymers Limited, a subsidiary of M/s. GAIL India Limited.

SHRI. S. RAJAGOPAL, DIRECTOR (POWER)
(DIN: 06503785)

Shri. S. Rajagopal, 59 years old, is a Graduate in Mechanical Engineering. Shri. S. Rajagopal joined the Company in the year 1977 and has held various important positions in the Company in the areas of Conveyors, SME, Ground Water Control, Material Management and was the Project Officer for Mine-IA Project of NLC. Shri. S. Rajagopal assumed charge as Director (Power) w.e.f. 01.03.2013 and prior to becoming Director (Power), he was the Chief Executive Officer of NLC Tamilnadu Power Limited, a subsidiary Company of NLC. Shri. S. Rajagopal has a wide range of experience in mining and in the project implementation.



SHRI. S. BOOPATHY, DIRECTOR (PLANNING & PROJECTS)
(DIN: 06676460)



Shri. S. Boopathy, aged 59 years, is a Graduate in Mechanical Engineering and Industrial Engineering and also a Post Graduate in Production Engineering. Shri. S. Boopathy joined the Company in the year 1977 and has held various important positions in the Company. Shri. S. Boopathy assumed charge as Director (Planning & Projects) w.e.f. 01.10.2013 and prior to becoming Director (Planning & Projects), he was holding the position as the Chief Executive Officer, Neyveli Uttar Pradesh Power Limited, a Subsidiary Company of NLC. Shri. S. Boopathy has wide experience in the areas of Mines, Power Sector, Industrial Engineering, Material Management and in the Project implementation.

SHRI. SUBIR DAS, DIRECTOR (MINES)
(DIN: 06988287)

Shri. Subir Das, aged 57 years, did his graduation in Mining from Indian School of Mines, Dhanbad and holds First Class Mine Managers Certificate. Shri. Subir Das started his career as an Executive Trainee with Eastern Coalfields Limited, a subsidiary of Coal India Limited (CIL) in the year 1980 and during the last three and half decades, he had held various important positions in many of the subsidiaries of CIL. Shri. Subir Das assumed charge as Director (Mines) w.e.f. 30.09.2014 and prior to his joining, he was holding the position of General Manager in Bharat Coking Coal Limited, a subsidiary of CIL. Shri. Subir Das has vast experience in both underground mechanised long wall mining & large opencast mining and was involved in various projects of the Subsidiaries of CIL and instrumental in many of its achievements.





CHIEF VIGILANCE OFFICER



Shiv Raj Singh

SENIOR MANAGEMENT



K.M. Suresh Babu
Executive Director
(TPS)



Syed Abdul Fateh Khalid
Executive Director
(Mine-I)



N. Panneerselvan
Executive Director
(SME & Conveyor/Mines)



R. Mohan
Executive Director
(Commercial)



N. Muthu
Executive Director
(HR)



K. Ramakrishnan
CGM (Electrical)



K Sridhar
CGM (Civil)



G. Srinivasan
CGM (Vigilance)



N. Pandian
CGM (Mine-I)



N.S. Ramalingam
CGM (TA)

SENIOR MANAGEMENT



S. Sathyanarayanan
CEO (NTPL)



T. Gnanasekaran
CGM (Mine-II)



M. Palani
CGM (LA)



S. Sankaranarayanan
CGM (Finance)



Dr. K. Janardhan
CGS (Medical)



S. Thirunavukkarasu
CGM (CMD's Sectt.)



M. Maheswaran
CGM (Chennai)



M. Rajasekaran
CGM (Safety)



V. Ranganathan
CGM (Mine-II & Expn.)



K. Chandran
CEO (NUPPL)



N. Sankar
CGM (INDCOSERVE)



P. Selvakumar
CGM (Mine-IA)



V. Chandrasekaran
CGM (Finance)

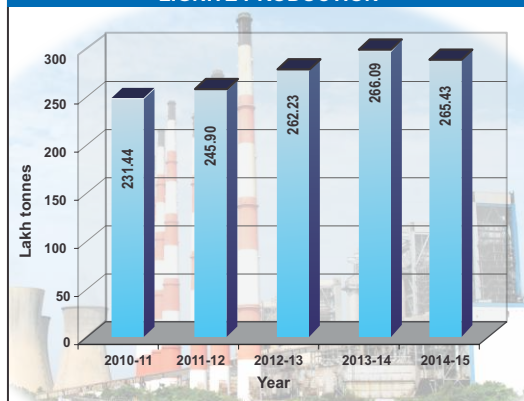


V. Shanmuganathan
CGM (MM)



PHYSICAL AND FINANCIAL CHARTS

LIGNITE PRODUCTION



YEAR 2014-15 AT A GLANCE

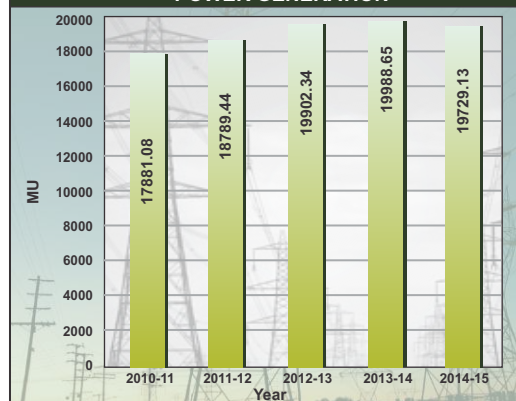
PHYSICAL

Lignite
production
265.43 LT

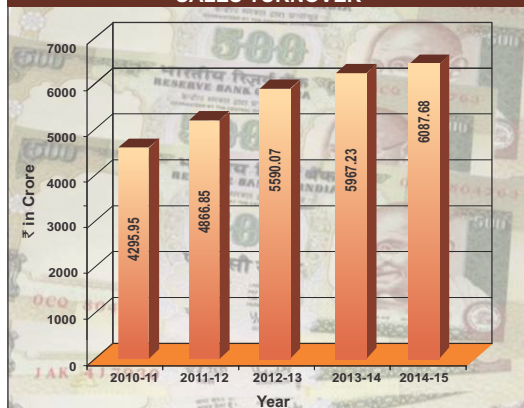
Power
Generation
(gross)
19729.13 MU

Power Export
16671.23 MU

POWER GENERATION



SALES TURNOVER



FINANCIAL

₹ in crore

Sales
6087.68

Profit Before Tax
2383.33

Profit After Tax
1579.68

Dividend
28%

Reserves &
Surplus
13193.97

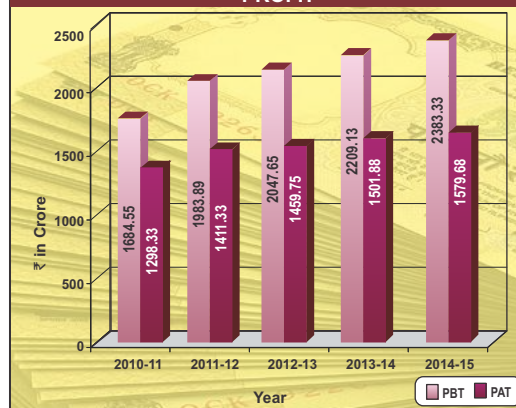
Net Worth
14772.45

Value Added Per
Employee (₹)
2960648

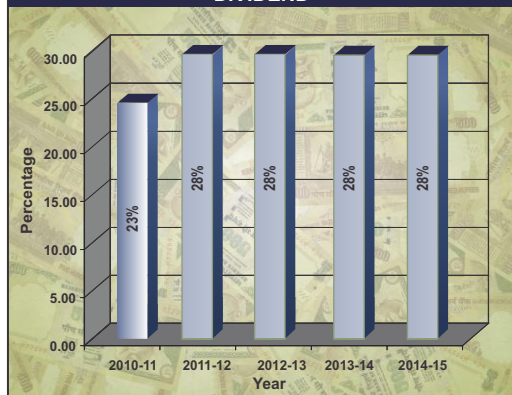
Book Value (₹)
88.05

Earning
Per Share (₹)
9.42

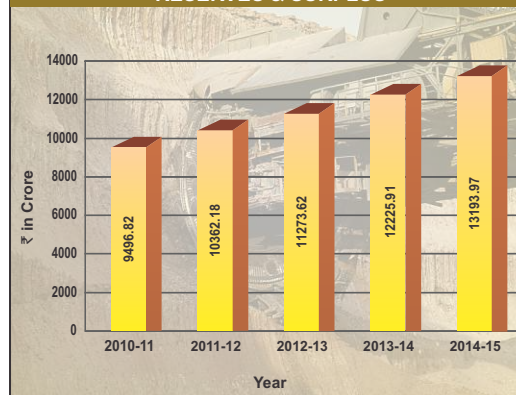
PROFIT



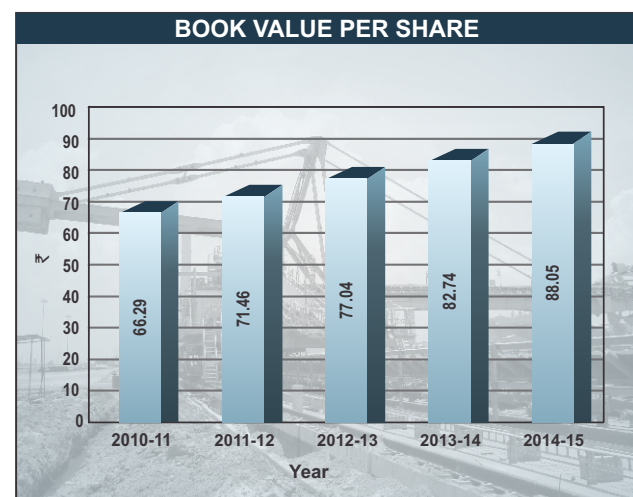
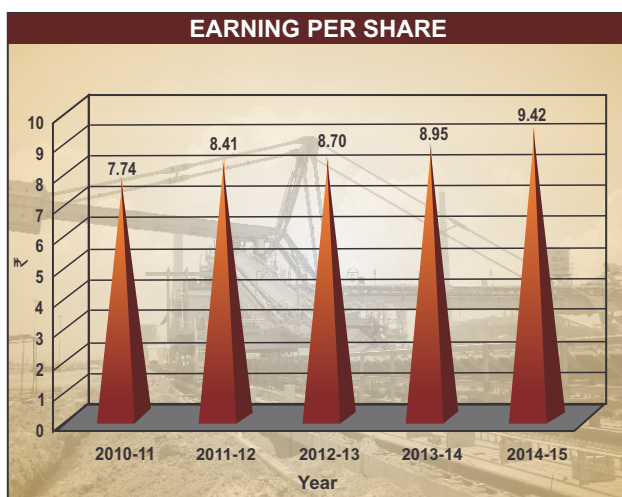
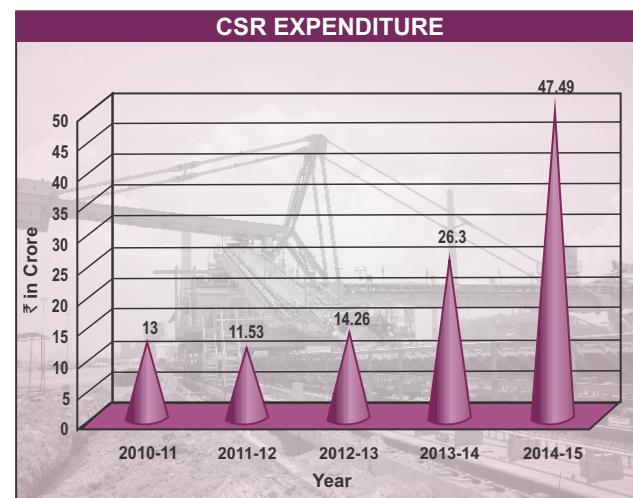
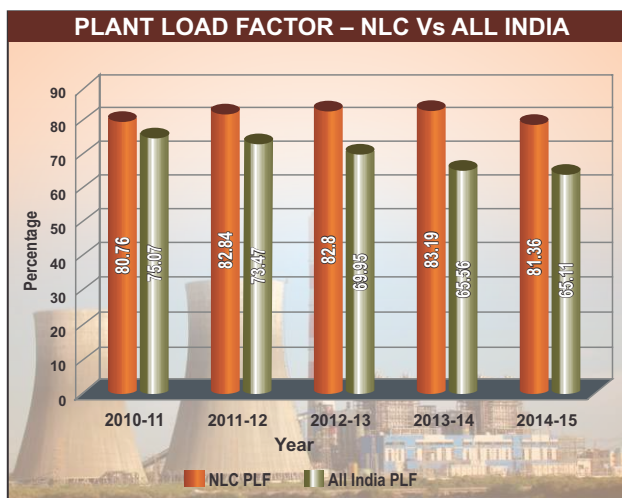
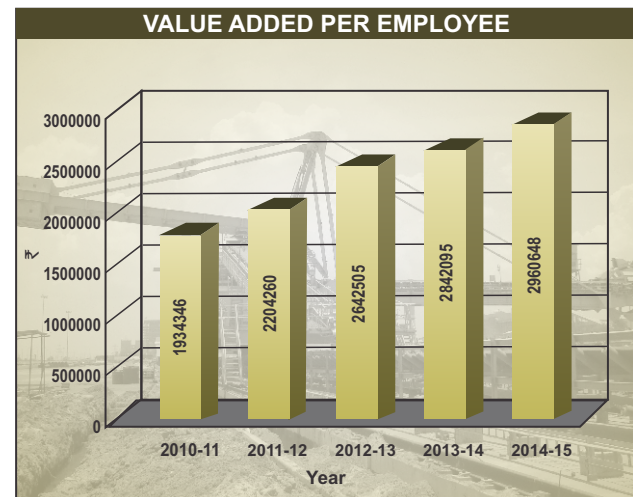
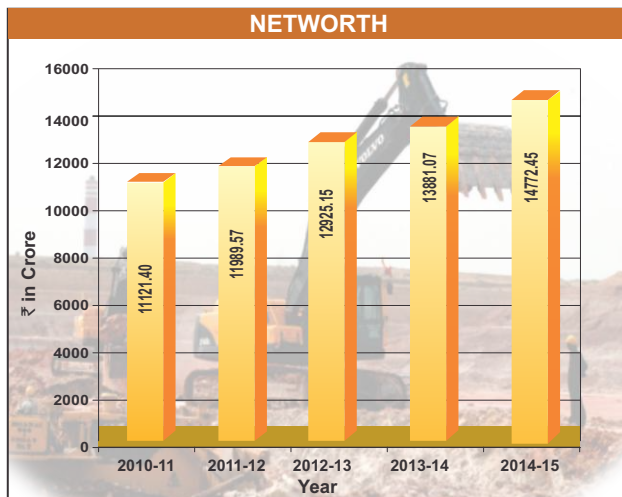
DIVIDEND



RESERVES & SURPLUS



PHYSICAL AND FINANCIAL CHARTS



10 Years Performance at a glance - Financial

(₹ in crore)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
INCOME STATEMENT										
Sales	6087.68	5967.23	5590.07	4866.85	4295.95	4121.02	3354.91	2981.65	2108.11	2201.41
Other Income	709.29	1024.76	582.95	748.36	571.69	569.22	720.79	611.45	635.66	498.18
TOTAL INCOME	6796.97	6991.99	6173.02	5615.21	4867.64	4690.24	4075.70	3593.10	2743.77	2699.59
Operating Expenses	4162.53	4011.03	3581.01	3129.75	2674.47	2801.08	2589.33	1705.86	1383.38	1434.49
Earning before Int., Deprn. & Tax	2634.44	2980.96	2592.01	2485.46	2193.17	1889.16	1486.37	1887.24	1360.39	1265.10
Depreciation	440.62	517.28	512.31	430.18	412.87	253.89	424.50	454.49	447.34	349.45
Interest	156.06	181.58	193.39	149.54	112.77	33.58	8.15	8.80	43.28	54.28
Profit for the year	2037.76	2282.10	1886.31	1905.74	1667.53	1601.69	1053.72	1423.95	869.77	861.37
Prior Period Adjustments(Net)	0.00	0.00	0.00	0.00	0.00	3.17	-7.71	-2.66	4.89	16.25
Exceptional items	345.57	-72.97	161.34	78.15	17.02	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	0.00	0.00	109.77
Profit before tax	2383.33	2209.13	2047.65	1983.89	1684.55	1604.86	1046.01	1421.29	874.66	987.39
Provision for tax	803.65	707.25	587.90	572.56	386.22	357.40	224.92	319.72	307.88	285.04
Profit after tax	1579.68	1501.88	1459.75	1411.33	1298.33	1247.46	821.09	1101.57	566.78	702.35
Dividend	469.76	469.76	469.76	469.76	385.87	335.54	335.54	335.54	201.33	335.54
Dividend tax	96.94	79.83	78.55	76.21	62.60	56.37	57.03	57.02	34.22	47.06
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	13193.97	12225.91	11273.62	10362.18	9496.82	8646.96	7791.52	7362.57	6652.80	6321.08
Network	14772.45	13881.07	12925.15	11989.57	11121.40	10225.60	9412.78	9008.79	8309.29	7990.38
Loans Outstanding	3164.34	3150.29	3524.14	3819.28	4004.04	4077.36	4057.70	2790.68	1505.70	1286.71
Net Fixed Assets	6425.66	6470.62	6635.36	8253.75	6795.82	5238.80	4502.96	3743.67	3850.43	4040.09
Investments	1934.06	1616.89	1432.40	1197.05	964.75	1044.94	811.37	826.22	929.41	2591.42
Net Current Assets	5907.94	5928.74	6055.31	5558.55	5288.07	4681.17	4705.51	4049.71	3744.81	2894.49
Capital Employed	12333.59	12399.36	12690.67	13812.30	12063.89	9919.97	9208.47	7793.38	7595.24	6934.58
RATIOS										
Operating Margin(OPM)(%)	31.62	32.78	35.94	35.69	37.74	32.03	22.82	42.79	34.38	34.84
Return on Capital Employed (ROCE)(%)	12.81	12.11	11.50	10.22	10.76	12.58	8.92	14.13	7.46	10.13
Return on Networth (RONW)(%)	10.69	10.82	11.29	11.77	11.67	12.20	8.72	12.23	6.82	8.79
Debt Equity (%)	21.42	22.69	27.27	31.86	36.00	39.87	43.11	30.98	18.12	16.10
Current Ratio	3.55	3.44	3.78	3.17	3.04	2.56	2.65	3.21	3.27	5.01
Quick Ratio	3.16	3.16	3.46	2.97	2.85	2.39	2.46	2.96	2.99	4.51
VALUE ADDED PER EMPLOYEE (in ₹)	2960648	2842095	2642505	2204260	1934346	1844515	1218369	1276836	1090907	1036468
BOOK VALUE PER SHARE (in ₹)	88.05	82.74	77.04	71.46	66.29	60.95	56.10	53.70	49.53	47.63
EARNING PER SHARE (in ₹)	9.42	8.95	8.70	8.41	7.74	7.44	4.89	6.01	3.88	4.27
DIVIDEND (%)	28.00	28.00	28.00	28.00	23.00	20.00	20.00	20.00	12.00	20.00

10 Years Performance at a glance - Physical

PARTICULARS	UNIT	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
PRODUCTION											
Lignite											
Mine-I	LT	90.55	90.03	79.60	77.34	83.05	91.59	90.40	87.82	105.48	102.72
Mine-IA	LT	29.15	30.01	29.40	28.77	27.19	27.11	30.56	33.27	38.04	37.35
Mine-II	LT	132.21	130.52	139.44	130.96	117.11	104.43	91.09	94.37	66.62	64.28
Barsingsar Mine	LT	13.52	15.53	13.79	8.83	4.09	0.25	1.02	0.40	0.00	0.00
TOTAL	LT	265.43	266.09	262.23	245.90	231.44	223.38	213.07	215.86	210.14	204.35
Power											
T.P.S.-I	- Gross MU	3631.05	4058.14	4035.43	3987.85	3878.65	4114.44	3577.49	3671.54	3981.53	3990.17
	- Net MU	3192.95	3594.55	3569.44	3510.55	3400.54	3630.13	3141.03	3235.03	3521.64	3540.30
T.P.S.-I Expn.	- Gross MU	3385.03	3292.10	3319.77	3042.68	2997.04	2979.43	3126.05	3267.66	3264.96	3081.81
	- Net MU	3107.27	3013.59	3035.58	2809.97	2743.44	2720.12	2858.42	2994.06	2988.50	2802.12
T.P.S.-II	- Gross MU	11131.33	11179.16	11238.09	11087.65	10739.78	10559.69	9064.44	10517.69	8540.09	9170.44
	- Net MU	10063.06	10104.37	10152.16	10018.96	9701.51	9549.99	8172.14	9486.88	7719.76	8279.10
Barsingsar T.P.S.	- Gross MU	1380.71	1438.24	1280.85	617.68	265.61	2.48	0.00	0.00	0.00	0.00
	- Net MU	1255.79	1256.96	1118.40	514.29	193.45	2.48	0.00	0.00	0.00	0.00
T.P.S.-II Expn.	- Gross MU	199.57	21.01	28.20	53.58	0.00	0.00	0.00	0.00	0.00	0.00
	- Net MU	125.38	14.00	19.81	39.34	0.00	0.00	0.00	0.00	0.00	0.00
Wind Power	Gross MU	1.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Net MU	1.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	- Gross MU	19729.13	19988.65	19902.34	18789.44	17881.08	17656.04	15767.98	17456.89	15786.58	16242.42
	- Net MU	17745.89	17983.47	17895.39	16893.11	16038.94	15902.72	14171.59	15715.97	14229.90	14621.51
SALES											
Lignite	LT	25.48	32.54	27.56	27.18	21.68	21.69	21.35	22.94	20.68	16.62
Power	MU	16671.23	16956.40	16841.51	15810.67	14971.26	14828.22	13204.05	14775.84	13330.80	13747.90

LT - Lakh Tonnes MU - Million Units

DIRECTORS' REPORT FOR THE YEAR 2014-15

To

The Members

Neyveli Lignite Corporation Limited.

Your Directors are pleased to present the 59th Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2015.

Snapshot of Performance

PHYSICAL

Particulars	2014-15	2013-14
Overburden Removal (LM ³)	1592.98	1681.72
Lignite Production (LT)	265.43	266.09
Power Generation (MU)	19729.13	19988.65
Power Export (MU)	16671.23	16956.40

LM³ – Lakh Cubic Meter LT – Lakh Tonnes MU – Million Units

- ❖ **Overburden (OB)* Removal** at 624.19 LM³ from Mine-I is the highest for any year since inception.
- ❖ **Power Generation** at 3385.03 MU from Thermal Power Station-I Expansion is the highest for any year since inception. This plant registered a Plant Load Factor (PLF)** of 92% which is the highest ever for any lignite based Power plant in India.
- ❖ **Export of Power** at 3107.25 MU from Thermal Power Station-I Expansion is the highest for any year since inception.

*Rock or soil overlying a mineral deposit.

**A measure of output of a Power Plant compared to the maximum output it could produce.

FINANCIAL

- ❖ **Total Sales** of ₹ 6087.68 crore is the highest for any year since inception.
- ❖ **Profit Before Tax (PBT) and the Profit After Tax (PAT)** for the year 2014-15 of ₹ 2383.33 crore and ₹ 1579.68 crore respectively are the highest for any year since inception.

Segment-wise Performance

Mines

Your Company is presently operating four lignite mines with a total capacity of 30.60 MTPA. During the year under review 1592.98 LM³ of Overburden was removed as against 1681.72 LM³ in 2013-14. The shortfall of 88.74 LM³ in 2014-15 over the previous year was on account of unscheduled stoppages of conveyor systems in overburden benches of Mine-II for taking up vulcanising works and downtime of certain OB system BWEs of Mine-IA due to mechanical breakdown.



Over view of Mine-II

The total Lignite production from all the mines during the year 2014-15 aggregated to 265.43 LT as against 266.09 LT during the previous year 2013-14. However the lignite requirements of Power Plants have been fully met with.

The detailed Mine-wise performance is as under :

Mine-I including Expansion - 10.5 MTPA

During the year 2014-15, Overburden removal was 624.19 LM³ as against 563.39 LM³ achieved during the previous year 2013-14 registering a growth of 10.79%. Lignite excavation during the year 2014-15 was 90.55 LT as against 90.03 LT during the previous year registering a growth of 0.58%.

Mine-IA - 3.0 MTPA

The Overburden removal from Mine-IA during the year under review was 206.62 LM³ as against 279.15 LM³ during the previous year 2013-14. Lignite production during the year under review was 29.15 LT as against 30.01 LT during the previous year 2013-14.

Mine-II including Expansion - 15.0 MTPA

The Overburden removal from this Mine during the year 2014-15 was 691.08 LM³ as against 772.93 LM³ registered during the previous year. Lignite production during the year under review was 132.21 LT as against 130.52 LT during the previous year 2013-14 registering a growth of 1.30%.

Barsingsar Mine - 2.1 MTPA

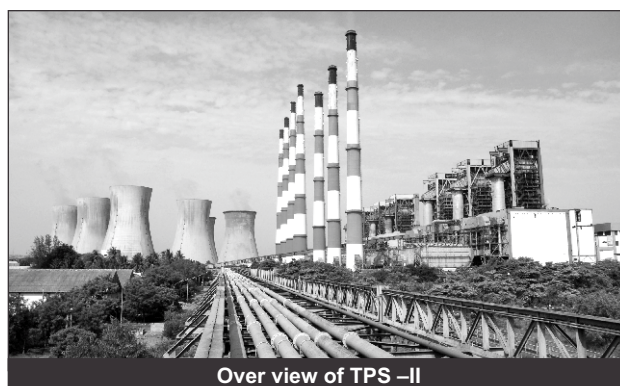
During the year 2014-15, the Overburden removal was 71.09 LM³ as against 66.25 LM³ registered during the previous year achieving a growth of 7.31%. Lignite production during the year under review was 13.52 LT as against 15.53 LT during the previous year 2013-14. Lignite production was restricted to meet the fuel requirement of the linked power plant.

Sale of lignite to M/s. TAQA and outside agencies

During the year 2014-15, your Company supplied 18.99 Lakh Tonnes of Lignite to TAQA (Independent Power Producer) as per the Fuel Supply Agreement (FSA). Apart from the above, 6.49 lakh Tonnes of Lignite was sold to other parties through open sales.

Power

With the commissioning of Unit-I & Unit-II of TPS-II Expansion, during the year 2015-16, your Company is presently operating five pithead thermal power stations with an aggregate capacity of 3240 MW. Further, your Company has also so far installed nine Wind Turbine Generators of 1.50 MW each, aggregating to 13.50 MW, thereby increasing the overall power generating capacity to 3253.50 MW.



Over view of TPS -II

During the year under review, 19729.13 MU of power was generated as against 19988.65 MU in the previous year 2013-14. The power generation would have been still higher but for the surrendering of power by the beneficiary States to the extent of about 93 MU. The average PLF for the Company as a whole was 81.36% as



against the national average of 65.11%. The power export during the year was 16671.23 MU as against 16956.40 MU during the previous year 2013-14. The reason for shortfall in the generation and export as compared to the previous year was mainly on account of operation of units of Barsingsar TPS at lower load due to technical problems and that one Unit of TPS-I (100 MW) was under stoppage between 20th May 2014 and 13th August 2014 due to dislodgement of HP heater shell affecting the generation. Further TPS-I, one of the oldest power plant in the Country is serving for more than five decades and so could not be operated to the desired load due to ageing.

The detailed Plant-wise performance is as under:

Thermal Power Station-I - 600 MW

During the year 2014-15, the Power generation from this plant was 3631.05 MU as against 4058.14 MU during the previous year 2013-14 and 2876.12 MU of power was exported to Tamil Nadu power grid as against 3277.22 MU during the previous year 2013-14. During the year under review the Station achieved a PLF of 69.08%. Major Overhaul & Residual Life Assessment study works were carried out in Unit-1 & Unit-9. Annual maintenance works were carried out in all other units. As stated earlier, ageing of the Plant and shutdown of one Unit (100 MW) for a period of around three months had affected the generation during the year 2014-15.

Thermal Power Station-I Expansion - 420 MW

The Power generation from TPS-I Expansion was 3385.03 MU during the year 2014-15 as against 3292.10 MU in 2013-14 registering a growth of 2.82%. The power exported during the year under review was 3107.25 MU as against 3013.59 MU during the previous year 2013-14 registering a growth of 3.11%. This Station achieved a PLF of 92% which is the highest ever for any year since inception and highest for any lignite based Power Plant in India. Annual maintenance works were carried out in both the units during the year under review.

Thermal Power Station-II - 1470 MW

The Power generation during the year 2014-15 was 11131.33 MU as against 11179.16 MU in 2013-14 and 9370.80 MU of power was exported to the Southern Grid as against 9399.53 MU during the previous year 2013-14. This Station achieved a PLF of 86.44% during the year under review. Major overhaul was carried out in Unit-I & Unit-IV and Annual maintenance works were carried out in all other units during the year 2014-15.

Barsingsar Thermal Power Station - 250 MW

The Power generation during the year 2014-15 was 1380.71 MU as against 1438.24 MU in the year 2013-14 and 1190.33 MU of power was exported to the grid as against 1253.03 MU during the previous year 2013-14. This Plant achieved a PLF of 63.05% during the year under review. As stated earlier, this plant could not be operated at full load due to technical problems and steps are being taken to improve the performance of the plant. Annual maintenance works were carried out in both the units during the year under review.

Productivity

The output per man shift during the year 2014-15 as compared with the previous year is given below:

Product	Unit	2014-15	2013-14	Growth
Lignite	Tonne	12.88	12.64	(+) 1.89%
Power	KwHr	22008	22222	(-) 0.96%



Financial Performance

During the year ended 31st March, 2015, the Company registered a total sales of ₹6087.68 crore as against ₹5967.23 crore recorded in the year 2013-14, registering a growth of 2.02%. The sales registered for the year 2014-15 was the highest ever since inception.

The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2014-15 were ₹2383.33 crore and ₹1579.68 crore, respectively, as against ₹2209.13 crore and ₹1501.88 crore, respectively, registered in the year 2013-14. As compared to the previous year 2013-14, the PBT and the PAT for the year 2014-15 recorded a growth of 7.89% and 5.18%, respectively. The PBT and the PAT for the year ended 31st March, 2015 were the highest for any year since inception.

The reason for increase in the profit for the year 2014-15 was on account of increase in sales consequent to truing up of lignite price for the period 2009-14 and accounting claim of wage revision arrears approved by CERC vide order dated 12.05.2015.

The details of profit earned for the financial year 2014-15 and appropriation of the same in comparison with the previous year 2013-14 are as under:

(₹ in crore)

	2014-15	2013-14
Profit Before Tax	2383.33	2209.13
Tax provision	803.65	707.25
Profit After Tax	1579.68	1501.88
Appropriation :		
Transfer to		
Bond Redemption Reserve	15.00	15.00
Interest Differential Fund Reserve	11.81	17.07
General Reserve	160.00	155.00
Interim Dividend	301.99	167.77
Tax on Interim Dividend	61.83	28.51
Proposed Final Dividend	167.77	301.99
Tax on proposed Final Dividend	35.11	51.32

Dividend

The Board of Directors of your Company has recommended a final dividend of 10% (₹1.00 per share) for the year 2014-15. An Interim Dividend @18% (₹1.80 per share) has already been paid to shareholders during the month of March 2015 and taking into account the same, the total dividend for the year 2014-15 works out to 28% (previous year 28%) and the total dividend outgo including distribution tax will be ₹566.70 crore (previous year ₹549.59 crore), which works out to 35.87% of PAT for the year 2014-15.

MoU Rating for the year 2013-14

Your Directors have pleasure to share with the Members that the Company has achieved 'Excellent' rating for its performance during the year 2013-14 in terms of the Memorandum of Understanding (MoU) entered into with the Ministry of Coal as per DPE guidelines.



Projects under construction/Implementation

Thermal Power Station-II Expansion - 2x250 MW

Members may be aware, the TPS-II Expansion project (2x250 MW) at Neyveli is the Nation's first project of this unit size with "Circulating Fluidised Bed Combustion (CFBC) Boiler Technology".

As stated in the Directors Report for the previous year 2013-14, M/s. BHEL the Main Plant Package Contractor had carried out modification works in the Fluidised Bed Heat Exchanger (FBHE) coil support system and attended to the refractory damage in Unit-I so as to establish sustainable operation. Similar modification works were also made in Unit-II.

Your Directors are happy to inform the successful commissioning of TPS-II Expn. project and Unit-I & II were declared for commercial operation with effect from 5th July 2015 and 22nd April, 2015, respectively. With this commissioning, the aggregate thermal power generation capacity of the Company has increased to 3240 MW. During the year in-firm power of 199.57 MU was generated and 125.38 MU was exported from this Plant.

Neyveli New Thermal Power Project - 2x500 MW

Your Company is implementing a 1000 MW lignite based Neyveli New Thermal Power Project at Neyveli adopting pulverised fuel firing technology as a replacement to the existing 600 MW TPS-I. The project was sanctioned in June 2011 at a capital cost of ₹ 5907.11 crore with a commissioning schedule of 48 months and 54 months for Unit-I & Unit-II respectively from the zero date.

Contract for execution of Steam Generator (NTA1) and Turbo-Generator (NTA2) packages have been awarded to BHEL and the Contract for Balance of Plant (NTA3) package has been awarded to M/s. Essar Projects (I) Limited. Due to re-tendering of the Steam Generator Package, there are slippages in the original schedule and Unit-I & II are rescheduled to be commissioned in October 2017 & April 2018 respectively.

Detailed engineering activities are in progress and soil investigation work has been completed. Civil works in respect of Boiler and Auxiliaries, Turbo Generator and Auxiliaries, Electrostatic Precipitator, Chimney raw water Pump house etc. are in progress. Supply of materials is in progress. Mechanical erection has commenced for both Unit-I & II Steam Generator area and Power House building.

The Cumulative expenditure incurred upto 31st March 2015 is ₹ 784.75 crore. Implementation of the Project is being closely monitored to expedite the completion as per the revised schedule.

Restructuring of Mine-I and Mine-IA

Your Company is implementing re-structuring of existing Mine-I from 10.5 MTPA to 8.0 MTPA and Mine-IA from 3.0 MTPA to 7.0 MTPA at an estimated cost of ₹1458.17 crore to meet the requirement of lignite for Neyveli New Thermal Power Project of 1000 MW capacity being implemented in Neyveli. The overall lignite mining capacity will be increased by 1.5 MTPA through this restructuring. Mine-I will continue to operate at 10.5 MTPA until Mine-IA is developed to produce 7.0 MTPA.

Preparation of Feasibility Report has been completed. Draft Mining Plan and Mine closure Plan have been submitted to Ministry of Coal and acquisition of additional land required for the project is in progress. MoE&F has issued "Terms of Reference" for conducting EIA/EMP studies and the final EIA-EMP report has been submitted to MoE&F. The Cumulative expenditure incurred upto 31st March 2015 is ₹8.19 crore.



Bithnok Thermal Power project - 250 MW with linked Mine - 2.25 MTPA

The Board of Directors of your Company has approved setting up of a lignite based 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 aggregate cost of ₹ 2709.93 crore (Nov 2014). Power Purchase Agreement has been signed with Discoms of Rajasthan. Out of 3091.299 hectares (Ha.) land required for Bithnok TPS and Mine, Government of Rajasthan (GoR) has issued award for acquisition of 1175.87 hectares of private land in Bithnok village and 1863.184 Ha. of Government land will be diverted to your Company by GoR after takeover of the private land. The total land mentioned above included 225 Ha. of land for Thermal Power Station.

State level Environmental Impact Assessment Authority, Rajasthan has already issued Environmental Clearance for TPS. In respect of the linked mine, MOE&F has informed that Environmental Clearance could be considered only after the Stage-I Forestry clearance is obtained for the forest land of 52.245 Ha. involved in the project. Obtaining Stage-I Forestry clearance is in progress. Your Company has entered into an agreement for supply of 25 cusecs of water from IGNP for this project. The Board has accorded investment approval for the project. It is proposed to implement the above project through EPC mode and the project is expected to be commissioned during the year 2019. The Cumulative expenditure incurred upto 31st March 2015 is ₹ 85.04 crore.

Barsingsar Thermal Power Station Extension (BTPSE) - 250 MW linked to Hadla Lignite Mine-1.9 MTPA

The Board of Directors of your Company has approved to develop the Hadla Mine of 1.9 MTPA capacity to set up a 250 MW lignite based thermal power plant in the Bikaner District of Rajasthan, as an extension of the existing Barsingsar Power Project at an aggregate cost of ₹ 2635.04 crore (Nov 2014). The fuel requirement is proposed to be met from Hadla Mine and the Barsingsar Mine. Power Purchase Agreement has been signed with Discoms of Rajasthan. All statutory clearances for both BTPSE and Hadla Mine Project have been obtained. Government of Rajasthan has allocated Mining Lease area of 15.66383 sq.km. It is proposed to implement the above project through EPC mode and the project is expected to be commissioned during the year 2019. The Cumulative expenditure incurred upto 31st March 2015 is ₹ 3.08 crore.

Wind Power Project - 51 MW

Your Company has entered into generation of green energy by setting up a 51 MW Wind Power Project at Kazhuneerkulam, Tirunelveli District, Tamilnadu at a cost of ₹ 347.14 crore. Work order for supply, installation and commissioning of 34 wind turbine generators of 1.5 MW each has been awarded to M/s. Leitwind Shriram Manufacturing Limited, Chennai. The first wind turbine generator was commissioned on 29th August 2014 and so far nine wind turbine generators have been commissioned till July 2015 and the balance is expected to be commissioned during 2015-16. During the year 2014-15, 1.443 MU of power was generated and 1.35 MU was exported to the grid.

Supply and erection of materials for the remaining wind turbine generators are in progress. The project is getting delayed due to slow progress in transfer of lands, supply and erection by the package contractor. The overall physical progress of the project is 60%. The Cumulative expenditure incurred up to 31st March 2015 is ₹ 128.27 crore.

Neyveli Solar Power Project - 10 MW

Members may be aware that your Company is implementing a 10 MW Solar Power Project at Neyveli at a cost of ₹ 77.89 crore in the first phase and it is proposed to install another 15 MW as an expansion in the second phase. Work order has been placed on M/s. BHEL for the first phase of implementation. All the 48000 Solar PV Modules have been received at site. Module mounting structure foundation works has been completed and erection of Solar PV modules is nearing completion. Works in Power Evacuation Sub-Station are also nearing completion. The overall physical progress of the project is 70% as on 30th June 2015. The Project will be commissioned during the year 2015-16. The Cumulative expenditure incurred upto 31st March 2015 is ₹ 30.97 crore.

Barsingsar Solar Power Project - 25 MW

With a view to further harness green energy your Board of Directors of the Company has approved to set up a 25 MW Solar Power Plant at Barsingsar, in the State of Rajasthan, at a sanctioned cost of ₹ 167.29 crore instead of 10 MW Solar Power Project proposed earlier. The project is proposed to be implemented through EPC mode and is scheduled to be commissioned during 2016-17. Work order for technical Consultancy will be issued to M/s.ITCOT, shortly.

Joint Venture Projects

NLC Tamilnadu Power Limited - 2x500 MW

This coal based thermal power project at Tuticorin, Tamil Nadu consisting of two units of 500 MW capacity each is being implemented through NLC Tamilnadu Power Limited (NTPL), a joint venture between your Company and TANGEDCO with equity participation in the ratio of 89:11 at a revised estimated cost of ₹ 6602.74 crore.

Fuel Supply Agreement has been signed with M/s.MCL for the supply of 3.0 MTPA of Coal and in order to meet the shortfall in requirement, a contract has been awarded on M/s. MSTC for supply of 0.864 Million Tonnes of imported coal during the year 2014-15. Unit-I was test synchronised with the Grid on 18th February 2015 and the unit has been declared for commercial operation w.e.f. 18th June 2015. In respect of Unit-II, the unit was synchronised with oil firing of boiler on 9th April 2015 and the unit reached full load operation on 9th July 2015 and the COD of the unit is expected shortly. Financial Closure for the Project has been achieved and your Company as a major Promoter has extended Letter of Comfort to the Lenders for Term Loans availed by NTPL. The Cumulative expenditure incurred upto 31st March 2015 is ₹ 6115.69 crore.



Over view of NTPL

Neyveli Uttar Pradesh Power Limited - 3x660 MW

Your Company is in the process of setting up of 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 ₹ 14,375 crore. This Joint Venture project is executed by Neyveli Uttar Pradesh Power Limited (NUPPL), a Subsidiary Company, with equity participation of your Company and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) in the ratio of 51:49.

The Public Investment Board, Government of India has recommended the project proposal to the Cabinet Committee on Economic Affairs for sanction. As per the existing policy of MoE&F, Stage-I forest clearance for the



linked coal block is a pre-requisite to consider environmental clearance of the project. Since exploratory drilling works in the allocated coal block could not be carried out due to law & order problems delay was anticipated in obtaining stage-I forest clearance.

In order to expedite getting sanction of Ghatampur Thermal Power Project (GTPS), a revised proposal for using imported coal till commencement of coal production from Pachwara South Coal block was submitted to MoE&F for getting Environmental Clearance (EC). Considering the above and based on the recommendations of the Expert Appraisal Committee, MoE&F has issued EC for GTPS project. GOI sanction for this project is awaited. NUPPL has taken into possession of the entire land of 828 hectares required for the project. Contract for carrying out survey and fixing the pillars around the acquired land has been issued to M/s. Techpro Engineers Private Limited, Kanpur and the work is in progress.

Power Purchase Agreement has been signed with Uttar Pradesh Power Corporation Limited. Government of Uttar Pradesh has accorded sanction for supply of 80 cusecs. of water from the West Allahabad branch canal downstream of Bidhnu Kasba Village for the above project. M/s. RITES has been assigned the work of carrying out the feasibility study for railway siding for the proposed coal based thermal power project.

Short-listing of bidders who have responded to Expression of Interest floated for Steam Generator and Turbine Generator packages and also Balance of Plant Package have been completed. Techno commercial specifications have been issued to the shortlisted bidders for SG and TG and pre-bid discussions with the prospective bidders have been completed.

Coal Blocks

Pachwara South

Ministry of Coal, Government of India has allocated Pachwara South Coal block, in the State of Jharkhand with a total reserve of 305 MT of coal to Neyveli Uttar Pradesh Power Limited (NUPPL), a subsidiary of your Company, to cater to the fuel requirement of the 1980 MW Coal based thermal power project proposed to set up in Ghatampur in the State of Uttar Pradesh. MOC has accorded sanction for the Advance Action Proposal of ₹ 19.45 crore for pre-project related activities. Terms of Reference (TOR) has been issued by MoE&F for preparation of EIA–EMP reports for the Coal block.

The coal block falls partly in the forest lands with tribal settlements and the area is dominated by tribal population and because of which the law & order problems are being encountered. CMPDI the agency who were assigned the job of carrying out exploratory drilling in the area had to suspend their operation due to law & order problems. NUPPL has sought support from the District Revenue and Police authorities of Government of Jharkhand for carrying out the drilling & exploration activities, boundary survey, pillar construction and DGPS for further development of Pachwara South Coal Mine Project. This will enable NUPPL to prepare the Geological Report (GR) and subsequently Mining Plan & Feasibility Report. For obtaining the forestry stage-I clearance for the project Mine, which is a pre-requisite for obtaining Environmental Clearance (EC) for the Thermal Power Project, the GR Mining Plan and FR are essential.

Work order was issued to M/s Total Survey Consultancy, Ranchi for conducting DGPS Survey and the firm has expressed their inability to continue their work citing local law and order problems. NUPPL has proposed to float an EOI inviting proposal from Mine Development Operators (MDO) to carry out the entire Mine development activities.



Jilga-Barpali

Ministry of Coal, Government of India has allocated Jilga-Barpali coal block, in the State of Chhattisgarh with a total reserve of 546 MT jointly to your Company and Chhattisgarh Power Generation Corporation Limited to develop the mine and share the coal resources as per GOI allocation. As per the said allocation, 396 MT of coal from this block was proposed to be utilised for the proposed 4000 MW Sirkali Thermal Power Project, in the State of Tamilnadu. Detailed exploration is being carried out by MECL under MOU of CMPDI and about 43% has been completed. However, as it is found that the coal seams are deep seated in this block and there are nine geological earth faults in this region, it will be very difficult to excavate coal even with underground mining technologies and hence your Company has requested MoC for allocation of alternate coal block instead of Jilga-Barpali for Sirkali Thermal Power Project.

MNH Shakti Limited

Members may be aware, M/s. Mahanadi Coalfields Limited (MCL), NLC & Hindalco formed MNH Shakti Limited, a Joint Venture Company with equity participation of 70:15:15 to implement 20.0 MTPA coal mining project in Talabira in the State of Odisha. The Talabira II & III coal blocks allocated for this purpose have been cancelled pursuant to the judgement dated 25th August 2014 of Hon'ble Supreme Court of India and the coal Mines (Special Provisions) Ordinance 2014 dated 21st October 2014. The JV Company has proposed for the winding up and necessary formalities are being worked out by them.

New Projects Under Formulation

Sirkali Thermal Power Project - 4000 MW

Members may be aware that as part of foraying into other type of fuels for power generation, your Company has proposed to set up a 4000 MW coal based thermal power project, in two phases, at Sirkali, Nagapattinam District in the State of Tamil Nadu. In the first Phase 1980 MW (3x660 MW) is proposed to be set up at an estimated cost of ₹ 14,482 crore. The Board of Directors of your Company has accorded approval for AAP of ₹ 56.52 crore for taking up certain pre-project related activities. Feasibility Report (FR) is under finalisation. Site for locating the power plant has been identified at Thirumullaivasal and action has been initiated for acquisition of land through TN Government and for obtaining clearances from various statutory authorities. LOA has been issued to M/s. Bhagavathi Ana Labs for taking up EIA/EMP studies. Budgetary offers have been obtained for conducting Marine EIA/EMP study and DPR for captive coal jetty for the proposed Sirkali TPS. As stated earlier Ministry of Coal has allocated Jilga-Barpali Coal block in the State of Chhattisgarh with reserve of 396 MT to partly meet the fuel requirement of this project. As explained in view of the technical difficulties to exploit the coal reserves in the allocated block your Company has requested MoC for allocation of alternate coal block instead of Jilga-Barpali for Sirkali Thermal Power Project.

Thermal Power Station-II Second Expansion - 1000 MW with linked Mine-III - 9.0 MTPA

Your Company has proposed to increase the power generating capacity by adding another 1000 MW thermal power plant as the second expansion to the existing TPS-II at Neyveli in the State of Tamil Nadu. A new mine, Mine-III of capacity 9.0 MTPA is proposed to be set up to exploit the mineable lignite reserves of about 380 MT available in the South of the existing Mine-II to meet the fuel requirement of the proposed thermal power plant. Ministry of Power has granted exemption to your Company from tariff based competitive bidding for the above project.



The Board of Directors of your Company has accorded approval for the Advanced Action Proposal (AAP) of ₹ 7.05 crore for Mine-III and ₹ 1.80 crore for the TPS-II Second Expansion for taking up certain pre-project related activities. Action has been initiated to enter Power Purchase Agreement with DISCOMs of Southern States.

Mine-II Augmentation - 15.0 MTPA to 18.75 MTPA

The Board of Directors of your Company has accorded approval for the Advance Action Proposal (AAP) of ₹ 2.65 crore for Mine-II Augmentation in order to take up certain pre-project related activities. The increase in capacity is to meet the additional lignite requirements of linked Thermal Power Stations.

Solar Power Projects

Your Company has given Green Energy Commitment to Ministry of New and Renewable Energy (MNRE), GOI, on the occasion on the first Renewable Energy Global Investors Meet (RE- INVEST) 2015 to develop 101 MW of Renewable Energy Project during the five year period 2015-19. The above commitment is based on the Renewable Energy projects which are presently under implementation viz., Wind Power Project of 51 MW, Neyveli Solar Project of 10 MW, Barsingsar Solar Power Project of 25 MW and the proposed 2nd phase of expansion of 15 MW Solar Power Project to the Neyveli Solar Power Project.

In order to enter in to solar power generation in a major way, the Board of Directors of your Company has accorded 'in-principle' approval for setting up Solar power projects in the States of Telangana, Tamil Nadu and other States in India, subject to techno-commercial viability. The Government of India has accorded top priority for development of green energy and in this regard it has given guidelines for setting up of solar power parks in various States of India. Your Board of Directors has also accorded 'in-principle' approval for setting up of solar power projects in the solar power parks developed by various States, subject to techno-commercial viability.

Coal Assets Abroad

Your Company proposes to acquire coal assets abroad in order to ensure availability of fuel for un-interrupted operation of the 1000 MW coal based thermal power plant under implementation by NLC Tamilnadu Power Limited, the subsidiary Company and for the proposed 4000 MW coal based Sirkali Thermal Power Plant. Imported coal to the tune of 2 Million Tonnes initially and 10 Million Tonnes at a later period is required for operation of these coal based thermal power plants.

In this regard, your Company has issued an Expression of Interest for acquiring coal assets abroad and short-listing of the offers received in respect of coal blocks in Mozambique, Indonesia and Australia are in process. Work order was issued to M/s SRK Mining Services (India) Pvt. Ltd., Kolkatta for carrying out the Technical Due Diligence Study of the short-listed Coal blocks and the report from the consultant is under scrutiny.

Acquisition of Power Projects

EOI was floated inviting offers of Coal or Lignite based Thermal Power Plants/Projects of unit capacity 100 MW or above for possible acquisition by your Company. Out of nine offers received, Nagai Power Pvt. Ltd., Nagapattinam in the State of Tamilnadu having a capacity of 2x150 MW has been shortlisted subject to the outcome of technical, financial and legal due diligence studies.

Long-term borrowing & Credit Rating

Your Company has entered into long term funding arrangement of ₹ 2500 crore and ₹ 1250 crore from a consortium of Bankers led by Canara Bank for the Mine-II Expansion linked to TPS-II Expansion project &



Barsingsar Mine-cum-Thermal Power project. Your Company has also entered into an agreement with Power Finance Corporation Limited for a term loan of ₹ 3000 crore for the NNTPS project. Both the above borrowings have been rated with the highest credit rating of “AAA/Stable” by ICRA & CRISIL and Brickworks.

Commercial

Billing & Realisation

Your Company has made significant improvement in the realisation of dues from Discoms as all the current dues have been realised within the normal credit period of 60 days from all the customers except Discoms of Rajasthan. The total outstanding dues of the Company as on 31.03.2015 towards power dues were ₹ 2064.52 crore, as against ₹1985.26 crore as on 31.03.2014. Power over dues, which are dues beyond the permissible limit of 60 days as on 31.03.2015 were ₹ 272.04 crore as against ₹ 920.80 crore as on 31.03.2014.

Rebate Scheme for realisation of dues

With a view to encourage early and full realisation of dues, the Company has formulated a special scheme called “NLC Graded rebate scheme” benefitting the customers for making due payment within 60th day of billing.

One Time waiver of surcharge settlement

Your Company during the last year reached a settlement with TANGEDCO for realisation of surcharge amount and in line with the same, settlement schemes were entered into with the Karnataka-Escoms, Andhra Pradesh-Discoms and Telangana Discoms during the year. Under this scheme, old dues, surcharge and interest amounting to ₹ 276.07 crore has been realised during the current year.

Revised PPA with Discoms

Your Company has signed revised PPA with the Discoms of KSEB, Karnataka-Escoms, Andhra Pradesh-Discoms and Telangana-Discoms during the year, in line with the revised PPA already signed with TANGEDCO incorporating the following payment priority clause for appropriation of receipts from the Discoms in the following order of adjustment :

- a) towards late payment of Surcharge
- b) towards earlier unpaid bills, including arrear bills if any
- c) towards statutory dues like IT, other tax, Royalty on the current bills
- d) towards other charges in current monthly bills

Tariff Regulations

Pursuant to CERC Tariff Regulations for the Control period 2014-19 dated 21.02.2014, Tariff petitions for the period 2014-19 for TPS-I, TPS-I Expansion, TPS-II and Barsingsar were filed before CERC on 19.08.2014.

Consequent to MoC Guidelines on 02.01.2015, for fixation of Lignite Transfer Price, Tariff revision petition would be filed before CERC for all power stations for the period 2014-19.

Land Acquisition and R&R Policy

The occurrence of lignite mineral deposits in particular regions makes it necessary for your Company to select the project sites for Mines & pithead Power Stations, only in such specific areas. It necessitates the invoking of law for the acquisition of private property leading to involuntary displacement of people in lignite bearing localities for mining and adjacent strategic locations for stationing the production and service facilities.



Your Company has developed several Resettlement Centres (RCs) in the vicinity of the acquired area and these RCs are provided with good infrastructure facilities and amenities better than those in the original villages and also well connected to the main roads. Your Company has been designing and implementing the R&R Packages for the project affected people with their active participation, combining its long experience in the locality and participatory approaches.

Your Company is following the National Rehabilitation and Resettlement Policy, 2007 for the ongoing projects with certain enhancements, aimed at minimising the adverse impacts of the projects on the affected people and for the benefit of the project affected population.

The R&R measures are being implemented as directed by the R&R Administrator as per the National Rehabilitation and Resettlement Policy, 2007 and benefits include allotment of a plot, cash compensation and training.

New Land Acquisition Act

From 01.01.2014 Govt has enacted New Land Acquisition Act viz. - "Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act - 2013". Presently the Government of Tamilnadu acquires land for your Company under the provisions of The Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 (Tamil Nadu Act, 10/99).

During the year 2014 the Govt. of Tamil Nadu has passed an amendment Act – "Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement (Tamil Nadu Amendment) Act - 2014 to exclude the above Act of the State Government from the provisions of the Central Act, except the provisions relating to the determination of the compensation and rehabilitation & resettlement. The rules for implementing the Act / amendment are awaited from GoTN.

Research and Development (R&D)

Centre for Applied Research & Development (CARD) is the In-house R&D centre of your Company. CARD has been granted NABL accreditation for chemical and mechanical testing by National Accreditation Board for Testing and Calibration Laboratories (NABL). The accreditation of the laboratory, which is valid for a period of 2 years from December 2013, is based on the international standard ISO/IEC 17025:2005 and meets the principles of ISO 9001 that are relevant to scope of testing services as well as technical competency of the laboratory.

The total R&D expenditure, incurred during the year 2014-15 was ₹ 13.01 crore which is around 1% of PAT for the year 2014-15. CARD has complied with the MoU guidelines with regard to R&D by successfully completing prescribed targets for 2014-15.

Your Company has filed for grant of patent for the following:

1. Your Company and Vector Control Research Centre, Puducherry jointly filed a patent application for "Fly ash based mosquito larvicidal formulations of *Bacillus thuringiensis* var. *israelensis* (serotype H14)". The invention is under the Coal S&T project 'Development of fly ash based pesticide'.
2. Your Company and National Institute of Technology, Trichy jointly filed a patent application for "High longevity coatings and alternate material for erosion and corrosion resistance in mining pumps." The invention is under In-House S&T project.



Coal S&T projects:

Corrosion in Specialised Mining Equipment (SME)

CARD has successfully completed the Coal S&T project on corrosion problems in Specialised Mining Equipment (SME) deployed in mines. Laboratory investigations, corrosion/erosion studies and characterisation of samples were completed. Basic corrosion studies and modelling were completed. One of the coating components has been lab tested and evaluated for field application. The coating materials were prepared by CECRI, Karaikudi and coatings were applied in track carriages of SME and the performance of the coating are being evaluated periodically and it is found that there was no change in the coating thickness after application of the material. Consequent to the specialized coating the life of the track carriages in SME is expected to increase by 7 years as against one year in the case of normal paints.

Enhancement of Life of De-watering Pipes

Your Company presently has taken up a project on “Enhancing Life of De-watering Pipes in Coal/Lignite Mines by prevention of Erosion-corrosion with Nano-Crystalline Surface Engineering Treatments” jointly with NIT, Trichy. The main objective of the project is to study the root causes for erosion and corrosion of de-watering pipes in Neyveli Lignite Mines and to develop a coating based on nano-crystalline surface engineering treatments for enhancing life of de-watering pipes.

In-House S&T Projects:

CARD has also carrying out various research works such as delineation of buried sub surface objects and hard bands in open cast mines, studies on synthesis of zeolites from lignite fly ash and its efficiency in cooling water treatment, reclamation of slag dump areas in Mine-II suitable for development of green cover, study on the stabilisation haul roads inside open cast mines and micropetrographic characterisation of Barsingsar lignite seams.

Development of suitable pilot plant for separation of iron from slag generated in Thermal Power Plants-Neyveli

CARD has taken up R&D project for separation of iron ore, unburnt carbon and sand from the bottom slag generated by Thermal Power Stations. The pilot plant for separation of iron from bottom slag has been successfully commissioned during December 2014.

Utilisation of Bottom Ash

CARD has taken up R&D project along with Civil Department for utilisation of bottom ash as replacement for river sand in construction material. An experimental building using bottom ash as substitute for river sand has been constructed and in this building solid blocks have been made using bottom ash and concrete mixture using bottom ash instead of sand to the extent of 50%.

R&D Initiatives:

Your Company has taken up R&D initiatives in the following areas:

1. Upgradation of Brown Coal (UBC) Based Power Generation

Your Company was approached by M/s. Kobe Steel Limited (M/s KSL), a major Steel & Engineering Company in Japan, to undertake a study on “Up-gradation of Brown Coal” (UBC) through a process involving



removal of moisture from lignite and to upgrade the lignite into a high calorific value product having reduced CO₂ emission. In this connection an MOU has been entered into with M/s. KSL for “Setting up a UBC based Pilot Power Generation Plant in Neyveli” at an estimated cost of ₹ 61.62 lakh to be shared equally. M/s.KSL had earlier undertaken a study on UBC of lignite from Neyveli Mines and successfully test fired the lignite pellets in Ultra Super Critical Boilers in Japan.

2. Dynamic Loading of Conveyors

Your Company has signed an MOU with National Institute of Technology, Trichy for taking up a new R&D Project on “Dynamic Loading of Conveyors drive heads in Mines” aimed at energy saving in the operation of conveyors in the Mines as in-house S&T Project.

3. Coldry and Matmor Process

Your Company has also proposed to enter into a tripartite agreement with M/s. National Mineral Development Corporation (NMDC) and M/s. Environmental Clean Technologies Ltd. (ECT), Australia for taking up a feasibility study on setting up a pilot project of Coldry and Matmor process at Neyveli, using lignite instead of coking coal for use in iron ore purification process.

4. Electronification of GWC & Conveyor Systems in Mines

CARD has also proposed to take up a R&D project on Electronification of ground water control and conveyor systems in Mines for electronically monitoring the operation and performance of GWC pumps and conveyors for improving energy efficiency and productivity of these equipment. This project is proposed to be implemented under Coal S&T project funded by Ministry of Coal.

5. Prevention & Analysis on Premature Failure of BWE Track Systems

CARD has proposed to take up a R&D project on prevention & analysis on premature failure of BWE Track Systems used in Lignite/Coal Mines with the aim of reducing the wear and tear of track plates of SME. This project is to be implemented under Coal S&T project funded by Ministry of Coal.

Silica Sand Beneficiation Plant

Your Company proposes to establish a silica sand beneficiation plant for producing value added silica sand, which is a main raw material for manufacture of glass from the sand available in mines. A consultant has been appointed for preparation of feasibility report for this project.

Human Resource Management

Human Resource

Your Company believes that employees are the primary source of competitiveness and it is necessary to enrich the quality of life of its employees and maximise the productivity. Your organisation promotes adherence to value based culture, encourages/creates an atmosphere of continual learning and competency building. The organisation has reached its current levels through employee commitment, innovation and strong sense of belongingness to the organisation. For a sustainable growth, leadership and competency development continued to be the focus area for the organisation. The total manpower of your Company as on 31st March 2015 was 16,445.

Employee Development

Your Company continues to promote Training / Learning initiatives for skill, competency building and overall development of employees and surrounding society. As part of Leadership Development Programme,



400 executives were imparted training through Development Centre Initiatives programme in 2014-15. Also as part of the above initiative, Senior Executives were deputed to IIM, Kozhikode for enhancing their leadership competencies. Learning and Development Centre (L&DC) of your Company organised programme which included Mentorship Development Programme, Workers' Education Scheme, Advanced Management Programme, Quality Control Programme etc., besides Apprenticeship Training Programme and other special programme. L&DC plays a main role in the development of multi skilling & skill upgradation of Non Executives. During the year L&DC imparted training covering, 15,252 employees. With a view to benefit the society at large your Company had conducted Entrepreneurial Development Programme, Programme for Student Community and Environmental Programme benefitting around 9000 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 Contract Labour Strike, which was subsequently resolved. The executives and employees were committed towards the growth of your Company. Discussions and negotiations are in process with the recognized Unions through the conciliation process as per the provisions of Industrial Disputes Act, to arrive at a mutually agreed settlement for revising the wage structure of Unionised categories of employees.

Implementation of Official Language Policy

Your Company continued to promote official language implementation in line with Government of India's policy and the provisions prescribed under the Official Languages Act, 1963. Employees are encouraged to undertake Hindi courses and 681 employees have been enrolled for correspondence as well as full time courses like Prabodh, Praveen and Pragya.

Hindi Fortnight was organised between 15th September 2014 and 29th September 2014 and 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.

Reservation of Posts

Your Company has been following the rules of the Government with regard to reservation for SC and ST and the details of Group-wise Men-in-Position as on 31.03.2015 is as under:-

Group	Total Strength	M I P			% of SC/ST		
		SC	ST	Total SC/ST	SC	ST	Total SC/ST
A	3,989	825	280	1,105	20.68	7.02	27.70
B	288	61	14	75	21.18	4.86	26.04
C	10,805	2,103	103	2,206	19.46	0.95	20.42
D	1,363	311	2	313	22.82	0.15	22.96
Total	16,445	3,300	399	3,699	20.07	2.43	22.49

e-Governance

Your Company has taken up various e-Governance initiatives which include Online Material Management System (OLIMMS), Primavera for Project Management, Mining Equipment Maintenance Management System (MEMMS), Financial Accounting System (FAS), Attendance Monitoring System, Personnel Information and Payroll Accounting System (PIPAS), Activity Based Cost Management System, Vendor Payment System, Information Monitoring System, Engineering Management System etc. Besides the above, your Company is

also in the process of implementation of SAP based FICO and HCM modules, Contract Management System, Information Monitoring System.

Environment Management & Sustainable Development Projects

Your Company continues to practice the best environment management and eco conservation measures. Environment Policy with emphasis on clean and green environment is in place and your Company continues to comply with regulatory requirement and other environmental clearance conditions. All the Mines and Thermal Units at Neyveli are accredited with Environment Management Standards of ISO 14001 and Occupational Health and Safety Assessment (OHSAS) 18001.



Reclamation of mined out land with an objective to make it again cultivable and conserve ecosystem is scrupulously carried out in all the operational mines of your Company. During the year 2014-15, 96.42 hectares of land has been reclaimed in all the mines in Neyveli. Slope stabilisation in mines dumping area is also carried out by planting and developing thick green belt which in turn preserves the environment. Also green cover is established in the Industrial units and as well as in the Township by planting more than two lakh trees to maintain the ecological balance.

Members may be aware usage of plastic carry bags has been banned in Neyveli Township area and your Company is also operating a plastic recycle plant wherein waste plastic is converted into tar for use in road formation.

In pursuit of India's commitment to act early towards climate change, your Company has taken up collaborative studies with Pondicherry Engineering College on "Sequestration of CO₂ and production of Bio-Fuel from flue gas of Thermal Power Plants" and in this regard a 100 litre capacity laboratory scale Photobioreactor (PBR) has been installed. It is also proposed to install a 1000 litre capacity pilot scale PBR in TPS-I Expansion.

Your Company is presently disposing the fly ash through supplies to the cement and the brick manufacturing Companies through e-auction besides using in its pre casting yards for manufacture of bricks for its internal use.

Water Conservation and Water Pollution Control

Much emphasis is given by your Company towards conservation of water. As a measure of conservation, a modern water treatment plant of 8000 GPM capacity is in operation to treat storm water from Mine-I for supply to Township for domestic purpose. Also 15000 GPM water of Mine-II storm water is treated and used in TPS-II and TPS-II Expn., which has greatly reduced the ground water pumping. A modern sewage treatment plant of 30 MLD capacity treats the sewage of entire township and part of industrial sewage where the treated water is utilised by the surrounding villages for agricultural purposes. Effluent treatment plants installed in all industrial canteen and waste water from industrial units are also treated in the ETP which is used for gardening and cleaning purposes. The effluents generated from Thermal and Mining Units are regularly monitored by TNPCB and no abnormalities reported. Besides on-line monitoring of effluent flow and quality has been introduced in the Thermal Station-I Expansion and TPS-II.

Air Pollution Control

Your Company takes care of air pollution by dust suppression measures in Mines. Electro Static Precipitators (ESPs) have been installed in all power plants to remove the ash particles from outgoing flue gas. Also stack



height of power plants is maintained as per prescribed norms for effective dispersal of Sox and Nox to wider range. To monitor the pollution in the stack, online SPM and gas analysers have been installed. Ambient Air Quality (AAQ) Monitoring is carried out through continuous ambient air quality station and 13 manual stations. The on-line stack emission and AAQ data are uploaded to Centre for Real-time Monitoring (CARE AIR Centre) of Tamil Nadu Pollution Control Board.

Safety

Your Company advocates highest priority towards industrial safety. Risk Assessment and Safety Audits were conducted for Mines and Thermal Power Stations in regular periodicity by engaging accredited external agency. The recommendations submitted by the external agency are being implemented. Safety related trainings like basic, refresher, on the job, are being imparted to all sections of employees in a well designed training centres like Group Vocational Training Centre in Mines, Thermal Training Centre and Learning and Development Centre. Safety awareness among the employees and contract workmen has been increased. Your Company achieved zero accident potential during the year 2014 -2015 at Barsingsar Mine, Thermal Power Station-II and Thermal Power Station-I Expansion.

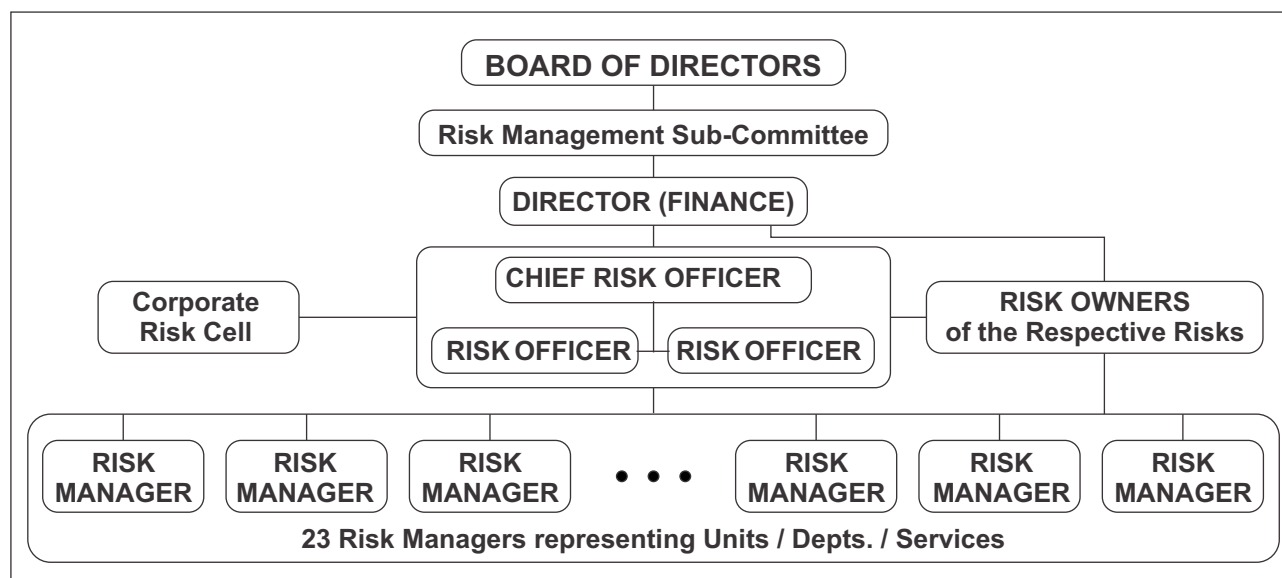
Risk Management

In order to identify those threats to business and to create ways to reduce their impact, your Company has approved a Risk Management Policy. As per the policy the risks are classified broadly into three categories, viz., Strategic risks, Business Risks and Operational Risks and further categorised based on their impact and the frequency.

Your Company has so far identified 51 risk elements. Based on the assessment, 20 of them have been prioritised for review. Their mitigation plans and the implementations are reviewed by the Risk Management Committee, Audit Committee and by the Board, bi-annually. At present, there are no major risk elements, which may threaten the existence of the Company.

Your Company has developed a comprehensive Integrated Risk Management (IRM) framework and under the framework, Risk Management is practiced in all the units and the possible risks associated with its business are identified and mitigation plans are evolved. Risk Management Committee and the Board of Directors of your Company review the identification of risks and mitigation procedure on a periodical basis.

The organisational structure for risk management is as under:





Vigilance

Having a main focus on the pro-active, preventive and participative vigilance activities, Vigilance Department conducted surprise checks, regular checks, CTE type checks, quality checks and follow up checks resulting in various system improvements and streamlining the procedural lapses.

On the initiative of Vigilance Department, various IT based systems viz., Online TA bills submission, Annual Property Returns, Web based MIS, Detailed Engg. Mgt System, Online SME Erection in addition to publishing of Tenders in the Company website and CPPP, SOP for recruitment, installing surveillance camera at vulnerable locations, e-auction & e-procurement to bring out more transparency and efficiency in the system have been introduced.

The Vigilance Department is the first to introduce a unique “Online Vigilance Clearance-OVC” system with the facility of knowing the file status by the concerned employee and Online Complaint Tracking System for speedy disposal of complaints to enhance the public perception. Vigilance Department has undertaken various other measures like hosting key information in Company website, providing feedback to the genuine complainant after investigation, getting feedback from people through various interactive programme, ensuring appropriate action against the guilty and protecting the innocent etc. A book has also been published by the Vigilance Branch titled “Lessons from Vigilance cases” citing various past cases, for the benefit of user departments. The Contract manual has been updated by the Management and the Purchase Manual & HR Manual are under review for updation.

Annual Book fair and Safety week programme were used as a platform to spread vigilance awareness among the stakeholders. Vigilance Department has introduced “Ethical Awareness” programme to inculcate ethical values to the school children in Neyveli township covering 1300 children in 15 schools.

The Vigilance Department besides conducting classes has taken up customised/tailor made programme so as to reduce the knowledge gap among the employees.

Vigilance Department has been awarded with the prestigious “Corporate Vigilance Excellence Award-2015” by the Institute of Public Enterprises, Hyderabad.

MOU with Transparency International

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, based at Berlin.

Township

Neyveli Township established in February 1959 has grown into a self-contained unit with all facilities. It has a total population of about 1,35,000 and spread over 50.Sq.Kms. The Township is provided with all facilities that include Schools, College, sophisticated General Hospital, Central Library, Swimming Pools, Auditorium, Stadium, Community Welfare Centers, Recreation Clubs, Reading Rooms, Parks, Banks, Shopping complexes, Offices of Government Agencies and about 21,277 residential quarters. Township with similar facilities has also been established in Barsingsar.

Medical Services

Your Company maintains a 350 bedded General Hospital at Neyveli that takes care of the health and medical care needs of its regular employees, contract workmen and their eligible dependents.



The Medical Care Delivery system in operation involves full care cycle encompassing the entire range of monitoring, diagnosing, treating and managing medical conditions across various disciplines. The broad service lines of the hospital could be fragmented into General Medicine, General Surgery, Paediatrics, Obstetrics & Gynaecology, Ophthalmology, Orthopaedics, ENT, Dermatology, Chest Medicine and Psychiatry. Renal care, Diabetology, Neonatal and Intensive Care constitute the top line services of the General Hospital.

During 2014-15, 7.56 lakh patients were treated in the out-patient department and 15264 patients were treated in the various Medical, Surgical, Paediatrics and Maternity wards. The General Hospital had organised Family Planning Services, Revised National Tuberculosis Control Programme, National Leprosy Control Programme, AIDS Screening and Control Programme as a part of National Health Programme. General Hospital implements weekly Universal Immunisation Programme in collaboration with the State Health Machinery and administered medicines to protect against viral and bacterial diseases. The hospital continues to implement National Leprosy Eradication Programme as old leprosy cases are followed up at the weekly run in co-ordination with State government personnel and in collaboration with the Tamil Nadu State Aids Control Society plays a lead role in early detection, treatment and management of HIV cases in this region with excellent medical results.

Corporate Social Responsibility (CSR)

- Your Company, as a socially responsible corporate citizen, continues to carry out development works in the surrounding villages, right from its inception, focusing on the socio economic development of the operating regions for achieving inclusive growth.
- In the Year 2014-15, your Company has adopted a new Corporate Social Responsibility Policy covering the various sectors of sustainable socioeconomic development. The Policy is available in the Company's Website: http://www.nlcindia.com/csr/Board_Noted_CSR_Policy_NLC_2014.pdf
- Your Company outlays funds for the CSR projects, programme and activities selected for implementation under the CSR Policy.
- The CSR Committee of the Board is monitoring the implementation of the CSR Projects. The Board of Directors reviews the same and ensures that your Company spends, in every financial year, at least 2% of the average net profits of the Company for the last three years.
- Timeframes and milestones are fixed through Baseline Survey before commencement of the CSR Projects.
- Initiatives of State/Central Government Departments/Agencies are dovetailed/ synergised with the CSR Activities of NLC.

The CSR expenditure of your Company for the year 2014-15 is ₹ 47.49 crore. The manner in which the amount was spent is given in the prescribed format.

The major CSR initiatives undertaken during the year 2014-15 are given below:-

CSR - Peripheral

Members may be aware that a structured system is in operation for executing capital works for developing social infrastructure and building Sustainable Community Assets to benefit the villages surrounding Neyveli in Tamil Nadu and Barsingsar in Rajasthan State. Under this scheme, infrastructure development works like drinking water facility by sinking/maintaining the bore-wells, constructing RCC water tanks, providing roads & access, additional school buildings, laboratories, libraries, bridges, additional Infrastructure for primary health centres, developing medical facilities, de-silting of lakes etc., are being carried out on the basis of needs



and priorities. Various works have been carried out during the year under review for the benefit of the population in the areas surrounding the operating localities. This includes the “Walajah Lake De-silting” Project undertaken in Karaimedu Hamlet near Neyveli, by which water holding capacity for irrigation has been increased by about 22.75 lakh Cubic meter, providing direct irrigation to about 11,500 acres of land and benefiting about 60 villages in the region. Continuous supply of water to nearby villages for irrigating over 23,000 acres of land is also continued in the Neyveli region.

Your Company also provides access to the social facilities of the Company's Townships to the public in the surrounding areas.

CSR - Community

Your Company continues to extend all assistance including grant and infrastructure to Sneha Opportunity Services at Neyveli to run a day care, education and training centre for special children of the region.

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.

During the year 2014-15, CSR focused Training programme were organised for the benefit of the students, teachers and the population of Neyveli locality, in which 4,463 persons participated. 165 women from various peripheral villages were trained Light Motor Vehicle Driving, Tailoring and Beautician Trades. 290 men from various peripheral villages were trained in Operation & Maintenance of Light Motor Vehicles, Heavy Transport Vehicles, Earth Moving Equipment Operation and Vulcanising.

Your Company has contributed ₹ 405 lakh during the year 2014-15, towards the Relief and Rehabilitation of areas affected by Disasters in the States of Andhra Pradesh, Odisha and Jammu & Kashmir.

CSR - Education

Your Company offers best education through its 10 schools – 3 Higher Secondary Schools, 2 High Schools, 3 Middle Schools and 2 Elementary Schools to the students from surrounding villages and also to the wards of employees. During the year under review, the students' strength in these 10 schools was 6,515.

Your Company has imparted Motivational and Exam-Skills training in the year to 2,184 girls and 1,541 boys of X and XII Standards in Neyveli and 14 peripheral village schools.

Your Company provides infrastructural support and also periodical financial support to Rajiv Gandhi Education Society, Barsingsar for providing quality education and technical training to the children of villages around your Company's project-sites in addition to the Jawahar Education Society at Neyveli.

The establishment of an Industrial Training Institute in Barsingsar village was completed by your Company in the year 2012-13. NCVT approved Courses in Horticulture and Electrician trades have commenced from October 2012 and Fitter and Welder trades have commenced from October 2013. During the year, 166 students have been imparted Industrial / Technical Training in these trades.

CSR - Health

Your Company provides quality medical treatment and occupational health service through its General Hospital to all inhabitants of the Neyveli Township and its surrounding villages, including comprehensive medical treatment to the Contract Workmen and their family members.

During the year 2014-15:

- Free medical consultation with minimum anti-biotic therapy and vitamins was extended in 86921 instances to out-patients from the rural public. 32574 patients were given emergency treatment for various causes. Community Health Screening for diabetes, Hypertension and HIV covering 12,473 persons during the Annual Book Fair and Safety Week Celebration was carried out and counselled for behavioural change.
- 12 medical camps were conducted in peripheral villages located in the area surrounding Neyveli Township in Cuddalore District. 4,962 persons of these 12 villages were screened and given medical advice and medicines through the camps. During the camps, 713 Random Blood Sugar Tests were taken, 239 Electro Cardio Grams were generated and 439 persons were provided with vision glasses. 933 patients were referred for inpatient treatment of which 428 persons underwent the inpatient treatment.



From February 2013 onwards, your Company is providing nutritious food supplement to the HIV affected children belonging to the Cuddalore District HIV Positive Society, Cuddalore. 285 such children were provided with food supplements during the year 2014-15.

During the year 2013-14, your Company has instituted the “NLC Chair on CSR” with Institute of Public Enterprise, Hyderabad. The second and final installment of ₹ 100 lakh has been provided for the same as corpus, in the year 2014-15.

In addition to the above, the details on specific Corporate Social Responsibility projects undertaken in compliance with Section 135 of the Companies Act, 2013 are placed as Annexure -1.

ISO Certification

Your Company's Mines and Thermal Power Stations at Neyveli are certified with ISO 9001, ISO 14001 and OHSAS 18001 by reputed agencies for their sound systems and practices. In addition to the above, the Contracts Department, Learning and Development Centre and the Vigilance Department have been certified under ISO 9001.

Contribution to the cause of women

Your Company's human resource is represented by 7.5% of Women employees. Programme on women empowerment were organised during the year under review. Your Company actively participated and deputed women employees for the programme organised by “Women in Public Sector” (WIPS) under the aegis of SCOPE.

Visit of Parliamentary Committees

During the year the following Parliamentary Committees had visited your Company:

- Committee on Welfare of Other Backward Classes.
- Committee on official language.

Awards & Recognition

Awards received by your Company during the year 2014-15 are given below:

- IME Journal Innovation Award instituted by Indian Mining and Engineering Journal for using State-of-the-art Mining Technology with effective CSR & Environment Management.



- Productivity Award instituted by World Academy of Productivity Science (WAPS).
- Greentech Gold Award 2014 instituted by Greentech Foundation for the best safety performance of TPS-II.
- National Award instituted by 'Governance Now' for Best HR Practices (Training).
- National Energy Conservation Award -2014 for Mine-I instituted by Bureau of Energy Efficiency.
- IE (I) Industry Excellence Award 2014, instituted by Institution of Engineers (India).
- First Prize in the category of Best Public Sector Undertaking Unit implementing Right to Information Act, Instituted by Public Relation Society of India (PRSI).
- Green Rating Project (GRP) Award, instituted by the Centre for Science & Environment for Barsingsar TPS and TPS-II, Neyveli.

Business Responsibility Report (BRR)

The Business Responsibility Report (BRR) for the year 2014-15, covering the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report 2014-15.

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. 18 Central Assistant Public Information Officers representing different functional areas, one Nodal Officer, one Central Public Information Officer, two Appellate Authorities and one Transparency Officer have been nominated to attend to the queries and appeals received under the RTI Act in a time bound manner.

During the year 2014-15, under the above Act, 307 applications containing 1443 queries were received and 268 applications covering 1134 queries have been replied.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises has notified the Public Procurement Policy and in terms of the said notification, an annual target for procurement from MSE was set for the three years beginning from the FY 2012-13. The target set for the FY 2014-15 for procurement of such items which are within the scope of MSEs was 20% and as against the same the achievement was 23.19%.

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.

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo

The particulars required under Section 134 (3) (m) of the Companies Act, 2013 regarding conservation of energy, technology absorption and Foreign exchange earnings and outgo are furnished in Annexure-2.

Management Discussion & Analysis Report and Report on Corporate Governance

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

The Auditor's certificate on the compliance of the above Corporate Governance conditions is furnished in Annexure-5.



Statutory Disclosures Under Companies Act, 2013 and Listing Agreement

Extract of Annual Return

The extract of Annual return in terms of Section 134(3) read with 92(3) of the Companies Act, 2013 is placed as Annexure-6.

Particulars of Employees

Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Nil.

Loans, Guarantees and Investments

During the year 2014-15, your Company had subscribed to the equity share capital for an amount of ₹ 197.94 crore and ₹ 47.43 crore in NTPL and NUPPL, respectively. As on 31st March 2015 the share capital held by your Company in NTPL and NUPPL is ₹ 1508.02 crore and ₹ 47.48 crore, respectively. Your Company during the year 2013-14 had entered into a loan agreement with NTPL, the Subsidiary Company, to provide bridge loan of ₹ 1184.92 crore for implementation of its Thermal Power Project at Tuticorin for a period of 364 days at an interest rate of 10.86%. This arrangement was done in order to enable NTPL to get long term loan at a favourable interest rate post-commissioning of the project. As per the terms and conditions of the above loan agreement, during the year an amount of ₹ 980.52 crore was funded and NTPL has repaid ₹ 204.40 crore during the year. Besides the above, your Company has not granted any loan or guarantee or done any investments (other than short term deposits with the Bank in the ordinary course of business) during the year 2014-15.

Transfer to Reserves

During the year 2014-15, ₹160 crore has been transferred to general reserves.

Deposits

The Company has not accepted any deposit from public.

Status of unclaimed share certificates in terms of Clause 5A II of the Listing Agreement

There were 1100 equity shares pertaining to 6 Shareholders lying unclaimed as on 01.04.2014. During the year 2014-15, no claim was received from any of the above shareholders.

Material Changes affecting financial position occurring between the date of Financial Statement and Directors Report

The final order from CERC for Barsingsar Thermal Power Station was received on 10.07.2015 for the period from COD to 31.03.2014. This has the effect of reducing the sale of power. Based on the legal opinion a review petition has been filed before CERC.

Sexual harassment of women at workplace

A separate Committee has been constituted for looking into the complaints relating to sexual Harassment of women at workplace. During the year 2014-15, no complaint was received in this regard.



Auditors

Statutory Audit

M/s.Sreedhar, Suresh and Rajagopalan, Chartered Accountants and M/s.P.B.Vijayaraghavan & Co., Chartered Accountants, Chennai, were appointed by the Comptroller and Auditor General of India (C&AG) as Joint Statutory Auditors for the year 2014-15 under Section 139 of the Companies Act, 2013. The Board of Directors of your Company has fixed ₹ 18 lakh plus applicable service tax as the Statutory Audit fees, to be shared equally by the Joint Statutory Auditors.

Branch Audit

M/s. Surender K Goyal & Co., Chartered Accountants, Jaipur, has been appointed as the Branch Auditor for the year 2014-15 by C&AG for conducting the audit of Mine and Thermal Units at Barsingsar.

Secretarial Audit

Shri. R. Balasubramaniam, Practising Company Secretary, Chennai, was appointed as the Secretarial Auditor for the year 2014-15. The Secretarial Audit report for the year 2014-15 and the reply to observations of the Secretarial Auditor are furnished in Annexure-7.

Cost Audit

M/s.M. Krishnaswamy & Associates, Cost Accountants, Chennai, were appointed as the Cost Auditor for the year 2014-15, to conduct cost audit for Mines & Power Stations of the Company.

M/s.Srinivasan, Sundaram & Associates, Cost Accountants, Chennai, were originally appointed as the Cost Auditor for the year 2013-14 and since the said firm failed to file the audit report with the Ministry of Corporate Affairs (MCA) within the due date i.e., 27.09.2014, extension of time up to 31.01.2015 was obtained from MCA to file the report. M/s.M. Krishnaswamy & Associates, Cost Accountants, Chennai were appointed as the Cost Auditor for conducting Cost Audit for the year 2013-14 and the Cost Audit Report was filed with MCA on 31.01.2015.

C&AG's Comments

C&AG's Comments on the accounts for the year ended 31st March, 2015 is furnished in Annexure-8.

Directors' Responsibility Statement as per Section 134(3)(c) of the Companies Act, 2013

The Board of Directors declares:-

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that the Directors had prepared the annual accounts on a going concern basis.
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



Board of Directors

Shri. M.S. Ravindranath relinquished the position as a Director on 30.08.2014 on attaining the age of superannuation.

Shri. C. Balakrishnan and Dr. S G Dhande, Non-official part-time Directors resigned from the Board with effect from 24.09.2014.

Shri. Subir Das, Director (Mines) was inducted into the Board w.e.f. 30.09.2014.

Dr. A.K. Dubey, Additional Secretary to the Government of India, Ministry of Coal, relinquished the office of Directorship with effect from 11.06.2015. Smt. Sujata Prasad, Joint Secretary & Financial Advisor, Ministry of Coal has been inducted into the Board as an Additional Director w.e.f. 11.06.2015.

Shri C.V. Sankar, Additional Chief Secretary to Government of Tamilnadu, Industrial Department resigned from the Board w.e.f. 29.06.2015.

Shri Rajesh Lakhoni, Secretary to Government of Tamilnadu, Energy Department, has been inducted into the Board as an Additional Director w.e.f. 15.07.2015.

The Board places on record its appreciation for the valuable contribution made by Sarvashri M.S. Ravindranath, C. Balakrishnan, Dr. S.G. Dhande, Dr. A.K. Dubey and C.V. Sankar during their tenure as Directors on the Board of the Company.

Shri. Sarat Kumar Acharya, Director retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself 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, Telangana, Karnataka, Kerala, Puducherry and Rajasthan and also the Joint Venture Partners, viz., Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL), 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 Governments of Tamil Nadu & Rajasthan and the District Administration of Cuddalore and Bikaner. The support and co-operation by the Comptroller and Auditor General of India, the Statutory Auditors, Branch Auditor, Cost Auditor, Secretarial Auditor, Director General of Mines Safety, the Factory & Boiler Inspectorates, Chief Inspector of Factories, the Director of Boilers, Central Pollution Control Board, State Pollution Control Board, Chief Controller of Explosives, Regional Labour Commissioner, Regional Provident Fund Commissioner, 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 : 07.08.2015

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Annexure-1

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

- ◆ The Company has been carrying out peripheral developmental activities for betterment of communities in the surrounding villages since inception.
- ◆ The vision of the Company is to continue to be a socially responsible Company while emerging as a leading mining and power Company.
- ◆ The Company's mission is to play an important role in the society.
- ◆ The Company has adopted a CSR Policy, under which new/on-going CSR projects/ programme / activities are undertaken. The Policy is available in the Company's Website: http://www.nlcindia.com/csr/Board_Noted_CSR_Policy_NLC_2014.pdf
- ◆ The CSR activities of the Company focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.
- ◆ Aiding the Socio-economic development of the local State(s) in which the Company operates and also the country at large.
- ◆ The CSR of the Company contributes to various sectors of development, as enumerated in the Schedule VII of the Companies Act. The main sectors are:
 - Health and Sanitation
 - Education and Special Education
 - Employment enhancing vocational skills
 - Women Empowerment
 - Sports
 - Relief and Rehabilitation of area affected by disasters.
 - Rural Development projects for roads & access, water resources augmentation for irrigation and overall community development.
- ◆ The CSR Committee of the Board of Directors of the Company monitors them.
- ◆ The Board of Directors of the Company reviews the same from time to time and ensure that at least two percent of the average net profit of the Company for the last three years is spent by the Company on CSR.

2. The Composition of the CSR Committee

1. Shri. Sarat Kumar Acharya - Chairman
 2. Shri. Rakesh Kumar - Member
 3. Shri. S. Rajagopal - Member
 4. Shri. Subir Das - Member
3. Average net profit of the Company for last three financial years.
₹ 2,080.22 crore.
 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)
₹ 41.60 crore.
 5. Details of CSR spent during the financial year.
 - a) Total amount to be spent for the financial year;
₹ 41.60 crore.
 - b) Amount unspent, if any;
NIL.
 - c) Manner in which the amount was spent during the financial year is detailed below.



CSR EXPENDITURE FOR THE YEAR 2014-15

₹ in lakh							
Sl. No.	CSR project or activity identified	Sector in which the project is covered.	Projects or programme (1) Local area or other (2) Specify the State and district where projects or programme was undertaken	Amount outlay (Budget) project or programme-wise	Amount spent on the projects or programme Sub-heads : (1) Direct expenditure on projects or programme (2) Overheads	Cumulative expenditure up to the reporting period.	Amount Spent: (1) Direct or (2) Through implementing agency (*Details Given below)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	SAMOOH UNNATHI - Community Development						
1.1	SWASTHIYA SAMUDAY - Healthy Community						
1.1.1	NLC-Arogyaa Camps	Health care / Preventive Health Care	(1) Local	18.240	17.973	18.229	8.713
		Health Care	(2) Cuddalore, TN		0.256		9.260
1.1.2	POSHAK - Nutritious Food Supplements	Health care / Preventive Health Care	(1) Local	11.150	10.990	11.146	0.000
		Health Care	(2) Cuddalore, TN		0.156		10.990
1.1.3	ILAAJ OWR SWACCHATHA - Health Care & Sanitation	Health care / Preventive Health Care and sanitation, including "Swachh Vidyalay Abhiyan"	(1) Local	2679.500	634.274	643.300	634.274
		Health Care and sanitation, including "Swachh Vidyalay Abhiyan"	(2) Cuddalore, TN and Bikaner, Rajasthan		9.026		0.000
1.1.4	PACCA PANI - Safe Drinking Water	Making available safe drinking water	(1) Local	87.100	88.391	89.649	88.391
			(2) Cuddalore, TN and Bikaner, Rajasthan		1.258		0.000
1.2	SIKSHITH SAMAAJ - Educated Society						
1.2.1	TAALEEM - Formal Education to Children and Youth	Promoting Education	(1) Local	472.200	931.631	944.888	931.631
			(2) Cuddalore, TN		13.257		0.000
1.2.2	VIJAYA SOPAN - (Vetripadi) - Coaching classes to deprived and under privileged Students	Promoting Education	(1) Local	5.000	4.800	4.868	4.750
			(2) Cuddalore, TN		0.068		0.050
1.2.3	PHALAPRAD BHAVISHYA (Vetrikani Kitum) - Motivation and exam Skill Training to High & Higher Secondary School leaving Students	Promoting Education	(1) Local	4.300	4.212	4.272	4.192
			(2) Cuddalore, TN		0.060		0.020
1.2.4	SAHAYATHA - Scholarship to SC/ST/OBC students for higher Education and wards to contract workman	Promoting Education	(1) Local	156.200	156.133	158.354	156.133
			(2) Cuddalore, TN		2.222		0.000

CSR EXPENDITURE FOR THE YEAR 2014-15

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.3	ASHRAY - Support Service						
1.3.1	SNEHA - Day care, Education and Vocational Training to Special Children	Special Education	(1)	Local	10.660	10.660	10.660
			(2)	Cuddalore, TN		0.152	0.000
1.4	JEEVIKA - Livelihood						
1.4.1	NIPUNATHA - Skill / Entrepreneurial Development Training - Technical Trades	Vocational Skills	(1)	Local	1.000	1.009	1.009
			(2)	Bikaner, Rajasthan		0.014	0.000
1.4.2	KOUSAAL VRIDHI - Skill / Entrepreneurial Development Training	Vocational Skills	(1)	Local	21.000	18.052	18.052
			(2)	Cuddalore, TN		0.257	0.000
1.5	STHREE SAMANTHA - Gender Equality						
1.5.1	VATI: Girl Child Development	Promoting Gender Equality	(1)	Local	4.000	0.745	0.745
			(2)	Bikaner, Rajasthan		0.011	0.000
1.5.2	PRAVEEN STHREE: Skill/ Entrepreneurial Development Training to Women.	Women empowerment	(1)	Local	6.000	7.811	7.811
			(2)	Cuddalore, TN		0.111	0.000
1.6	SATHVAA - Natural Entities						
1.6.1	JEEV HITH - Animal Welfare	Animal Welfare	(1)	Local	12.000	4.000	4.000
			(2)	Bikaner, Rajasthan		0.057	0.000
1.7	VIRASATH, KALA OWR SAMSKRITHI - Heritage, Art & Culture						
1.7.1	NAVEENKARAN - Renovation.	Heritage, Art & Culture	(1)	Local	20.650	13.975	3.975
			(2)	Cuddalore and TN State		0.199	10.000
1.7.2	VAARDHAT - Socio Cultural Events.	Heritage, Art & Culture	(1)	Local	8.400	8.400	8.400
			(2)	Cuddalore, TN		0.120	0.000
1.8	KHEL & KUDH - Sports & Paraolympic.	Promoting Sports & Paraolympic Sports	(1)	Local	3.700	3.677	2.927
			(2)	Cuddalore, TN		0.052	0.750
1.9	RAHATH OWR PUNASTHAN - Relief and Rehabilitation in Disaster Stricken Areas	Various sectors as identified by the respective States, in the affected areas	(1)	Other	200.000	405.000	0.000
			(2)	States of Andhra Pradesh, Odisha and Jammu & Kashmir		0.000	405.000
1.10	ANUSANDHAN - Research and incubation - NLC Chair on CSR.	Contributions of funds provided to technology incubators located within academic institutions which are approved by the Central Government	(1)	Other	100.000	101.423	100.000
			(2)	India		1.423	0.000



CSR EXPENDITURE FOR THE YEAR 2014-15

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2	GRAMIN VIKAS - Rural Development						
2.1	JALA PARYAPATHA - Water Resource Augmentation	Rural Development Projects	(1)	Local	805.200	1081.550	1081.555
2.2	BUNIYAAD - Infrastructure		(2)	Cuddalore, TN		15.390	0.000
2.2.1	DHORA - Roads and Access	Rural Development Projects	(1)	Local	269.750	1161.677	1161.677
			(2)	Cuddalore, TN and Bikaner, Rajasthan		16.530	0.000
2.2.2	SAMOOH SAMPATHI - Community Assets	Rural Development Projects	(1)	Local	26.000	23.836	23.503
			(2)	Cuddalore, TN and Bikaner, Rajasthan		0.334	0.000
	TOTAL				4922.050	4688.468	4252.398
						4749.421	436.070
					TOTAL	4749.421	4749.421

Details of implementing Agency

Sl. No.	Name of Project / Programme / Activity	Implementing Agency	Amount Spent through Implementing Agency (₹ in lakh)
1	NLC Arogyaa Camps Project	Pondicherry Institute of Medical Sciences, Pondicherry	9.260
2	Poshak Project	Sri Lalithambigai Mahalir Thondur Niruvanam, A-Block, NLC Rehabilitation Centre, Neyveli	10.990
3	Vijaya Sopan - Vetripudi Project	Neyveli Tamil Sangam, Neyveli	0.050
4	Phalaprad Bhavishya - Vetrikanni Kittum Project	Trainers Grid of JCI Neyveli	0.020
5	Naveenkarana Project	National Culture Fund, Govt. of India	10.000
6	Paraolympic Sports	Wheel Chair Fencing federation of India, Chennai	0.750
7	Rahath-owr-Punasthan: Relief and Rehabilitation in Disaster Stricken Areas	State Governments of Andhra Pradesh, Odisha and Jammu & Kashmir	405.000
	TOTAL		436.070

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

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. The Responsibility Statement of the CSR Committee is given below.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/- xx xx xx

(Chairman-cum-Managing Director)

Sd/- xx xx xx

(Chairman of CSR Committee)

Annexure-2

A. Conservation of energy

i) The steps taken or impact on Conservation of Energy

Various measures are being taken to conserve energy in every industrial, service and auxiliary units as enlisted below. During the Financial Year 2014-15, the implementation of recommendation of Energy Audit in various units and as well as other improvement/conservation measures resulted in a saving of 27.86 Million Units.

1. In Thermal Power Station-I bonded fills were replaced with new unbounded fills in Cooling Tower No.7. Cleaning of the PVC fills in cooling tower Cell No. 5, 7 & 8 and cleaning of silt deposit in Cooling Tower No. 5 were completed which resulted in improvement in condenser vacuum and thereby saving in lignite consumption.
2. In Thermal Power Station-I, one number of Russian make feed pump in Unit 6 (FP 6A) was replaced with indigenised energy efficient Feed Pump.
3. In Thermal Power Station-I Expansion, reheater Spray Control valves were changed with new type for finer temperature control to maintain rated Reheater steam temperature by avoiding passing of excess RH Spray Water and Turbine Heat Rate reduced by about 10 Kcal/KwHr.
4. Optimisation of usage of Cold Gas Recirculation (CGR) system in TPS-I Expansion Boilers is adopted to conserve energy in Thermal Power Station-I Expansion.
5. Reduction in frequency of Cleaning Chain below Conveyor Belt Feeders of Mills from once in 5 minutes to once in 10 minutes keeping the same cleanliness is adopted in Thermal Power Station-I Expansion.
6. In Thermal Power Station-I Expansion, Awareness Programme on Energy Conservation among employees, their spouse and their children was organised on Energy Conservation Day (10.01.2015).
7. 140 numbers of conventional 40 W Tube light fittings are replaced with energy efficient 28 W T5 tube light fittings at various locations in Thermal Power Station-II.
8. 57 Nos. of standard LT (415 V) motors of various capacities were replaced with similar capacity Energy Efficient Motors (EEF2) for auxiliary drives in Thermal Power Station-II.
9. In Thermal Power Station-II Fuel Oil Pump House, one common fuel oil pressurising pump of 35.5 kW capacity motor for Units 2 and 3 was effected instead of operating one pump for each unit continuously.
10. In Barsingsar Thermal Power Plant, stopping of Auxiliary Cooling Water (ACW) Pumps during shut down was implemented.
11. In Barsingsar Thermal Power Plant Four fans are kept in service in average during winter for a study period of three months (Dec'14-Feb'15) instead of operating seven fans.
12. Stopping of Additional Cooling Tower Fans during winter months was effected in Barsingsar Thermal Power Plant.
13. Introduction of Timers for all road Lightings and Reduction of Day lights in IAC & MOT room areas was carried out in Barsingsar Thermal Power Plant.

14. Replacement of 6 Nos. Incandescent (24V) with Energy Efficient 24V LED hand lamps (6W) in Barsingsar Thermal Power Plant.
15. Electronic Timers have been introduced to switch off all the Street light, High Mast and Mobile high mast fittings in Mine-I and Mine-IA.
16. All the annunciation indication and aviation fittings in all the machines and conveyors have been replaced with LED fittings in Mine-I & Mine-IA.
17. In Mines-II, Two Nos. of 100 KVAR capacitor banks were commissioned in SF1 & SF2 conveyors in bunker supply system conveyors for improving the power factor of the system from 0.6 to 0.95 thereby saving energy.
18. 100 Nos. of LED based 2'x2' panel lights were commissioned for 3 KW in the place of conventional tube lights of 10 KW leading to a savings of 7 KW. The above lights were put in service in various chambers in Mine-II Administrative Office of Mine-II.
19. 15 Nos. of Incandescent type aviation lamps of total 1.2 KW were replaced with LED based aviation lamps of 0.036 KW in BWE Machines, Drive heads and pump running indications in Mine-II.
20. 15 Nos. of 150 W Energy efficient Metal Halide light fittings with stainless steel reflectors (SIGMA) for a total wattage of 2.2 KW are provided in Electrical maintenance yard extension bay of Mine-II.
21. 30 Nos. 150 W Energy efficient Digital Lighting controller were commissioned along the conveyor lighting system of Mine-II.
22. In Mine-II, Energy efficient T-5 series tube lights/CFLs were provided in newly constructed buildings/Old Yards of Mine II as well as in BWEs and DHs. (1x28 W – 190 Nos; 11 W CFL – 5 Nos; 36 W CFL – 1 No; 1x14 W – 150 Nos; 18 W CFL – 15 Nos.)
23. Re-arrangement & Clubbing of loads on 25 MVA, 230/11KV Transformer in SS were done during low loading periods like conveyor shifting, re-routing & during overhaul etc., resulting optimum utilisation of loading capacity & saving of energy in Mines-II.
24. Energy saving Variable Voltage Variable Frequency (VVVF) controls with PLC is introduced newly in all the Mine-II Expansion Machines & Conveyors.
25. In Neyveli Township the following Energy efficient & Energy saving electrical accessories were implemented.
 - 150 Numbers of 1x18w post top lantern CFL lamps were replaced in the place of 125 W post top lantern fittings.
 - 60 Numbers of CFL recess mount fittings were replaced in the place of 4x20W recess mount fittings.
 - 300 Numbers 1x 36W CFL fittings were replaced in the place of 1x250W HPSV fittings.
 - 498 Nos. of 11W non-retrofit lamps were replaced in the place of recess mount fittings.
 - 200 Nos. of 18W non-retrofit lamps were replaced to recess mount fittings.
 - 200 Nos. of 36W non-retrofit lamps were replaced in the place of recess mount fittings.
 - 85 Nos. of 85W retrofit lamps were replaced to 1 x 250W HPSV fittings.
 - 24 Nos. of energy efficient electronic ballast were installed in new locations.

- 2200 Nos. of Single phase & 620 Nos. of Three phase Electronic Energy meters were procured and the conventional meters in the quarters are replaced with these meters there by accurate measurement of energy consumption was ensured.
 - 100 Nos. street light timers are procured and fixed in the places where manual switching is done. This has ensured regulating the streetlight switching time based on the duration of availability of sunlight during day time in summer and winter.
26. Incandescent lamps are being replaced periodically in phased manner with LED tube lights/retrofit CFL lamps/LED lamps in (Non Residential Building) NRBs & certain (Residential Building) RBs of Township.

ii) The steps taken by the Company for utilising alternate source of energy

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

1. 3 Nos. of 500 LPD solar water heaters were installed to cater to the needs of 18 rooms of Guest House.
2. 2 KW Solar Power Panel has been installed in Thermal Power Station-I Expansion to cater to Power Supply needs of Time Office lighting System.
3. Steps taken for procuring 10 KW Solar Grid Tie System for Administrative Building of Mine-II Office.
4. Purchase has been initiated to purchase 3x 500 LPD Solar water heaters for providing hot water to in patients of NLC General Hospital.
5. 2 KW Solar Power Panel has been installed in Central Library to cater to the needs of reading room.

iii) The capital investment on energy conservation equipment

During the Financial Year 2014-15, for implementing various Energy Conservation measures, the Company has invested ₹ 5.57 crore in the Industrial and Service Units.

B. Technology absorption

i) The efforts made towards technology absorption:

- a) The project 'Studies on Synthesis of Zeolites from Lignite Fly Ash and its efficiency in Cooling Water Treatment' was taken to determine performance of the zeolite pellets produced from lignite fly ash, in continuous operation. Process conditions for the synthesis of zeolite from fly ash were optimised and the product characterised by IIT/Kharagpur under a consultancy project work. A bench scale production facility was developed at Centre for Applied Research and Development (CARD) and trial production of zeolite powder completed. The product could not be packed in the column as it will either wash away with the water or chock the lines which will result in operational problem. Hence the pelletization of zeolite powder synthesised has been taken up in the second phase. Suitable binders and shape of pellets / tablets will be concluded by carrying out trial runs in the tablet press machine, which will be installed shortly. It is proposed to establish a bench-scale facility to produce zeolite pellets before taking up the study on suitability of zeolite in water softening process.

- b) In the project 'Utilisation of Bottom Ash for the replacement of river sand' the bottom ash characters are studied in detail. Physical properties of bottom ash, making mortar cubes with various mix proportions and the strength properties, comparison with river sand and strength properties of M20, M25 and M30 are completed by VIT University. It is observed that mixture with bottom ash gives good strength in both mortar cube and M20, M25 and M30 grade concrete. A model building has been constructed and opened in NLC to demonstrate and verify the laboratory findings in actual situation. Project completed.
- c) S&T Project on Corrosion in SME: Study on corrosion in Specialised Mining Equipment (SME) deployed in mines is being carried out in association with CECRI/Karaikudi for development of Specialised coating to increase the life of track carriages by around seven years as against one year in the case of commercial paints. The laboratory investigation, corrosion/erosion studies and characterisation on samples have been completed and study is in progress.
- d) Enhancement of Life of De-watering pipes: A Project has been undertaken jointly with NIT, Trichy for developing a coating based on Nano-Crystalline Surface Engineering Treatments for Enhancing Life of De-watering Pipes. Sample collection and analysis of water and soil from all mines and evaluation of the coated pipeline is under progress.
- e) In the project 'Reclamation of Slag Dump areas in Mine-II suitable for development of Green Cover' based on the preliminary investigation, amendments were prepared and recommended to plant the tree species in the slag dumped area. Preliminary trials completed in 1 ha with various amendments and plant species. No mortality has been observed among the trees and based on the first phase trials, the best treatment (T3: Topsoil) was recommended for the 3 ha area in second phase. The field preparation work is in progress.
- f) In the joint research project 'Laboratory study on the stabilisation of haul roads inside open cast mines' with Indian Institute of Technology, Hyderabad (IITH), Soil and fly ash samples were characterised and suitable chemical additive identified. In order to validate the laboratory study, it is proposed to lay a small stretch of haul road (for 300 to 500 mts.).
- g) Under the project "Delineating of buried sub-surface objects, hard bands in open-cast mines" Geo Physical Radar Investigation has been carried out at Neyveli Mines to identify the buried materials such as concrete pedestals / foundations and other extremely hard ferruginous, siliceous sandstone, marcasite occurring sporadically as veins, which pose a threat to the Bucket wheel teeth. So far 3,35,700 Sq.metres completed in Mine I, Mine-IA, Mine-II. Data processing and validation work are in progress.
- h) In the Thermal Power Stations around 300 Tonnes of Bottom Slag/Ash are generated every day and the same is transported to Mines Back filled areas for dumping. It contains Iron Oxide and Sulphur compounds. An in-house R&D Project on "Pilot plant study for separation of Iron from Slag/Ash" is taken up to remove the iron and sand from bottom slag. Based on the preliminary study, it is proposed to establish a pilot plant and optimise the process parameters to effectively separate Iron oxide from slag/ash. Separation of iron from bottom slag-trials has commenced and erection and commissioning of other equipment are in progress.
- i) NLC and M/s. KSL, Japan carried out a pilot plant testing on suitability of Neyveli lignite for upgrading and to use as fuel in ultra supercritical boilers. By up gradation of Lignite the moisture would get



reduced and the calorific value would get increased. The UBC also reduces the auxiliary power consumption in power plants and reduces CO₂ emission and improves the efficiency of the power plant. It is proposed to undertake a feasibility study for "Setting up a UBC based Pilot Power Generation in Neyveli".

- j) M/s Environmental Clean Technologies Ltd., Australia, M/s National Mineral Development Corporation and NLC proposed to take up a small pilot scale study for producing composite pellets from Neyveli lignite and iron ore through MATMOR Process, for producing iron ingots with high purity by using lignite instead of coking coal. It is proposed to conduct a feasibility study for setting up the above integrated pilot project at Neyveli.
- k) It is proposed to undertake a study for conversion of lignite to diesel for which 100 kg of lignite sample has been sent to USA for friability testing. Further processing is in progress.

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

- a) Eight licenses were issued to commercialise the patented process of potassium humate production from lignite, through M/s NRDC, so far.
- b) Due to the specialised coating developed under R&D, the life of the track carriages in Specialised Mining Equipment (SME) is expected to increase.
- c) Developed method for utilisation of Bottom Ash as an alternative to river sand.

iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year) :

Nil

iv) The expenditure incurred on Research and Development is ₹ 13.01 crore

v) Foreign Exchange earnings and Outgo

Foreign exchange inflow	:	NIL
Foreign exchange outflow	:	₹ 61.34 crore

for and on behalf of the Board of Directors

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place : Chennai
Date : 07.08.2015



Management Discussion and Analysis

Industry Structure and Development

Snap shot of Indian economy

Energy, as a driver of development and economic growth, plays a vital role in both alleviating poverty and addressing climate change. Indian Economy, which is developing into open market economy, is the seventh-largest in the world with an estimated Gross Domestic Product growth rate of 5-6% in 2014 and the third-largest by purchasing power parity (Source: CIA - The World Fact-Book). India Budget 2015-16 envisaged a growth of 8-8.5% in the next financial year and expected to clock double-digit level in the subsequent years. However, India has many challenges that are yet to be fully addressed including development of an efficient power generation which provides adequate and reliable power and an efficient distribution system to provide energy access to all.

Power Scenario

India is the fastest growing economy in the world. Indian Power Sector is gearing up to meet the challenges of providing reliable and adequate power required to fuel the growing economy of the country. Economic growth and development of a country mainly rely on the availability of affordable and reliable power for the entire population. Thus, access to energy for India's entire population is the first foremost goal and has been a top priority by the Indian policy makers. Government is determined to expand access to electricity in rural villages through its ambitious rural electrification scheme, an important tool for socio-economic development.

Rapid urbanisation, high standards of living and the Government's proposal for formation of smart cities coupled with higher economic growth paves way for growth in power consumption. The per capita consumption of electricity is in the order of 957 Kwhr (source: CEA) and expected to grow further in the coming years.

Coal and Lignite Scenario

Coal will continue to remain the mainstay fuel in the global energy economy for decades to come. Coal currently provides 40% of the world's electricity needs and is the second source of primary energy in the world after oil, and first source of electricity generation. Half of the increase in global energy demand over the last decade has almost been met by coal. According to World Energy Outlook 2011, India is expected to become the second largest coal consumer by 2025 surpassing United States.

Sources for power generation of Indian power sector, range from sources like coal, lignite, natural gas, oil, hydro, nuclear and other viable non-conventional sources like wind, solar and agriculture & domestic waste. The All India Installed Capacity as on 31st March 2015 is 267637 MW out of which thermal power plants account for 188898 MW, Nuclear 5780 MW, Hydro 41267MW and Renewable Energy Sources (RES) 31692 MW. Out of thermal based power plants, the coal (including lignite) accounts for 164636 MW.



Demand and Supply

Power

The centre of gravity of energy demand is switching decisively to the emerging economies, particularly China, India and the Middle East. The electricity sector in India has an installed capacity of 274.818 GW as of end June 2015. During the period from April 2014 to March 2015 the power generation from thermal power plants stood at 878.321 BU, Hydro with 129.111 BU and Nuclear accounted for 35.973 BU. The average PLF for the Country as a whole during the year 2014-15 was 65.11%. Considering a GDP growth rate of 9%, the Working Group on Power for XII Plan has projected an energy demand of 1403 BU at the end of XII Plan (2016-17) and 1993 BU in the terminal year of XIII Plan (2021-22).

XI Plan achieved a capacity addition of 62374 MW. The Working Group on Power for XII Plan, using Electric Generation Expansion Analysis System software, estimated a capacity addition requirement of 75715 MW during XII Plan period considering 9204 MW hydro capacity, 2800 MW nuclear capacity and 1086 MW gas based capacity addition. The balance capacity addition of 62,625 MW to meet the demand would be from coal based capacity. However based on status of projects under construction for likely benefits during XII Plan totalling to a capacity of 88537 MW has been identified which includes Thermal of 72340 MW, Hydro 10,897 and Nuclear 5300 MW. The working group has also estimated a capacity addition requirement of 93400 MW to meet the peak demand of 289667 MW and energy requirement of 1993 BU during the terminal year of XIII Plan.

XII Plan achieved a capacity addition of 64294.12 MW till June 2015 against a target of 88537 MW. According to CEA, the power supply position in the country during 2014-15 indicates a peak met of 141160 MW against the demand of 148166 MW leaving a deficit of 7006 MW, which is 3.2%. Peak shortage of power supply in southern region was 5.2% for the above period while the Northern Region was 8.3%, the Western and Eastern Regions were 2.3% and 1.8% respectively. Government of India has announced ambitious plans to achieve a long term capacity addition of 175 GW of renewable energy by 2022.

Coal and Lignite

The fossil fuels coal and lignite are the fastest growing global energy sources since the beginning of 21st century. The coal and lignite use is driven by the economic growth of the developing economics like India. About 70% of the coal produced in the country is consumed for power generation. In spite of best efforts being made to augment power generation from renewable energy sources, Coal based electricity generation will continue to be the main stay of generation in XII and XIII Plan periods to support the GDP growth envisaged by Government of India. Working Group on Power for XII Plan assessed a coal requirement of 842 million tonnes during 2016-17 at a specific coal consumption of 0.73 Kg/KwHr. All India coal consumption for power generation has increased from 278 million tonnes to 531.48 million tonnes in 2014-15 (Source: CEA). The Government of India has ambitious plans to increase the coal production mainly to meet the requirement of power sector.



Coal Reserves

The details of state-wise geological resources of Coal as on 01.04.2015 are as under:

(Million tonnes)

Sl. No.	State	Proved (MT)	Indicated (MT)	Inferred (MT)	Total (MT)	% to Total
1.	Paschim Banga	13518	13010	4907	31435	10.25
2.	Jharkhand	41463	33026	6559	81048	26.43
3.	Bihar	0	0	160	160	0.05
4.	Madhya Pradesh	10411	12784	3341	26536	8.66
5.	Chhattisgarh	18237	34390	2285	54912	17.91
6.	Uttar Pradesh	884	178	0	1062	0.35
7.	Maharashtra	5953	3190	2110	11253	3.67
8.	Odisha	30747	36545	8507	75799	24.72
9.	Andhra Pradesh	0	1149	432	1581	0.52
10.	Telangana	9807	8808	2597	21212	6.92
11.	Assam	465	47	3	515	0.17
12.	Sikkim	0	58	43	101	0.03
13.	Arunachal Pradesh	31	40	19	90	0.03
14.	Meghalaya	89	17	471	576	0.19
15.	Nagaland	9	0	307	316	0.10
	Total	131614	143242	31741	306597	100.00

(Source: Coal Inventory-2015 - Geological Survey of India)

Lignite Reserves

Working Group on Coal and Lignite has projected a demand of 300.30 MT of lignite for XII Plan period and 71.96 MT at the terminal year of XII Plan and 108.62 MT at the end of XIII Plan. During XII Plan a total lignite production of 290.16 MT has been envisaged against the projected demand. During the year 2014-15 your Company contributed 26.543 MT of lignite production.

Lignite Inventory as on 01.04.2015

(Million tonnes)

Sl. No.	State	Proved (MT)	Indicated (MT)	Inferred (MT)	Total (MT)	% to Total
1.	Puducherry	0.00	405.61	11.00	416.61	0.96
2.	Tamilnadu	3735.23	22900.05	8573.62	35208.90	79.43
3.	Rajasthan	1168.53	2670.84	1887.34	5726.71	13.23
4.	Gujarat	1278.65	283.70	1159.70	2722.05	6.29
5.	Jammu & Kashmir	0.00	20.25	7.30	27.55	0.06
6.	Kerala	0.00	0.00	9.65	9.65	0.02
7.	Paschim Banga	0.00	1.13	1.64	2.77	0.01
	Grand Total	6182.41	26281.58	11650.25	44114.24	100.00



Renewable Energy

Renewable energy sources accounts for 11.84% (31692 MW) of India's total installed power capacity as on 31st March 2015. Development of wind power in India began in 1990s and has grown significantly in the last few years. XII Five Year Plan has set a target of adding 18.5 GW of renewable energy sources to the generation mix out of which 11 GW from Wind Energy. GOI has taken up ambitious plan to develop renewable energy, particularly solar energy and has a target to add 1,00,000 MW Capacity by the year 2022.

Risks and Concerns

- Resistance to acquisition of land for mining and power projects and demand for employment by project affected persons.
- Stringent norms prescribed by regulatory authority affecting power tariff.
- Non-approval of costs incurred during renovation and modernisation leading to non-recovery of the cost.
- Low level of participation by the vendors in the bidding process.
- Domestic fuel shortage. Coal constraint faced by power project developers is adding significantly to the woes of the power sector.

Tariff and Regulatory issues

Power

The Power Tariff is determined by Central Electricity Regulatory Commission (CERC) for a block period of 5 years. CERC issued Regulations for fixation of power tariff for the period from 01.04.2014 to 31.03.2019. Based on the Regulations, tariff petitions have been filed and orders awaited.

Apart from tightening of norms, the regulation stipulates sharing of savings between actual and normative due to efficient operation with the Beneficiaries. (EBs/ ESCOMS/ DISCOMS).

The incentive for the power generated above normative Plant Load Factor (PLF) has been reduced to Re.0.50/kwhr against full fixed charges under previous Regulations. Further the basis has been shifted from Normative Annual Plant Availability Factor (NPAF) to Normative Annual Plant Load Factor (NAPLF). For reckoning incentive, the norm for incentive realisation has been fixed higher than the norm for recovery of fixed charges. The changes will have substantial negative financial impact on the Company.

Lignite

The lignite transfer price is fixed based on the guidelines issued by Ministry of Coal (MoC), Government of India. MoC has issued guidelines for the period from 01.04.2014 to 31.03.2019. Based on the above guidelines, the Company is in the process of filing a petition with CERC for fixation of energy charges in the power tariff.

Outlook

Your Company is presently operating three lignite mines at Neyveli, Tamilnadu and one lignite mine at Barsingsar, in the State of Rajasthan with a total mining capacity of 30.6 Million Tonnes per annum. Bithnok lignite Mine (2.25 MTPA), Hadla Mine (1.9 MTPA) and restructuring of Mine-I and Mine-IA (1.5 MTPA) are under implementation. Further your Company has also proposed to set up 9.0 MTPA Mine-III to exploit the available mineable reserves of 380 MT in the Neyveli Lignite fields for the proposed second expansion of TPS-II.

With the commissioning of both Unit-I & II of the TPS-II Expansion during the current year, the total installed capacity of the Company has increased to 3253.50 MW which includes wind turbine generators so far installed. Your Company's share is 55% on the total lignite based power generation in the country. Replacement of the old TPS-I of 600 MW with Neyveli New Thermal Power Project of 1000 MW capacity is in progress.

Your Company is also implementing Bithnok Power Project of 250 MW and Barsingsar Extn. Power Project of 250 MW. In terms of the commitment given to GOI for development of green energy, your Company is presently



implementing 51 MW Wind Power Project at Kazhuneerkulam in Tamil Nadu, 10 MW Solar Power Project in Neyveli (in the 2nd phase proposed to add another 15 MW) and 25 MW Solar Power Project in Barsingsar. Your Company also plans to add its power generation capacity by setting up a thermal power station of 1000 MW capacity as second expansion to the existing TPS-II at Neyveli. It is also envisaged to set up Sirkali Coastal Power Project 4000 MW (in two phases) during XII and XIII Plan periods. On completion of the projects under implementation and also projects under consideration, the power generation capacity of your Company would increase to 9241 MW and mining capacity to 45.25 MT by the end of XIII Plan.

In addition your Company has plans to install Solar Power Projects in the State of Telangana, Tamilnadu and other States in India and also set up Solar Power Projects in the Solar Power parks developed by various States in India.

JV Projects

NTPL, the subsidiary Company, is implementing 1000 MW coal based Tuticorin Thermal Power Project. Unit-I of 500 MW has already been commissioned and Unit-II (500 MW) is also expected to be commissioned during the current year. The 1980 MW coal based Thermal Power Project proposed to be set up in Ghatampur in the State of Uttar Pradesh is pending for sanction of GOI for implementation by NUPPL, another subsidiary Company, Pachwara South Coal Block in the State of Jharkhand will cater to the fuel requirement of the above project.

Earlier Ministry of Coal (MOC) had allocated Jilga-Barpali Coal block in the State of Chhattisgarh jointly to the Company to meet the coal requirement for the proposed 4000 MW Sirkali Thermal Power Project. For the reasons explained earlier, your Company has now requested MOC to consider allocation of the Talabira II & III coal blocks for the STPP and also to meet the additional coal requirements of NTPL, in lieu of Jilga-Barpali coal block.

SWOT analysis

Strength

- Experience in Mechanised open-cast lignite mining with Specialised Mining Equipment technology and linked lignite fired pithead power stations.
- Gaining experience in operation and maintenance of environment friendly Circulating Fluidised Bed Combustion based lignite fired boiler.
- Experience and expertise in operation, maintenance, trouble shooting and project management in open-cast mining and power generation.
- Experienced workforce and harmonious industrial relations.
- Highest domestic credit rating.

Weakness

- Lignite seams becoming thinner or being washed out in operating mines leading to high overburden removal resulting in increase in cost of mining.
- Concentration of proven lignite reserves and linked pithead power plants in specific geographic region.
- Location of Neyveli in the monsoon belt and prone to cyclones.

Opportunities

- Government's endeavour to provide electricity access to the entire population, including rural, through rural electricity infrastructure and the electrification of households.
- Demand for electricity in India is far higher than supply.
- Government's proposal for development of smart cities which may further raise the demand for energy.
- Thrust by GOI for development of renewable energy sources.



Threats

- Resistance to land acquisition, demand for enhanced compensation, demand for employment.
- Higher cost for rehabilitation & resettlement measures for land evictees.
- Extreme mining conditions resulting from hydro geological, geotechnical and other conditions.
- Mining operations are subject to supply of required quantity of explosives and other consumables to meet the set production targets.
- Delay in commissioning of new projects by package contractors.
- Non-availability of proven technology to economically exploit deep seated lignite reserves.
- Stringent regulatory cap on expenses resulting in under recovery of input cost.

Segment-Wise Performance

Covered in the main report.

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. Further, a Committee of Executives has been constituted to study the present Internal Financial Control systems existing in the Company and suggest improvements thereon. 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.

Cautionary Statement

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

for and on behalf of the Board of Directors

Place : Chennai
Date : 07.08.2015

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR



Annexure-4

Report on Corporate Governance

Mandatory Requirements

Company's Philosophy on Code of Governance

Transparency, accountability and integrity are the main ingredients of 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, 2015, the Board of Directors of your Company comprised an Executive Chairman, five Executive Directors and two Non-Executive Directors.

The composition of Board of Directors as on 31st March, 2015 was not in compliance of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance with regard to having not less than 50% of the Board comprising of Non-Executive Directors and Independent Directors.

The Company is a Government Company and as per the Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with the President of India. The issue relating to the appointment of the required number of Independent Directors on the Board of the Company has been referred to Ministry of Coal, the Administrative Ministry and the appointment is in process.

The particulars regarding composition of Board of Directors as on 31st March, 2015 and other details are furnished below:

Sl. No.	Name (Sarvashri)	Designation	Other Directorships held as on 31.03.2015	Other Committee* Memberships held as on 31.03.2015	
				As Member	As Chairman
Executive Directors					
1	B. Surender Mohan	Chairman-cum-Managing Director	2	-	-
2	Sarat Kumar Acharya	Director (Human Resource)	-	-	-
3	Rakesh Kumar	Director (Finance)	2	1	-
4	S. Rajagopal	Director (Power)	2	1	-
5	S. Boopathy	Director (Planning & Projects)	2	2	-
6	Subir Das	Director (Mines)	-	-	-
Non-Executive Directors					
7	Dr. A.K. Dubey	Additional Secretary to Government of India, Ministry of Coal - Part-time official Director	1	-	-
8	C.V. Sankar	Additional Chief Secretary to the Govt.of Tamil Nadu, Industries Department - Part-time official Director	13	-	-

* Audit Committee and Stakeholders Relationship 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 has 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 2014-15, 9 meetings of the Board of Directors were held on the following dates:

25th April, 2014, 23rd May, 2014, 7th August, 2014, 24th September, 2014, 4th October, 2014, 7th November, 2014, 27th January, 2015, 12th February, 2015 and 23rd March, 2015.

The details of attendance of Directors at the Board Meetings held during the financial year 2014-15, are as under:

Name (Sarvashri)	No. of meetings attended out of 9 held	Remarks
B.Surender Mohan	9	
Sarat Kumar Acharya	7	
Rakesh Kumar	9	
S.Rajagopal	9	
S.Boopathy	8	
Subir Das	4	Appointed w.e.f. 30.09.2014
Dr. A.K.Dubey	6	Relinquished w.e.f. 11.06.2015
C.V.Sankar	2	Relinquished w.e.f. 29.06.2015
M.S.Ravindranath	3	Relinquished w.e.f. 01.09.2014
Dr.Sanjay G Dhande	2	Relinquished w.e.f. 24.09.2014
C.Balakrishnan	3	Relinquished w.e.f. 24.09.2014

Annual General Meeting

Shri. B. Surender Mohan, CMD, Dr. A.K. Dubey, Shri. Rakesh Kumar and Shri. S. Rajagopal, Directors attended the last AGM held on 24th September, 2014.

Board Committees

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

Empowered Committee

This Committee comprises Chairman-cum-Managing Director, 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 Rakesh Kumar, S.Rajagopal, Subir Das and S.Boopathy, Directors as its Members.

Project Sub-Committee

The 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 Rakesh Kumar, S.Rajagopal, Subir Das and S.Boopathy, Directors as its Members.

Audit Committee

The Audit Committee of Board of Directors presently comprising Smt. Sujata Prasad, Director as its Chairperson and Sarvashri S.K. Acharya, S. Rajagopal and S. Boopathy, Directors as its Members. The terms of reference of Audit Committee conform to the requirements of Section 177 of the Companies Act, 2013, Clause-49 of the Listing Agreement with the Stock Exchanges and the DPE guidelines on Corporate Governance.

The composition of Audit Committee, the requirement to have an Independent Director as the Chairman of the Audit Committee and the quorum prescribed were not complied with after 24th September 2014, in the absence of Independent Directors on the Board. The Chairman of the Audit Committee was not present at the last AGM held on 24th September 2014 since the then Chairman relinquished his directorship with effect from the above date.

The details of attendance of members for the Audit Committee meetings held during the year 2014-15 are as under:

Name of the Director (Sarvashri)	No. of meetings held during the period of Office	No. of meetings attended
Dr.Sanjay G. Dhande	3	3
C.Balakrishnan	3	2
Sarat Kumar Acharya	5	4
S.Rajagopal	4	4
S.Boopathy	3	3

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 Subir Das, 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 Subir Das, 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 comprising Smt. Sujata Prasad, Director as its Chairperson and Sarvashri Rakesh Kumar and S.Boopathy, 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.

Stakeholders Relationship Committee

This Committee presently comprising Smt. Sujata Prasad, Director as its Chairperson and Shri. Rakesh Kumar and Shri S. Rajagopal Directors as its Members, look into the redressal of Stakeholders/Investors grievance and review the action taken by the Company. M/s. 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 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 2014-15, 158 complaints were received from the shareholders/investors, generally pertaining to non-receipt of Dividend and Annual Reports. As per the report received from the Share Transfer Agent, there were 2 complaints pending for redressal as on 31.03.2015 and all have been redressed during the month of April 2015. As reported by the STA & DR, all share transfers received upto 31st March, 2015 have been processed.

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 Subir Das, 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.

Nomination and 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. The remuneration of Part-time Official Directors is governed by their respective Government rules. Sitting fees are paid to Independent Directors. However, for finalising the Performance Related Pay for Executive Directors, Executives and Non-unionised Supervisors, as required under the DPE guidelines, the Board had earlier



constituted the Remuneration Committee and the said Committee has been renamed as “Nomination and Remuneration Committee”, in terms of the provisions of the Companies Act, 2013 and Clause-49 of the Listing Agreement with the terms of reference limited to below Board Level employees only and as per DPE Guidelines for payment of Performance Related Pay. The Committee met once during the year under review and all the then Members excepting Shri C.V. Sankar attended the meeting. The present composition of the Committee is Smt. Sujata Prasad, Director as its Chairperson, Shri S.K. Acharya, Director as its Member Convenor and Shri Rakesh Kumar, Director as its permanent invitee. As stated earlier in the absence of Independent Directors on the Board, the composition of this Committee as on 31st March 2015 was not as per the requirements of Listing Agreement and DPE guidelines on Corporate Governance.

NLC is a Public Sector Undertaking and the appointment of Directors, both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.

Being a Government Company, the remuneration of Board level Directors is fixed by the Government, the appointing authority. In respect of Executives and Supervisors the same is fixed as per the guidelines issued by Department of Public Enterprises and in respect of workmen as per the settlement reached with the recognised unions under the Industrial Disputes Act.

Corporate Social Responsibility Committee

Consequent on the relinquishment of Shri. C. Balakrishnan, this sub-committee presently comprises Shri. Sarat Kumar Acharya, Director as its Chairman and Sarvashri Rakesh Kumar, S. Rajagopal and Subir Das, Directors as its Members. As stated earlier, in the absence of Independent Directors on the Board, the present Composition of the Committee do not comply with provisions of Companies Act, 2013.

Risk Management Committee

The Risk Management Committee has been constituted by the Board of Directors of the Company to review the periodic reports on risk matters and submit appropriate recommendations to Board. Consequent on the relinquishment of Shri. C. Balakrishnan, this Committee presently comprises Shri S. Boopathy and Shri. Rakesh Kumar, Directors as its Members.

Remuneration Details

The details of remuneration paid to the following Executive Directors during the year 2014-15 are as under:

Sl. No.	Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits (₹)	Performance Related Pay (₹)*
1.	B.Surender Mohan	26,87,637	6,21,248	13,39,145
2.	Sarat Kumar Acharya	24,28,531	7,73,898	9,81,418
3.	Rakesh Kumar	23,35,838	5,05,267	8,26,682
4.	S.Rajagopal	22,78,767	14,61,590	3,48,028
5.	S.Boopathy	22,77,659	8,02,568	3,68,102
6.	Subir Das	10,88,944	2,58,668	-

* PRP for 2012-13 paid in 2014-15.

Note: For Sl. No. 6 - since joined as a Director subsequent to the year 2012-13, no PRP was paid during the year in respect of the said year.



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 2014-15, 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 2014-15 are as under:

Sl. No.	Name of the Director (Sarvashri)	Sitting fee paid for (₹)	
		Board Meetings	Committee Meetings
1.	Dr.Sanjay G Dhande	40,000	1,05,000
2.	C. Balakrishnan	60,000	90,000

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, 2015".

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 2011-12	14.09.2012 11.00 Hrs	"Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai-600 018.
AGM 2012-13	06.09.2013 11.00 Hrs	"Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai-600 018.
AGM 2013-14	24.09.2014 15.00 Hrs	"Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai-600 018.

Special Resolutions

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

Postal Ballot

During the year 2014-15, Shareholders' approval by way of special resolution was obtained through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the rules prescribed under the Companies (Management and Administration) Rules, 2014, for (1) Creation of mortgage/charge on the assets of the Company for securing the borrowing from time to time and (2) Alteration of Articles of Association of the Company.



The Postal Ballot Notice dated 11th December, 2014 together with Explanatory Statement under Section 102 of the Companies Act, 2013 was sent to all Members whose names appeared on the Register of Members/List of beneficial owners as on 19th December, 2014, being the cut-off date. Shri. R. Balasubramaniam, Practising Company Secretary was appointed as the scrutiniser to conduct the above Postal Ballot.

The details of the voting are as under:

1. Creation of mortgage/charge on the assets of the Company for securing the borrowing from time to time

Resolution No.1	Creation of mortgage/ charge on the assets of the Company for securing borrowing from time to time.						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	154,31,59,956	1,586	8,83,46,388	157	163,15,06,344	1,743	100
Less : Invalid votes	22,863	117	4	1	22,867	118	0.0014
Net Valid votes	154,31,37,093	1,469	8,83,46,384	156	163,14,83,477	1,625	99.9986
Votes favouring the resolution - (A)	154,31,24,677	1,377	8,83,42,705	140	163,14,67,382	1,517	99.9990
Votes against the resolution - (B)	12,416	92	3,679	16	16,095	108	0.0010
Total Votes received - (A)+(B)	154,31,37,093	1,469	8,83,46,384	156	163,14,83,477	1,625	100

2. Alteration of Articles of Association of the Company

Resolution No.2	Alteration of Articles of Association of the Company.						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	154,31,59,956	1,586	8,83,46,388	157	163,15,06,344	1,743	100
Less : Invalid votes	46,429	221	0	0	46,429	211	0.0028
Net Valid votes	154,31,13,527	1,375	8,83,46,388	157	163,14,59,915	1,532	99.9972
Votes favouring the resolution - (A)	154,30,99,360	1,284	8,80,01,502	138	163,11,00,862	1,422	99.9780
Votes against the resolution - (B)	14,167	91	3,44,886	19	3,59,053	110	0.0220
Total Votes received - (A)+(B)	154,31,13,527	1,375	8,83,46,388	157	163,14,59,915	1,532	100



The Special Resolutions as mentioned in the notice of the postal ballot dt. 11.12.2014 had been passed with the requisite majority on 05.02.2015.

Any decision for matters requiring approval of shareholders to postal ballot system will be obtained as per the procedures laid down under Act.

Disclosures

During the year under review the Company did not enter into any contracts/arrangements/transactions with any Related Party which are not at arm's length basis and no material contracts/arrangements were entered into with them at an arm's length basis. The policy on related party transaction is available at http://www.nlcindia.com/investor/RPT_new.pdf The Company has formulated a policy for determining 'Material' subsidiaries and the same is available at <http://www.nlcindia.com/investor/SUBSIDIARY-POLICY.pdf> No materially significant related party transactions were entered in to that may have potential conflict with the interests of the Company at large.

The Company has formulated Whistle Blower Policy and it is affirmed that no personnel have been denied access to the Audit Committee.

None of the Directors/KMPs of the Company are inter-se related as on 31.03.2015.

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 (Tamil Nadu), Deccan Chronicle and Dinamani (Tamil). The financial results are also made available in the Company's website-www.nlcindia.com in addition to furnishing of the same to the Corporate Filing and Dissemination System, NEAPS portal of NSE and Listing Centre portal of BSE. 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 :

16th September, 2015 - Wednesday - 15.00 Hours
"Sathguru Gnanananda Hall", Narada Gana Sabha,
No. 314, TTK Road, Alwarpet, Chennai - 600 018.

Financial Calendar for the year 2015-16

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
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 10.09.2015 to 16.09.2015 (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, if declared at the AGM, would be paid to the shareholders within 30 days from the date of AGM.

Transfer of Dividend to Investor Education and Protection Fund

Sl. No	Dividend Account	Amount in ₹	Due date to transfer to IEPF
1	2007-08 (F)	7,99,033.00	07.10.2015
2	2008-09	15,25,940.00	08.10.2016
3	2009-10 (I)	7,70,830.00	08.04.2017
4	2009-10 (F)	6,90,292.00	07.10.2017
5	2010-11	15,79,035.10	14.10.2018
6	2011-12	20,90,320.40	15.10.2019
7	2012-13 (I)	9,02,154.00	30.03.2020
8	2012-13 (F)	14,76,543.60	08.10.2020
9	2013-14 (I)	10,07,993.00	20.04.2021
10	2013-14 (F)	15,73,363.80	29.10.2021
11	2014-15 (I)	15,20,920.00	17.03.2022

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 2015-16.

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.

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:

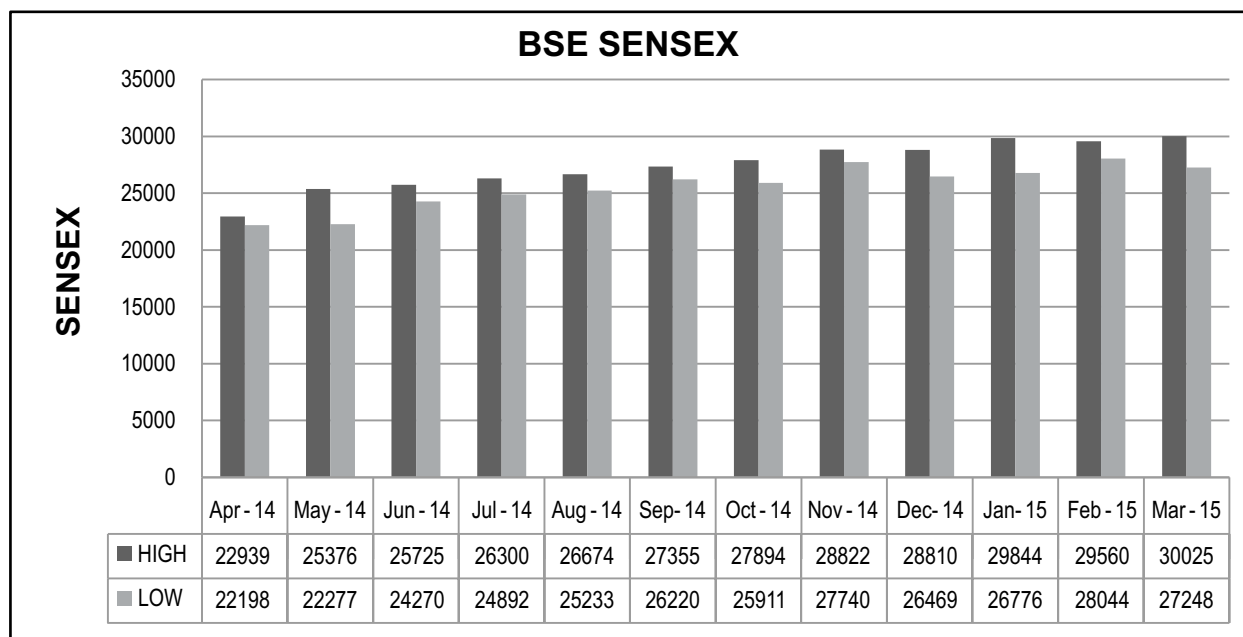
Address: II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road,
T.Nagar, Chennai 600 017. Tel.No.: 044-28140801-03. Fax No.: 044-28142479
E-mail id: corpserve@integratedindia.in

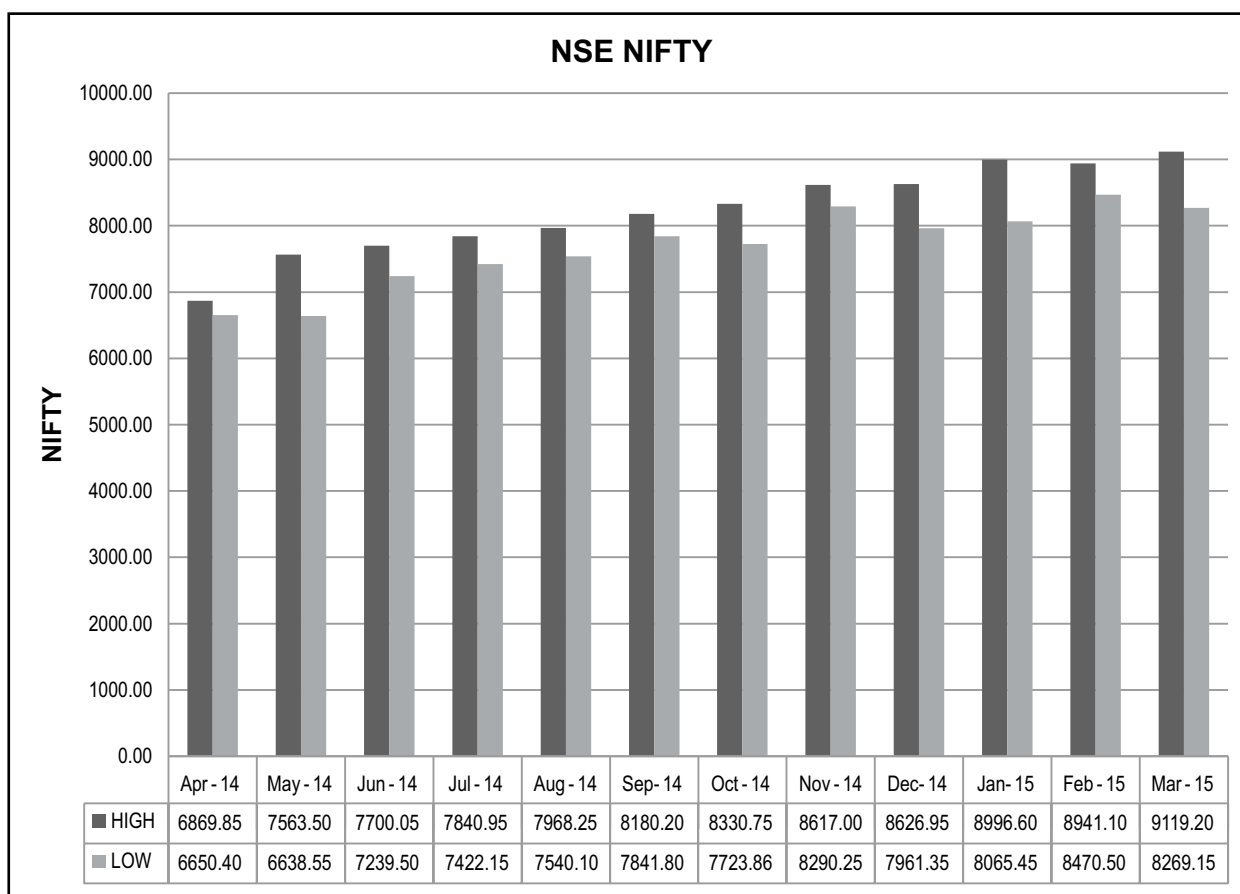


Stock Market Data

The monthly high and low market price of the Company's shares during each month in 2014-15 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 were as under:

Month	Share Price (BSE) (₹)		Share Price (NSE) (₹)		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April 2014	76.35	61.00	76.40	60.70	22,939.31	22,197.51	6,869.85	6,650.40
May 2014	108.50	67.55	109.90	67.60	25,375.63	22,277.04	7,563.50	6,638.55
June 2014	108.20	94.65	108.40	94.50	25,725.12	24,270.20	7,700.05	7,239.50
July 2014	106.00	90.00	106.00	90.00	26,300.17	24,892.00	7,840.95	7,422.15
Aug. 2014	94.80	81.50	94.85	80.80	26,674.38	25,232.82	7,968.25	7,540.10
Sep. 2014	94.40	81.00	94.50	81.00	27,354.99	26,220.49	8,180.20	7,841.80
Oct. 2014	90.40	80.50	90.50	80.60	27,894.32	25,910.77	8,330.75	7,723.85
Nov. 2014	97.50	82.50	96.30	82.05	28,822.37	27,739.56	8,617.00	8,290.25
Dec. 2014	88.90	74.50	89.00	74.50	28,809.64	26,469.42	8,626.95	7,961.35
Jan. 2015	82.15	76.60	82.20	76.30	29,844.16	26,776.12	8,996.60	8,065.45
Feb. 2015	85.00	73.20	84.20	73.00	29,560.32	28,044.49	8,941.10	8,470.50
March 2015	83.60	72.55	83.80	65.35	30,024.74	27,248.45	9,119.20	8,269.15





Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2015 is as under:

Sl. No.	Name	Shares as on 31.03.2015	% as on 31.03.2015
1	President of India	1509938640	90.00
2	Financial Institution-State Government	59701260	3.56
3	Financial Institutions / Banks	1141895	0.07
4	Insurance Companies	78100770	4.66
5	Mutual Funds / UTI	50430	0.00
6	Bodies Corporate	2810770	0.17
7	Foreign Institutional Investors	1037745	0.06
8	NRI	1323900	0.08
9	Public	23209207	1.38
10	Clearing Members	320204	0.02
11	Others	74779	0.00
	Total	1677709600	100.00



Distribution of Shareholding as on 31.03.2015

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of shareholding
1 - 500	86513	92.34	11172737	0.67
501 - 1000	4077	4.35	3359166	0.20
1001 - 2000	1652	1.76	2535237	0.15
2001 - 3000	515	0.55	1346408	0.08
3001 - 4000	250	0.27	909265	0.05
4001 - 5000	199	0.21	947302	0.06
5001 - 10000	274	0.29	2015831	0.12
10001 and above	211	0.23	1655423654	98.67
Total	93691	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, 2015, equity shares numbering to 167,50,62,550 (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, TPS-II and TPS-II Expansion 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. Neyveli New Thermal Power Station is presently under construction in Neyveli. A Thermal Power Plant of the Subsidiary Company (NTPL) 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 and a Coal Mine in Pachwara South, in the State of Jharkhand, will be developed by NUPPL, the Subsidiary Company, on obtaining the sanction of GOI.

Address for correspondence

Shareholders/Investors may send their correspondence to the Company Secretary either to the Registered Office at 'Neyveli House', No.135, Periyar EVR High Road, Kilpauk, Chennai - 600 010 (Tel. No.044-28364617) or to the Corporate Office, Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu (Tel.No.04142-252205). Shareholders may also send their communication electronically to investors@nlcindia.com the exclusive e-mail-id provided as required under the listing agreement.

The investors may also communicate to M/s. 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.

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 in addition to furnishing of the same to Corporate Filing and Dissemination System, NEAPS portal of NSE and Listing Centre portal of BSE.

Audit Qualifications

It is always the Company's endeavour to present unqualified financial statements. The Audit Report for the year 2014-15 does not contain any audit qualifications.

Separate posts of Chairman and CEO

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

Reporting of Internal Auditor

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

for and on behalf of the Board of Directors

Place : Chennai

Date : 07.08.2015

B. SURENDER MOHAN

CHAIRMAN-CUM-MANAGING DIRECTOR



Annexure-5

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

M/s. P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants,
14/27, Cathedral Garden Road,
Nungambakkam,
Chennai - 600 034.

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 2015 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 and Guidelines. 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 except for the following:
 - a. As per the requirements of Clause-49 of the Listing Agreement and DPE Guidelines, the Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with not less than 50% of the Board of Directors comprising of Non-Executive Directors. However, this has not been complied with.
 - b. As per the requirements of Clause-49 of the Listing Agreement and DPE Guidelines, where the Chairman of the Board is an Executive Director, at least half of the Board should comprise of Independent Directors. However, this has not been complied with.
 - c. As per the requirements of Clause-49 of the Listing Agreement and DPE Guidelines, two-third of the members of audit committee shall be independent directors. However, this has not been complied with from 24th September 2014.
 - d. As per the requirements of Clause-49 of the Listing Agreement and DPE Guidelines, the Chairman of the Audit Committee shall be an independent director. However, this has not been complied with from 24th September 2014.
 - e. As per the requirements of Clause-49 of the Listing Agreement and DPE Guidelines, the Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries. However, he has not attended the last AGM held on 24th September 2014.
 - f. As per the requirements of Clause-49 of the Listing Agreement and DPE Guidelines, the Nomination and Remuneration Committee should comprises of three or more non-executive directors out of which not less than one-half shall be independent directors and DPE guidelines requires the above said Committee to be headed by an Independent Director. However, this has not been complied with from 24th September 2014.



- g. In the absence of Independent Directors on the Board, the related provisions of Listing Agreement on the following was not complied with.**
- i. Separate meetings and performance evaluation of Independent Directors**
 - ii. Quorum for the Audit Committee Meetings held after 23rd September 2014.**
- 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. SREEDHAR, SURESH & RAJAGOPALAN,

Chartered Accountants
Firm Regn. No. 003957S

K. Sreedhar
Partner
M.No.: 024314

For M/s. P.B. VIJAYARAGHAVAN & CO.,

Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015



Annexure-6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

- i) CIN: L93090TN1956GOI003507
- ii) Registration Date: 14.11.1956
- iii) Name of the Company: NEYVELI LIGNITE CORPORATION LIMITED
- iv) Category / Sub-Category of the Company: Public Limited Company/Government Company
- v) Address of the Registered office and contact details: "Neyveli House", No.135, Periyar EVR High Road, Kilpauk, Chennai-600010. Tel. No :044-28364617 Fax.No.:044-28364625
- vi) Whether listed Company Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: M/s.Integrated Enterprises (India) Ltd., 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:corpserv@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Power	35102	91.89

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	NLC Tamilnadu Power Limited Regd.Office: No.135, Periyar EVR High Road Kilpauk, Chennai-600010	U40102TN2005 GOI058050	Subsidiary Company	89	Section 2 (87) of the Companies Act, 2013
2.	Neyveli Uttar Pradesh Power Limited B-III/204, 2nd Floor, Eldeco Elegance Apartment, Gomti Nagar, Lucknow Uttar Pradesh	U40300UP2012 GOI053569	Subsidiary Company	51	Section 2 (87) of the Companies Act, 2013
3.	MNH Shakti Limited Anand Vihar, PO. Jagruti Vihar, Burla, Sambalpur, Orissa	U10100OR2008 GOI010171	Associate Company	15	Section 2 (6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. Promoters									
(1) Indian									
(a) Individual	0	0	0	0	0	0	0	0	0
(b) Central Government	1509938640	0	1509938640	90	1509938640	0	1509938640	90	0
(c) State Government(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	0	0	0	0	0	0	0	0	0
(e) Banks/FI	0	0	0	0	0	0	0	0	0
(f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	1509938640	0	1509938640	90	1509938640	0	1509938640	90	0
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	0
Total share holding of Promoter (A) = (A)(1)+(A)(2)	1509938640	0	1509938640	90	1509938640	0	1509938640	90	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	220164	48300	268464	0.01	2130	48300	50430	0	-0.01
b) Banks / FI	1795109	2500	1797609	0.11	1139395	2500	1141895	0.07	-0.04
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government(s)	59701260		59701260	3.56	59701260	0	59701260	3.56	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	77883497	0	77883497	4.64	78100770		78100770	4.66	0.01
g) FIs	514272	0	514272	0.03	1037745	0	1037745	0.06	0.03
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	140114302	50800	140165102	8.35	139981300	50800	140032100	8.35	0.00

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	2884421	2500	2886921	0.17	2808270	2500	2810770	0.17	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	18651483	2303125	20954608	1.25	17958470	2279250	20237720	1.20	-0.05
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2063249	52400	2115649	0.13	2919087	52400	2971487	0.18	0.05
c) Others (specify)	0	0	0	0	0	0	0	0	0
Clearing Members	329372	0	329372	0.02	320204	0	320204	0.02	0
Trusts	59331	0	59331	0	59379	0	59379	0	0
NRI	990844	262100	1252944	0.08	1061800	262100	1323900	0.08	0.00
Limited Liability Partnership	5933	0	5933	0	14300	0	14300		
Unclaimed Securities Suspense Account	1100	0	1100	0	1100	0	1100	0	0
Sub-total (B)(2)	24985733	2620125	27605858	1.65	25142610	2596250	27738860	1.65	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	165100035	2670925	167770960	10	165123910	2647050	167770960	10.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1675038675	2670925	1677709600	100	1675062550	2647050	1677709600	100	0

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	% change in shareholding during the year
1.	President of India	1509938640	90	0	1509938640	90	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1509938640	90	
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)			
	NA –as there is no change in the shareholding during the year 2014-15			
	At the end of the year (as on 31.03.2015)	1509938640	90	



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year (As on 01.04.2014)		Date	Increase/Decrease in shareholding during the year	Reason	Cumulative shareholding during the year	
		No. of shares	of total % shares of the Company				No. of shares	% of total shares of the Company
1	2	3	4	5	6	7	8	9
1	Life Insurance Corporation of India							
	At the beginning of the year	61317053	3.65		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	61317053	3.65					
2	State Industries Promotion Corporation of Tamilnadu Ltd							
	At the beginning of the year	26865567	1.60		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	26865567	1.60					
3	Tamilnadu Industrial Development Corporation Limited							
	At the beginning of the year	14925315	0.89		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	14925315	0.89					
4	The New India Assurance Company Limited							
	At the beginning of the year	7152585	0.43		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	7152585	0.43					
5	The Tamilnadu Industrial Investment Corporation Limited							
	At the beginning of the year	5970126	0.36		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	5970126	0.36					
6	Tamilnadu Urban Finance & Infrastructure Development Corporation Limited							
	At the beginning of the year	5970126	0.36		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	5970126	0.36					



1	2	3	4	5	6	7	8	9
7	Tamilnadu Power Finance and Infrastructure Development Corporation							
	At the beginning of the year	5970126	0.36		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	5970126	0.36					
8	General Insurance Corporation Limited							
	At the beginning of the year	4358593	0.26		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15						
	At the end of the year	4358593	0.26					
9	United India Insurance Company Limited							
	At the beginning of the year	2590779	0.15					
	Date wise Increase / Decrease in Share holding during the year			25.07.14	+50000	Transfer	2640779	0.16
				01.08.14	+75100	Transfer	2715879	0.16
				08.08.14	+103403	Transfer	2819282	0.17
				15.08.14	+100000	Transfer	2919282	0.17
				22.08.14	+100938	Transfer	3020220	0.18
				29.08.14	+85647	Transfer	3105867	0.19
				05.09.14	+94839	Transfer	3200706	0.19
				12.09.14	+115965	Transfer	3316671	0.20
				19.09.14	+92988	Transfer	3409659	0.20
				30.09.14	+175000	Transfer	3584659	0.21
				10.10.14	+53163	Transfer	3637822	0.22
				17.10.14	+100000	Transfer	3737822	0.22
	At the end of the year	3737822	0.22					
10	The Oriental Insurance Company Limited							
	At the beginning of the year	995987	0.06	23.05.14	-37640	Transfer	958347	0.06
				30.05.14	-29042	Transfer	929305	0.06
	At the end of the year	929305	0.06					



(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP*	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of shares	% of total shares of the Company
	Shri. S. Boopathy Director (Planning & Projects)				
	At the beginning of the year	200	0	200	0
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2014-15			
	At the End of the year (as on 31.03.2015)	200	0	0	0

* Except Shri. S. Boopathy, no other Directors and KMP are holding any shares in the Company.

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2014)				
i) Principal Amount	25250000000.00	6252936853.67	0	31502936853.67
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	98702465.75	11724256.60	0	110426722.35
Total (i+ii+iii)	25348702465.75	6264661110.27	0	31613363576.02
Change in Indebtedness during the financial year				
• Addition	5000000000.00	0		
• Reduction	3598702465.75	1371307609.45	0	0
Net Change	1401297534.25	1371307609.45	0	0
Indebtedness at the end of the financial year (as on 31.03.2015)				
i) Principal Amount	26750000000.00	4893353847.15	0	31643353847.15
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	98702465.75	9175037.81	0	107877503.56
Total (i+ii+iii)	26848702465.75	4902528884.96	0	31751231350.71



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager (S/Shri.)							Total
		B. Surender Mohan CMD	Sarat Kumar Acharya Dir. (HR)	Rakesh Kumar Dir. (Finance)/CFO	S. Rajagopal Dir. (Power)	M.S.Ravindranath Dir. (Mines) upto 31.08.2014	S. Boopathy Dir. (P&P)	Subir Das Dir. (Mines) From 30.09.2014	
1.	Gross salary; (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4026782	3409949	3162520	3614541	1366990	2955345	1088944	19625071
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	195956	167177	158374	150861	1076	147645	0	821089
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0		0	0	0	
2.	Stock Option	0	0	0		0	0	0	
3.	Sweat Equity	0	0	0		0	0	0	
4.	Commission - As % of Profit	0	0	0		0	0	0	
	- Others, specify	0	0	0		0	0	0	
5.	Others, please specify viz., PF Contribution, Pension etc.,	425292	606721	346893	322983	187964	345339	258668	2493860
	Total (A)	4648030	4183847	3667787	4088385	1556030	3448329	1347612	22940020
	Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA	NA

B. Remuneration to other Directors:

(Amount in ₹)

Particulars of Remuneration	Name of Directors		Total Amount
Independent Directors	Dr. Sanjay G. Dhande	Shri. C. Balakrishnan	
• Fee for attending Board/Committee Meetings	145000	150000	295000
• Commission	0	0	0
• Others, please specify	0	0	0
Total (1)	145000	150000	295000
Other Non-Executive Directors			
• Fee for attending Board/Committee Meetings	0	0	0
• Commission	0	0	0
• Others, please specify	0	0	0
Total(2)	0	0	0
Total(B)=(1+2)	145000	150000	295000
Total Managerial Remuneration	145000	150000	295000
Overall Ceiling as per the Act	NA	NA	NA

* No remuneration other than sitting fee is paid to Non-Executive Directors.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Company Secretary
1.	Gross salary; (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1939251
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	85572
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission - As % of Profit	
	- Others, specify	0
5.	Others, please specify viz., PF Contribution, Pension etc.,	252484
	Total	2277307

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

for and on behalf of the Board of Directors

Place : Chennai
Date : 07.08.2015

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Neyveli Lignite Corporation Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neyveli Lignite Corporation Limited** (CIN:L93090TN1956GOI003507) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

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

- (a) The Mines Act, 1952 and the rules made there under.
- (b) Coal Mines Regulations, 1957.
- (c) DGMS Guidelines on Periodic Medical Examination for Mines.
- (d) Mines Vocational Training Rules, 1966.
- (e) The Electricity Act, 2003 and the rules made there under.
- (f) Indian Boiler Act, 1923 and the regulations made there under.
- (g) Explosives Act, 1884 and the rules made there under.
- (h) Hazardous waste (Management, Handling & Transboundary Movement) Rules, 2008

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

I have also examined the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.
- (iii) Guidelines on Corporate Governance as issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises.

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

1. **The Company had no women director on its Board as required under the second proviso of sub-section 1 of Section 149 of the Companies Act 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.**
2. **The Company did not have an optimum combination of Executive Directors, Non-Executive Directors as the requirement of having not less than fifty percent of the Board with Non-executive Directors has not been complied with.**
3. **The Chairman of the Board being an Executive Director, the requirement of having at least one half of the Board consisting of Independent Directors was not complied with.**
4. **Requirement to have requisite numbers of Independent Directors as the members of Audit Committee as per the provisions of Companies Act, 2013, Listing Agreement and DPE guidelines on Corporate Governance, had not been complied with from 24th September, 2014.**
5. **The requirement to have an Independent Director as the Chairman of the Audit Committee as per the provisions of Listing Agreement and DPE guidelines on Corporate Governance had not been complied with from 24th September, 2014.**



6. The Nomination and Remuneration Committee did not have Independent Director(s) as per the requirements of Companies Act, 2013, Listing Agreement and DPE guidelines on Corporate Governance.
7. The Corporate Social Responsibility Committee did not have an Independent Director(s) as a Member as per the requirements of Companies Act, 2013 from 24th September, 2014.
8. The Chairman of the Audit Committee of the Company was not present in the Annual General Meeting of the Company held on 24th September 2014 to answer the queries of the shareholders as per the requirements of Listing Agreement and the DPE guidelines on Corporate Governance.
9. Holding of separate meetings of Independent Directors as per the provisions of Listing Agreement and Companies Act, 2013 was not complied with.
10. In the absence of Independent Directors in the Audit Committee, the requirement of having the quorum as prescribed in the Companies Act, 2013, Listing agreement and DPE guidelines on the Corporate Governance in respect of the meetings held after 23rd September, 2014 had not been complied with.

I further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that based on the written representations received from the officials/executives of the Company there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai
Date : 22.06.2015

R. Balasubramaniam
Practising Company Secretary
FCS No. 2397
C. P. No. 1340



Reply to the observations of the Secretarial Auditor

Sl. No.	Auditor's Observations	Company's Reply
1.	The Company had no women director on its Board as required under the second proviso of sub-section 1 of Section 149 of the Companies Act 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.	The Company is a Government Company and as per the Articles of Association of the Company, the power to appoint Directors including a Woman Director, on the Board of the Company, vests with the President of India. Pursuant to the appointment of Ms.Sujata Prasad on the Board by Ministry of Coal, GOI, this requirement has been fully complied with effect from 11 th June, 2015.
2.	The Company did not have an optimum combination of Executive Directors, Non-Executive Directors as the requirement of having not less than fifty percent of the Board with Non-executive Directors has not been complied with.	For the reasons stated above, the issue relating to the appointment of the required number of Independent Directors on the Board of the Company, has been referred to Ministry of Coal, the Administrative Ministry, and the appointment is in process.
3.	The Chairman of the Board being an Executive Director, the requirement of having at least one half of the Board consisting of Independent Directors was not complied with.	On appointment of required Independent Directors on the Board, the requirement with regard to having atleast 50% of the Board with Non-executive Directors and atleast half of the Board with Independent Directors would be complied with.
4.	Requirement to have requisite numbers of Independent Directors as the members of Audit Committee as per the provisions of Companies Act, 2013, Listing Agreement and DPE guidelines on Corporate Governance, had not been complied with from 24 th September, 2014.	In the absence of Independent Directors on the Board, the requirements as prescribed could not be complied with. On appointment of Independent Directors on the Board, the Committee would be reconstituted as per the prescribed requirements.
5.	The requirement to have an Independent Director as the Chairman of the Audit Committee as per the provisions of Listing Agreement and DPE guidelines on Corporate Governance had not been complied with from 24 th September, 2014.	In the absence of Independent Directors on the Board, the requirements as prescribed could not be complied with. On appointment of Independent Directors on the Board, the prescribed requirements would be complied with.
6.	The Nomination and Remuneration Committee did not have Independent Director(s) as per the requirements of Companies Act, 2013, Listing Agreement and DPE guidelines on Corporate Governance.	In the absence of Independent Directors on the Board, the requirements as prescribed could not be complied with. On appointment of Independent Directors on the Board, the Committee would be reconstituted as per the prescribed requirements.



Sl. No.	Auditor's Observations	Company's Reply
7.	The Corporate Social Responsibility Committee did not have Independent Director(s) as a Member as per the requirements of Companies Act, 2013 from 24 th September, 2014.	In the absence of Independent Directors on the Board, the requirements as prescribed could not be complied with. On appointment of Independent Directors on the Board, the Committee would be reconstituted as per the prescribed requirements.
8.	The Chairman of the Audit Committee of the Company was not present in the Annual General Meeting of the Company held on 24 th September 2014 to answer the queries of the shareholders as per the requirements of Listing Agreement and the DPE guidelines on Corporate Governance.	As the Independent Director who was the Chairman of the then Audit Committee relinquished his Directorship w.e.f. 24 th September, 2014, this requirement could not be complied with.
9.	Holding of separate meetings of Independent Directors as per the provisions of Listing Agreement and Companies Act, 2013 was not complied with.	In the absence of Independent Directors on the Board, the requirements as prescribed could not be complied with.
10.	In the absence of Independent Directors in the Audit Committee, the requirement of having the Quorum as prescribed in the Companies Act, 2013, Listing agreement and DPE guidelines on the Corporate Governance in respect of the meetings held after 23 rd September, 2014 had not been complied with.	On appointment of Independent Directors on the Board, the requirements as applicable would be complied with.

for and on behalf of the Board of Directors

Place : Chennai
Date : 07.08.2015

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR



Annexure-8

**Comments of the Comptroller and Auditor General of India under Section 143(6)(b)
of the Companies Act, 2013 on the Financial Statements of
Neyveli Lignite Corporation Limited, Neyveli for the year ended 31st March, 2015.**

The preparation of financial statements of Neyveli Lignite Corporation Limited, Neyveli for the year ended 31st March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.05.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Neyveli Lignite Corporation Limited, Neyveli for the year ended 31st March, 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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

G. SUDHARMINI

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

Place : Chennai
Date : 31.07.2015

**Comments of the Comptroller and Auditor General of India under Section 143(6)(b)
read with Section 129(4) of the Companies Act, 2013 on the Consolidated Financial
Statements of Neyveli Lignite Corporation Limited for the year ended 31st March, 2015.**

The preparation of consolidated financial statements of Neyveli Lignite Corporation Limited, for the year ended 31st March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.05.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Neyveli Lignite Corporation Limited, for the year ended 31st March, 2015. We conducted a supplementary audit of the financial statements of Neyveli Lignite Corporation Limited, NLC Tamilnadu Power Limited but did not conduct supplementary audit of the financial statements of Neyveli Uttar Pradesh Power Limited and MNH Shakti Limited (Joint Venture Company) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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

G. SUDHARMINI

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

Place : Chennai
Date : 31.07.2015



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

M/s. P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants,
14/27, Cathedral Garden Road,
Nungambakkam,
Chennai - 600 034.

Independent Auditors' Report

To

The Members of Neyveli Lignite Corporation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s. NEYVELI LIGNITE CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditor of the Company's branch at Barsingsar.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the



financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No: 11(c) to the financial statements regarding Capitalisation of Interest and Overheads for the delay in commissioning of Thermal Power Station-II Expansion project.
- b) Note No: 23(b)(v)(b) to the financial statements regarding contingent liability of ₹ 147.56 crore under the scheme of Perform, Achieve and Trade (PAT) mechanism of the Energy Conservation Act, 2001 in respect of Thermal Power Station-I for exceeding the notified energy efficiency targets.
- c) Note No: 25(e) to the financial statements regarding disputed liability based on the order of Central Electricity Regulatory Commission (CERC) dated 7-5-2015 for refund of incentive earned for the excess generation of power over and above the contemplated PLF in TPS-II and passing of the revenue earned on lignite sales from Mine-II to beneficiaries.
- d) Note No: 23(a)(ii) to the financial statements regarding adoption of normal corporate tax rate instead of Minimum Alternate Tax rate for calculation of Return on Equity in tariff fixation under Central Electricity Regulatory Commission (CERC) regulation.
- e) Note No: 25(d) to the financial statements regarding Power tariff that final adjustment will be made in the accounts on receipt of Central Electricity Regulatory Commission (CERC) order, which is not ascertainable at this stage.
- f) Note No: 37 to the financial statements regarding accounting of Foreign Exchange Rate Variation (FERV) recoverable from /payable to beneficiaries which is as per opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI)
- g) As per the requirements of section 135(1) of Companies Act, 2013, at least one director shall be an independent director on Corporate Social Responsibility Committee. In the absence of Independent Directors, this has not been complied with from 24th September 2014.
- h) As per Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is supposed to have appointed at least one woman director. However this has not been complied with.

Our opinion is not modified in respect of these matters.



Other Matters

We did not audit the financial statements of ONE(1) branch included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 1907.91 crore as at 31st March, 2015 and total revenues of ₹ 453.59 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements of this branch has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor. Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
 - (c) The report on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) As per the Notification No. G.S.R. 829(E) dated 21.10.2003, issued u/s. 620(1) of the Companies Act, 1956, Sub-section (2) of Section 164 of the Companies Act 2013 is not applicable to Government Companies.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

K. Sreedhar
Partner
M.No.: 024314

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai
Date : 29.05.2015



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, a sum of ₹ 0.41 crore has been retained as Provision for possible loss of asset.**

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 189 of the Companies Act, 2013

During the year the Company has not granted any loan to Companies, firms and other parties to be listed in the register maintained under Section 189 of the Companies Act, 2013. However in respect of loans granted in the earlier year repayment of principal and interest are regular as per the terms and conditions of the loan.

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 and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls in other areas.

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 sections 73 to 76 or any other provisions of the Companies Act 2013 and the rules made there under are not applicable to the Company.

VI. Cost Accounting Records

The Central Government has prescribed the maintenance of records under Section 148(1) of the Companies Act, in respect of Thermal Power Station Units and Mining Units. We are of the opinion that prima facie, the records 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 records 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.

VII. 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 Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues were outstanding as at 31st March 2015 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, Value Added Tax 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	Customs Duty	3237.21	733.98	-	CESTAT
Income Tax Act, 1961	Income Tax	4147.97	200.00	AY 2010-11	CIT(A)
		16158.18	4800.00	AY 2012-13	CIT(A)
		26539.89	-	AY 2009-10	CIT(A)
		31586.31	22959.43	AY 2011-12	CIT(A)
		79.75	79.75	AY 2001-02	ITAT
		100.02	100.02	AY 2010-11	ITAT
TNGST	Sales Tax	15.61	15.61	2002-03	Tribunal
		2.02	2.02	2003-04	Tribunal

- (d) The Company has generally been regular in transfer of amounts required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of Companies Act, 2013.

VIII. 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.

- IX. 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.
- X. The Company has not given any guarantee for loans taken by others from banks or financial institutions based on the records produced to us.
- XI. In our opinion, the term loans have been applied for the purpose for which they were obtained.

XII. 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.

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

K. Sreedhar
Partner
M.No.: 024314

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai
Date : 29.05.2015



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

M/s. P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants,
14/27, Cathedral Garden Road,
Nungambakkam,
Chennai - 600 034.

To

The Members of Neyveli Lignite Corporation Limited

Below are our reply to the Directions and Sub-directions issued by The Comptroller and Auditor General of India under Section 143(5) of The Companies Act, 2013.

1. No information is available with us to report whether the Company has been selected for disinvestment.
2. In case of waiver/write off of debts/loans/interest etc., as per the accounting policy of the Company, surcharge on belated settlement of power bills is reckoned as income in the year when certainty of realisation is reached. During the year 2014-15 surcharge income ₹ 81.93 crore (AP DISCOMS ₹ 11.67 crore, Telangana DISCOMS ₹ 13.23 crore, Karnataka ESCOMS ₹ 42.92 crore and PED ₹ 14.11 crore) has been reckoned as other income after waiving 50% of the total surcharge.
3. There are no cases of inventories lying with third parties & assets received as gift from Govt. or other authorities.
4. Given below is the age-wise analysis of pending legal/arbitration cases. The reason for pendency being arbitration proceeding is going on and the Legal Department of NLC monitoring the expenditure on all legal cases (foreign and local):

Age wise Analysis	No. of Cases	₹ In crore
Less than 1 Year	4	28.54
1-2 Years	3	148.82
More than 3 years	7	1632.21
Total	14	1809.57

SUB DIRECTIONS ISSUED U/s 143(5) OF THE COMPANIES ACT, 2013 FOR THE FY 2014-15

In respect of creation of liability for payment of electricity tax under Electricity Act, 2003 with regard to sale of power to TANGEDCO and other State Beneficiaries, as per the legal opinion obtained from eminent lawyers the Company does not have any liability for the Tamilnadu tax on consumption or sale of Electricity Act 2003 and further opinion that the relief can be obtained from Appellate Authorities in case of demand. Therefore the Company shown this as a contingent liability, which is reproduced below:

Note No: 23 Contingencies and Commitments

b(v) Statutory Authorities ₹ 1162.25 crore

Includes tax payable under Tamil Nadu Tax on Consumption or sale of Electricity Act, 2003 of ₹ 856.63 crore (previous year ₹ 722.12 crore) and ₹ 138.71 crore (previous year ₹ 128.99 crore) towards sale of power to the Distribution Companies and Captive consumption in Mines. However the same is recoverable from the beneficiaries after getting approval from CERC.

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

K. Sreedhar
Partner
M.No.: 024314

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai
Date : 29.05.2015

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, 2013 and Electricity Act, 2003 to the extent applicable.

II. Fixed Assets

1. Fixed Assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of taxes, duties, freight, installation allocated incidental expenditure during construction / acquisition and necessary adjustments in the year of final settlement.
2. 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 read with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Capitalisation of land is done with reference to the date of taking over the physical possession of land.

III. Depreciation

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

	Description of Assets covered	Basis
i.	a) Assets of Thermal Power Stations and Wind Turbine Generators excluding vehicles other than Ash Tippers. b) LEP assets	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. At residuary life of 15 years
ii.	Residential Buildings - III Class	At rates prescribed by Department of Public Enterprises.
iii.	Buildings : Non-residential Buildings Plant & Machinery : CME other than dozers and pipe layers, Workshop machinery, pumps GWC & SWC pipes and Civil construction machinery.	At technically assessed rates.
iv.	Specialised Mining Equipment : Commissioned on or after 31.08.2007	
v.	Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.

Rates under (ii) and (iii) above are followed so long as they are higher than the useful life 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 parameters as approved for each Project. Such amounts are amortized 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 utilization.

IV. Intangible Assets

a. Computer Software

- i) Application Software acquired for an amount more than ₹ 10 lakh are capitalised as intangible assets and amortised over a period of 5 years.
- ii) Computer Application Software acquired for an amount of less than ₹ 10 lakh are fully depreciated in the year in which it has been acquired.

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. Inventory Valuation

Inventories are valued at lower of cost and net realisable value.

The basis of cost :-

- i. Lignite:- At absorption cost, excluding share of common charges and social overhead.
- ii. Stores and Spares procured:- At weighted average acquisition cost.
- iii. Fly ash brick:- At absorption cost.
- iv. Waste product, used belts reconditioned, Stores and Spares discarded for disposal, medicine and canteen stores are taken at NIL value.

VI. 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.

VII. Prepaid Expenses

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

VIII. Investments

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

IX. 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.

X. 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.

XI. 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.

XII. 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 Leave Salary are fully provided for.
- ii. Long term employee benefits such as Leave Salary are provided for as per Department of Public Enterprises Guideline and actuarial valuation and also funded to Trust.
- 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 Gratuity Trust.
- iv. Post Retirement Medical Benefit Scheme is treated as defined contribution scheme and accounted accordingly in respect of the employees retired prior to 01-01-2007 for which a separate reserve fund is created out of the accumulated reserve profit with corresponding investments
- v. Contribution to Provident Fund and Superannuation Fund which includes Post Retirement Medical Assistance are recognised in the Profit & Loss Account on the basis of actual liability and funded to Trust.

XIII. Allocation of common charges/social overhead expenses

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



XIV. 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 are considered as material and 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.

XV. 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.

XVI. 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. Sale of Lignite, in respect of e-auction sales has been reckoned to the extent of amount received and for others on accrual basis.
- c. Claim towards insurance, surcharge on belated settlement of power bills and interest including 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.
- d. Cash discounts for prompt payments are accounted as and when the related dues are settled.
- e. Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation/interest for the year due to the accounting of such exchange difference is adjusted in depreciation/interest.

XVII. 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 as per para 46 of Accounting Standard-11.

XVIII. 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 are reviewed at each Balance Sheet date.

XIX. Borrowing Cost

Borrowing costs (net of interest earned on temporary investments) specifically attributable to the assets are capitalised along with the cost of such assets and where the borrowings are not specific, 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.

XX. 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, Tripper, Transfer Feeder and Spreader for capitalisation and commencement of depreciation charge and revenue recognition. The entire test shall be completed within twelve hours from the time of starting of the test including minor stoppages.

B. 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.

C. Wind turbine Generators (WTG)

Each WTG will be capitalised on the date on which it is connected to grid based on the commissioning certificate issued by TANGEDCO. Depreciation charges will start from the date of capitalisation.

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

XXI. Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Fixed Assets resulting in increased life and/or efficiency of an existing asset is added to the carrying cost of related asset and depreciated over the estimated life of the unit from the date of synchronisation.

* * *



BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in crore)

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I.	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	a) Share Capital	1	1,677.71	1,677.71
	b) Reserves and Surplus	2	13,193.97	12,225.91
	(2) Non-current Liabilities			
	a) Long term borrowings	3	2,792.46	2,773.53
	b) Deferred tax liability - Net	4	1,010.10	957.31
	c) Other Long term liabilities	5	417.49	410.10
	(3) Current Liabilities			
	a) Trade payables	6	631.41	461.26
	b) Other current liabilities	7	1,217.61	1,414.92
	c) Short term provisions	8	422.11	523.80
	TOTAL		21,362.86	20,444.54
II.	ASSETS			
	(1) Non-current Assets			
	a) Fixed Assets			
	(i) Tangible assets	9	6,425.37	6,470.00
	(ii) Intangible assets	10	0.29	0.62
	(iii) Capital work-in-progress	11	4,306.86	3,678.28
	(iv) Assets under development	12	99.23	22.55
	b) Non-current investments	13	1,830.86	1,513.69
	c) Long term loans and advances	14	476.86	389.32
	d) Other Non-current assets	15	51.12	115.64
	(2) Current Assets			
	a) Current Investments	16	103.20	103.20
	b) Inventories	17	898.63	681.69
	c) Trade receivables	18	2,282.07	2,204.45
	d) Cash and Bank balances	19	3,265.47	4,258.58
	e) Short term loans and advances	20	1,423.89	757.37
	f) Other current assets	21	199.01	249.15
	TOTAL		21,362.86	20,444.54

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
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 29.05.2015

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

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

K. Sreedhar
Partner
M.No.: 024314

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in crore)

	Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I	Revenue from operations	25	6,087.68	5,967.23
II	Other income	26	709.29	1,024.76
III	Total Revenue (I+II)		6,796.97	6,991.99
IV	Expenses:			
	Increase (-) / Decrease in stock	27	-204.66	-72.54
	Employee benefits expense	28	2,217.38	2,194.59
	Finance Cost	29	156.06	181.58
	Depreciation and amortisation expenses	30	440.62	517.28
	Other Expenses	31	2,172.32	1,940.55
	Prior Period Adjustments(Net)	32	32.53	-26.94
			4,814.25	4,734.52
	Less: Expenses Capitalised	33	55.04	24.63
	Total expenses		4,759.21	4,709.89
V	Profit before exceptional and Extra-ordinary items and tax (III-IV)		2,037.76	2,282.10
VI	Exceptional items	34	345.57	-72.97
VII	Profit before Extra-ordinary items and tax (V+VI)		2,383.33	2,209.13
VIII	Extra-ordinary item		0.00	0.00
IX	Profit before tax (VII+VIII)		2,383.33	2,209.13
X	Profit from continuing operations before tax		2,382.92	2,062.07
XI	Tax expense			
	1. Current Tax			
	For current year		743.28	493.43
	For previous year		7.44	71.04
	2. Deferred tax			
	For current year		49.78	107.32
	For previous year		3.02	-5.44
			803.52	666.35
XII	Profit from continuing operations after tax (X -XI)		1,579.40	1,395.72
XIII	Profit from discontinuing operations before tax		0.41	147.06
XIV	Tax expense		0.13	40.90
XV	Profit from discontinuing operations after tax (XIII - XIV)		0.28	106.16
XVI	Profit for the period (XII + XV)		1,579.68	1,501.88
XVII	Earnings per share			
	Basic and Diluted (₹)	35	9.42	8.95

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
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 29.05.2015

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

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

K. Sreedhar
Partner
M.No.: 024314

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in crore)

	For the year ended 31.03.2015	For the year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	2383.33	2,209.13
Adjustments for:		
Less: Profit on Disposal of Asset	1.61	3.51
Interest Income	568.29	591.73
	569.90	595.24
Add: Depreciation including prior period	436.47	485.84
Other non-cash charges	70.49	-54.21
Interest charged to P&L A/c	156.06	181.58
	663.02	613.21
Operating Profit before working capital changes	93.12	17.97
Adjustments for: Trade and other receivables:	2,476.45	2,227.10
Sundry Debtors	-77.62	1,595.84
Loans & Advances	-551.41	-360.40
Inventories & other current assets	-214.95	2.09
Trade Payables	-18.23	235.99
Cash flow generated from operations	1,614.24	3,700.62
Direct Taxes paid	-763.06	-488.99
Cash flow before extra-ordinary items and P.P.T.	851.18	3,211.63
Grants received	-0.68	-1.06
Net Cash from operating activities	850.50	3,210.57
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets/ Preliminary expenses	-1,135.48	-995.68
Sale of Fixed Assets/Projects		
From continuing operations	3.54	36.11
Sale/Purchase of Investments	-317.17	-184.49
Interest received	619.12	504.46
Net Cash used in investing activities	-829.99	-639.60
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long term borrowings (Net)	14.05	-373.85
Interest paid	-266.14	-300.10
Dividend (including Dividend Tax)	-761.53	-505.08
Net Cash used/received in financing activities	-1,013.62	-1,179.03
Net increase, decrease (-) Cash and cash equivalents	-993.11	1,391.94
Cash and cash equivalents as at the beginning of the year	4258.58	2,866.64
Cash and cash equivalents as at the end of the year	3,265.47	4,258.58

NOTE : (-) INDICATES CASH OUTFLOW.

	As at 31.03.2015	As at 31.03.2014
DETAILS OF CASH AND CASH EQUIVALENTS:		
Cash in hand	0.01	0.04
Cash at bank in current account	68.79	38.51
Cash at bank in deposit account	3,196.67	4,220.03
Total	3,265.47	4,258.58

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 29.05.2015

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

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

K. Sreedhar
Partner
M.No.: 024314

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
1	Share Capital	As at 31.03.2015	As at 31.03.2014
a.	Authorised		
	2,00,00,00,000 Equity Shares of ₹10/- each	<u>2000.00</u>	<u>2000.00</u>
b.	Issued, Subscribed and Paid-up		
	1,67,77,09,600 Equity shares of ₹10 each fully paid	1677.71	1677.71
c.	1,50,99,38,640 (previous year 1,50,99,38,640) Equity Shares being 90.00% are (previous year 90%) 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 year.		
2	Reserves and Surplus	As at 01.04.2014	As at 31.03.2015
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	10,622.24	11,349.63
c.	KfW Interest Differential Reserve	284.30	296.11
d.	Contingency Reserve	50.00	60.00
e.	General Reserve	1,177.00	1,337.00
f.	Bond redemption reserve	90.00	105.00
g.	PRMA Reserve Fund	0.00	43.86
	Total	<u>12,225.91</u>	<u>13,193.97</u>
3	Long term Borrowings	As at 31.03.2015	As at 31.03.2014
a.	Secured		
	(i) Neyveli Bonds - 2009	600.00	600.00
	(ii) Term Loans from Banks		
	Canara Bank Consortium Loan	1,225.00	1,575.00
	(iii) Power Finance Corporation Ltd	500.00	0.00
b.	Unsecured		
	Foreign Currency loan from KfW-Germany##		
	8.98 Million Euro (9.42 Million Euro) - I	60.71	77.87
	60.26 Million Euro (63.06 Million Euro) - II	406.75	520.66
	Total	<u>2,792.46</u>	<u>2,773.53</u>
	## 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 pari-passu 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.	i. The Rupee Term Loan of ₹ 2500 crore from Canara Bank consortium is secured by pari-passu charge on project fixed assets financed and repayable in Twenty equal bi-annual instalments commenced from 23-02-2010, ending on August 2019. ii. The Rupee Term Loan of ₹1250 crore from Canara Bank consortium is secured by pari-passu charge on project fixed assets financed and repayable in twenty equal bi-annual instalments commenced from 23-02-2010, ending on August 2019.	
e.	During the year Company availed ₹ 500 crore (upto 31-03-2015) out of the Rupee term loan of ₹ 3000 crore from M/s. Power Finance Corporation Ltd is secured by pari-passu charge on project fixed assets of Neyveli New Thermal Power Station (NNTPS) and repayable in 20 equal bi-annual instalments commencing after moratorium period of 6 months from the date of achievement of COD of Unit II.	
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 31.03.2015 As at 31.03.2014
a.	Deferred tax Liability: Related to depreciation	1,081.56 1108.78
b.	Deferred tax Asset: Provisions, etc.	71.46 151.47
	Deferred tax Liability (Net)	<u>1,010.10</u> <u>957.31</u>
5	Other Long term Liabilities	As at 31.03.2015 As at 31.03.2014
a.	Capital purchase, Capital works-in-progress and other liabilities	119.82 166.39
b.	Mine Closure Liability	275.59 193.88
c.	Deferred Foreign currency Fluctuation Liability	22.08 49.83
		<u>417.49</u> <u>410.10</u>
d.	Pursuant to GOI guidelines on Mine closure, Mine closure cost was approved by Ministry of Coal at a rate of ₹ 6 lakh per hectare for all the open cast Mine. The amount is being compounded annually @ 5% and deposited in Escrow account in the name of Coal Controller Escrow account NLC Ltd. Mine..., (renewed with interest less tax) as stipulated by Coal Controller.	



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
6	Trade Payables	As at 31.03.2015	As at 31.03.2014
a.	Sundry creditors	298.24	258.48
b.	Others	333.17	202.78
	Total	631.41	461.26
c.	Principal amount remaining unpaid to any supplier belonging to Micro, Small and Medium Enterprises as at the end of the year ₹ 7.04 crore (previous year ₹ 19.86 crore).		
d.	Amount of Interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006 not provided in the account ₹ 0.41 crore (previous year provided ₹ 0.02 crore).		
7	Other Current Liabilities	As at 31.03.2015	As at 31.03.2014
a.	Current maturities of Long Term Debt		
i.	Loan from Banks		
	- Canara Bank Consortium	350.00	350.00
ii.	Foreign Currency loan from KfW -3.24 Million Euro	21.88	26.76
b.	Interest Accrued but not due on borrowing		
i.	Neyveli Bonds	9.87	9.87
ii.	KfW	0.92	1.17
c.	Unclaimed Dividend	1.39	17.28
d.	Unutilised Revenue grant	4.96	5.79
e.	Staff Security deposit	0.01	0.01
f.	Deferred Foreign currency Fluctuation Liability	2.71	4.45
g.	Other Liabilities	825.87	999.59
	Total	1,217.61	1,414.92
h.	Other liabilities include LD, EMD from contractors, credit balance from vendors, deposits for lignite supply, caution deposits etc.		
8	Short term Provisions	As at 31.03.2015	As at 31.03.2014
a.	Accrued Leave Salary	0.00	11.21
b.	Short term benefit of Leave Salary	125.41	75.25
c.	Post Retirement Medical Benefit	21.12	17.16
d.	Provision for Loss on Assets	1.29	1.29
e.	Proposed Dividend Tax (Interim)	0.00	28.51
f.	Proposed Final Dividend	167.77	301.99
g.	Proposed Dividend Tax (Final)	35.11	51.32
h.	Contingencies	40.36	37.06
i.	Provision for Gratuity	31.05	0.01
	Total	422.11	523.80



Notes to the Financial Statement

Sl. No.	Particulars										(₹ in crore)
9	Tangible Assets										
	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2014	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2015	As at 31.03.2014	Withdrawals Trans./Adj.	For the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	a. Land	494.94	30.65	0.00	525.59	0.00	0.00	0.00	0.00	525.59	494.94
	b. Roads	69.36	6.24	0.00	75.60	15.46	0.00	30.72	46.18	29.42	53.90
	c. Buildings++	371.73	46.41	0.56	417.58	127.65	0.15	9.90	137.40	280.18	244.08
	d. Elec.Installations	360.85	16.74	0.34	377.25	161.28	0.00	55.69	216.97	160.28	199.57
	e. Water Supply & Drainage	155.07	12.09	0.32	166.84	94.70	0.00	11.38	106.08	60.76	60.37
	f. Plant & Machinery*	11,828.50	290.59	13.37	12,105.72	7,260.67	12.67	300.05	7,548.05	4,557.67	4,567.83
	g. Furniture & Equipment	73.05	4.18	0.81	76.42	46.08	0.72	4.53	49.89	26.53	26.97
	h. Vehicles	97.77	7.47	3.13	102.11	61.03	2.97	8.37	66.43	35.68	36.74
	i. Assets Costing ₹5000 and below	6.35	0.21	0.00	6.56	6.35	0.00	0.21	6.56	0.00	0.00
	j. Mine Development										
	Mine-I	464.33	0.00	0.00	464.33	236.08	0.00	21.28@	257.36	206.97	228.25
	Mine-IA	127.50	0.00	0.00	127.50	32.85	0.00	2.91@	35.76	91.74	94.65
	Mine-II	473.67	4.67	0.00	478.34	124.96	0.00	13.68@	138.64	339.70	348.71
	Barsingar Mine	123.86	0.00	0.00	123.86	9.87	0.00	3.14@	13.01	110.85	113.99
	Total	14,646.98	419.25	18.53	15,047.70[#]	8,176.98	16.51	461.86	8,622.33	6,425.37	6,470.00
	Previous Year	14,544.33	414.75	312.10	14,646.98	7,910.38	279.78	546.39	8,176.99	6,470.00	
	<p>* Includes assets belonging to Ministry of Coal obtained under Coal Science & Technology Projects and Insurance spares.</p> <p>++ 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.</p> <p># Includes Assets non commissioned amounting to ₹ 0.23 crore (Previous year ₹ 2.80 crore).</p> <p>@ Represents provisions for amortisation</p> <p>There is no impairment loss identified for the assets.</p> <p>Based on internal assessment and in consultation with Indian Bureau of Mines (Sub-ordinate Office under the control of Ministry of Mines) and Ministry of Corporate Affairs approved in Aug, 2007 the useful lives of Specialised Mining Equipment such as Bucket Wheel Excavator, Mobile Transfer Conveyor, Spreader, Conveyors deployed in mines were fixed as 15 years which are different from useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.</p>										
10	Intangible Assets										
	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2014	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2015	As at 31.03.2014	Withdrawals Trans./Adj.	For the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	a. Software	9.72	0.00	0.00	9.72	9.10	0.00	0.33	9.43	0.29	0.62
	Total	9.72	0.00	0.00	9.72	9.10	0.00	0.33	9.43	0.29	0.62
	Previous Year	9.72	0.00	0.00	9.72	8.31	0.00	0.80	9.10	0.62	
	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 31.03.2015	As at 31.03.2014		
a.	Plan Expenditure				
i.	TPS-II Expansion				
	Supply and Erection	2,073.74		2049.77	
	Capital Goods in Stock	5.19		1.28	
	Expenditure during Construction	402.66		296.62	
	Interest during Construction	781.23	3,262.82	687.73	3035.40
ii.	Barsingsar Mines and Thermal				
	Supply and Erection	0.74		0.13	
	Capital Goods in Stock	0.47	1.21	0.03	0.16
iii.	Mine-II Expansion				
	Supply and Erection	4.59		26.00	
	Capital Goods in Stock	1.01		0.10	
	Expenditure during Construction	35.50	41.10	34.63	60.73
iv.	Neyveli New Thermal Plant				
	Supply and Erection	427.97		22.19	
	Expenditure during Construction	8.63		0.71	
	Interest during Construction	33.13	469.73	16.80	39.70
v.	Wind Project				
	Supply and Erection	130.56		47.14	
	Expenditure during Construction	0.80	131.36	0.02	47.16
vi.	Solar Project				
	Supply and Erection	44.43		0.00	
	Expenditure during Construction	0.06	44.49	0.00	0.00
b.	Non-plan Expenditure				
	Supply and Erection	321.96		447.70	
	Capital Goods in Stock	33.88		41.72	
	Capital Goods in Transit	0.31	356.15	5.71	495.13
	Total		4,306.86		3678.28
c.	<p>Thermal Power Station-II Expansion consists of two units of 250 MW each based on first of its kind eco friendly CFBC technology in India with the scheduled completion in February 2009 for Unit-I and June 2009 for Unit-II which were revised to June 2012 for Unit-I and March 2013 for Unit-II.</p> <p>Due to technical issues, sustained operations could not be maintained to declare Commercial Operation Date (COD).</p> <p>The issue was also subjected to a technical audit in July-August 2014 to assess the nature of delays in the project. The technical audit report proposed extension of time to provide further opportunity to the contractor to complete the project, given the technological constraints.</p> <p>Subsequently, Unit-II has been commissioned on 22.04.2015 and Unit-I is expected to be commissioned shortly.</p>				



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	The additional interest and overheads for the period of delay are being capitalized along with the cost of the project in line with industry practice and policies of the company. Based on the past experience, management is reasonably confident to recover the project cost through tariff.		
12	Assets under Development	As at 31.03.2015	As at 31.03.2014
	Preliminary Project Expenditure	132.56	60.28
	Less: provisions	33.33	37.73
		<u>99.23</u>	<u>22.55</u>
13	Non-current Investments (Unquoted)	As at 31.03.2015	As at 31.03.2014
a.	8.5% tax free SLR Power Bonds issued by State Govt.	0.00	103.19
	Trade Investments		
b.	In Equity Shares, fully paid up 1,50,80,20,000 (1,31,00,80,000) shares of ₹ 10/- each of NLC Tamilnadu Power Ltd. - Subsidiary Company	1,508.02	1,310.08
c.	Pending allotment of 12,01,50,000 (8,76,00,000) Equity Shares of ₹ 10/- each in NLC Tamilnadu Power Ltd. - Subsidiary Company	120.15	87.60
d.	In Equity Shares, fully paid up 1,27,65,000 shares of ₹10/- each of MNH SHAKTI Ltd. - Joint Venture	12.77	12.77
e.	In Equity Shares, fully paid up 4,74,81,000 (51,000) shares of ₹10/- each of Neyveli Uttar Pradesh Power Ltd. - Subsidiary Company	47.48	0.05
f.	Pending allotment of 14,24,43,000 (nil) Equity Shares of ₹10/- each in Neyveli Uttar Pradesh Power Ltd. - Subsidiary Company	142.44	0.00
		<u>1,830.86</u>	<u>1,513.69</u>
14	Long term Loans and Advances	As at 31.03.2015	As at 31.03.2014
a.	Loans and Advances-Staff (Secured)	86.00	79.69
b.	Loans and Advances-Staff (Unsecured considered good)	18.49	15.49
c.	Capital Advances (Unsecured - considered good)	372.37	294.14
	Total	<u>476.86</u>	<u>389.32</u>
15	Other Non-current Assets	As at 31.03.2015	As at 31.03.2014
a.	Unsecured considered good	0.00	6.13
b.	Deferred Foreign currency Fluctuation Asset	51.12	109.51
		<u>51.12</u>	<u>115.64</u>



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
16	Current Investments (Unquoted)	As at 31.03.2015	As at 31.03.2014
	8.5% tax free SLR Power Bonds issued by State Governments	103.20	103.20
17	Inventories	As at 31.03.2015	As at 31.03.2014
	(As certified by the Management)		
a.	Raw Materials	406.81	202.15
b.	Stores and Spares	461.24	456.46
	Goods-in-transit	32.34	23.97
		493.58	480.43
	Less: Provision	3.79	5.78
		489.79	474.65
c.	Solid/Hollow/Fly Ash Bricks	2.03	4.89
	Total	898.63	681.69
d.	Inventory valuation - Inventories are valued 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.		
e.	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 31.03.2015	As at 31.03.2014
	Unsecured		
a.	Considered Good		
	More than six months	298.61	684.57
	Others	1,983.46	1519.88
b.	Considered Doubtful	2.08	2.08
		2,284.15	2206.53
	Less: Provision for Doubtful Debts	2.08	2.08
	Total	2,282.07	2204.45
19	Cash and Bank Balances		
	Cash and cash equivalents	As at 31.03.2015	As at 31.03.2014
a.	Balances with Scheduled Banks in Current A/c	67.40	21.23
b.	Cash on hand	0.01	0.04
c.	Unpaid Dividend A/c	1.39	17.28
d.	Fixed Deposits		
	i. Short term Deposit	2,840.40	3986.80
	ii. Staff Security Deposit	0.01	0.01
	iii. Endowment fund in the name of NLC schools	0.44	0.23
	iv. Mine Closure Deposit*	272.59	193.88
	v. PRMA Fixed Deposit	43.86	0.00
	vi. Short term Deposits for lien for guarantee	39.37	39.11
	Total	3,265.47	4258.58
	*In the Name of " Coal Controller Escrow Account NLC Ltd. Mine..."		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
20	Short term Loans and Advances (Recoverable in cash or in kind or for value to be received)	As at 31.03.2015	As at 31.03.2014
a.	Secured		
	Staff Advances	10.14	20.39
b.	Unsecured		
i.	Considered good (include NTPL Bridge Loan current year ₹ 980.52 crore previous year ₹ 204.40 crore)	1,073.23	408.67
ii.	Considered doubtful	2.25	2.67
		1,085.62	431.73
	Less: Provision for doubtful advances	2.25	2.67
		1,083.37	429.06
c.	Advance Income tax	2,037.50	1,844.85
	Less : Provision for taxation	1,697.02	340.48
			1,516.58
d.	Deposit with Central Excise, Port Trust and Customs authorities	0.04	0.04
		1,423.89	757.37
e.	i. Due by Officers	0.05	0.05
	ii. Maximum amount due at any time during the year	0.05	0.05
f.	i. Due by Directors	0.09	0.09
	ii. Maximum amount due at any time during the year	0.09	0.09
g.	i. Due from Subsidiary Companies	984.86	269.45
	ii. Maximum amount due at any time during the year	1,084.52	269.45
21	Other Current Assets	As at 31.03.2015	As at 31.03.2014
a.	Interest accrued	191.35	242.18
b.	Disposable/Dismantled assets, Spares	0.56	0.53
	Less: Provision for impairment of assets	0.12	0.12
		0.44	0.41
c.	Prepaid expenses	6.49	5.27
d.	Deferred Foreign Currency Fluctuation Asset	0.73	1.29
	Total	199.01	249.15
22	Capital Employed	As at 31.03.2015	As at 31.03.2014
	Capital Employed shall comprise of Networth long term borrowing but excluding capital work-in-progress and all investment made	12,333.60	12399.36



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
23	Contingencies and Commitments	As at 31.03.2015	As at 31.03.2014
a.	Contingent Liability exists in respect of:		
i.	Guarantees issued by Company	4.45	4.45
ii.	Differential amount to beneficiaries on account of adopting normal Corporate Tax rate instead of Minimum Alternative Tax rate (MAT) for Return on Equity in power tariff for the year 2012-13, as the Company is of the opinion that MAT rate is not applicable. Petition with the CERC filed and awaiting orders	55.61	55.61
b.	Claims against the Corporation not acknowledged as debts:		
i.	From Employees /Others	NQ	NQ
ii.	Additional amount payable for the land acquired after 1-1-2014 towards compensation payable under the Right to Fair Compensation and Transparency in land acquisition, Rehabilitation and Resettlement of Act 2013	NQ	NQ
iii.	From Suppliers / Contractors/Customers	1,816.81	1,798.43
iv.	Disputed amount of Income Tax/ST/Other Taxes	1,040.79	669.57
v.	Statutory Authorities	1,162.25	869.46
a.	Includes tax payable under Tamilnadu Tax on Consumption or sale of Electricity Act.2003 of ₹ 856.63 crore (previous year ₹ 722.12 crore) and ₹ 138.71 crore (previous year ₹ 128.99 crore) towards sale of power to distribution Companies and Captive consumption in Mines. However the same is recoverable from the beneficiaries after getting approval from CERC.		
b.	Includes ₹ 147.56 crore estimated liability under the scheme of Perform, Achieve and Trade (PAT) mechanism of The Energy Conservation Act, 2001 in respect of Thermal Power Station-I for exceeding the energy efficiency targets. However application for exemption of TPS-I from PAT mechanism has been made to the appropriate authority.		
c.	i. Estimated value of contracts remaining to be executed on capital accounts not provided for	4,473.22	4,322.67
	ii. Commitment for the acquisition of lands	8.96	94.56
	NQ - In view of the various court cases and litigations and claims disputed by the corporation financial impact as to outflow of resources is not quantifiable at this stage.		
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. However, Power dues and Lignite sale dues are reconciled with Debtors periodically.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
25	Revenue from Operations	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Power	5,589.87	5,361.13
b.	Lignite	494.24	598.73
c.	Miscellaneous	30.53	20.89
		<u>6,114.64</u>	<u>5,980.75</u>
	Less: Excise duty	9.90	12.78
		<u>6,104.74</u>	<u>5,967.97</u>
	Less: Transfer to Capital Expenditure Accounts	17.06	0.74
		<u>6,087.68</u>	<u>5,967.23</u>
d.	Pending determination of power tariff by Central Electricity Regulatory Commission (CERC), sale of power for the year is accounted by adopting provisional tariff as per CERC Regulation, 2014 and provisional lignite price in energy charges is considered as per the guidelines of Ministry of Coal (MOC) dt, 02.01.2015. Due to this, net sales from the operation is increased to the extent of ₹ 275.78 crore for which invoice will be raised on receipt of CERC Order.		
e.	CERC Order dt 07-05-2015 was received admitting the inclusion of cost of Mine-II Expansion for the year 2010-11 to 2014-15 in the Pooling price of lignite. While admitting the increase in the lignite price, the CERC has ordered for the refund of incentive earned for the excess generation of power over and above the contemplated PLF in TPS-II and passing of the revenue earned on lignite sales from Mine-II to the beneficiaries. This has not been quantified since the Company has not accepted this order and is in the process of filing the petition for review/appeal before the competent authority.		
26	Other Income	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Interest		
i.	Bank Deposit	418.00	378.77
ii.	Employees	10.13	9.62
iii.	Long term Investments	15.35	24.12
iv.	Interest on Mine Closure Deposit	25.18	25.46
v.	Others	98.29	153.76
b.	Recoveries		
i.	Rent	13.08	10.85
ii.	Others	0.51	0.47
c.	Profit on sale of assets	1.61	3.51
d.	Provision written back	4.04	42.49
e.	Surcharge	81.93	309.61
f.	Miscellaneous	59.57	75.65
		<u>727.69</u>	<u>1034.31</u>
	Less: Transfer to Capital Expenditure Accounts	1.79	9.55
	Less: Transfer to Mine Closure Liability	16.61	0.00
		<u>709.29</u>	<u>1024.76</u>



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	g. As per the accounting policy of the Corporation, surcharges recoverable from beneficiaries on the belated settlement of the power bill, amounting to ₹17.52 crore for the year (previous year ₹60.56 crore) has not been reckoned as income since there is uncertainty in realisation. The same will be accounted on certainty of realisation.		
	h. Surcharge for the belated settlement of power dues pertaining to earlier periods has been negotiated and settled by the beneficiaries amounting to ₹ 81.93 crore (AP DISCOMS - ₹ 11.67 crore, Telangana DISCOMS - ₹ 13.23 crore, Karnataka ESCOMS ₹ 42.92 crore and PED ₹ 14.11 crore).		
27	Increase(-)/Decrease in Stock	For the year ended 31.03.2015	For the year ended 31.03.2014
	a. OPENING STOCK		
	Raw Material		
	Lignite	202.15	129.61
		<u>202.15</u>	<u>129.61</u>
	b. CLOSING STOCK		
	Raw Material		
	Lignite	406.81	202.15
		<u>406.81</u>	<u>202.15</u>
	Increase (-) /Decrease in Stock	<u>-204.66</u>	<u>-72.54</u>
28	Employee Benefits Expense	For the year ended 31.03.2015	For the year ended 31.03.2014
	a. Salaries, Wages and Incentives	1,861.88	1,848.69
	b. Contribution to Provident and other funds	286.94	266.25
	c. Gratuity	31.32	24.82
	d. Welfare expenses	104.70	95.24
		<u>2,284.84</u>	<u>2,235.00</u>
	Less: Transfer to Capital Expenditure Accounts	48.59	40.41
	Less: Transfer to CSR Expenditure	18.87	0.00
		<u>2,217.38</u>	<u>2,194.59</u>
	e. Pending pay revision settlement provision of ₹ 37.54 crore has been made towards arrears of salaries and other benefits revision in respect of Non -executives and Interim relief has been paid ₹ 44.55 Crore during the year.		
	f. Disclosure under Accounting Standard-15 on Employee benefits:	For the year ended 31.03.2015	For the year ended 31.03.2014
	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.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
	For the year ended 31.03.2015	For the year ended 31.03.2014
iii.	The amounts recognised in the Balance Sheet are as follows:	
	Present value of funded obligations	831.26 784.39
	Fair value of Plan assets	802.76 785.22
	Unrecognised past service cost	0.00 0.00
	Net liability in the Balance Sheet	28.50 0.00
iv.	The amounts recognised in the Statement of Profit and Loss are as follows:	
	Current service cost	11.86 19.38
	Interest on obligation	62.76 59.00
	Expected return on plan assets	-71.21 -66.52
	Net actuarial losses (gains) recognised in the year	25.92 11.88
	Total included in Employee benefit expense	29.33 23.74
	Actual return on plan assets	71.21 66.52
v.	Changes in the present value of the defined benefit obligation:	
	Opening defined benefit obligation	784.39 737.48
	Service cost	11.86 19.38
	Interest cost	62.76 59.00
	Actuarial losses (gains)	25.92 11.88
	Benefits paid	-53.67 -43.35
	Closing defined benefit obligation	831.26 784.39
vi.	Changes in the fair value of plan assets	
	Opening fair value of plan assets	785.22 737.48
	Expected return	71.21 66.52
	Actuarial gains (losses)	0.00 0.00
	Contributions by employer	0.00 24.57
	Benefits paid	-53.67 -43.35
	Closing fair value of plan assets	802.76 785.22
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 31.03.2015 For the year ended 31.03.2014
	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	18.02 17.59
	ii. Liability provided for the fixed Medical Assistance	10.31 5.94
29	Finance Cost	For the year ended 31.03.2015 For the year ended 31.03.2014
	a. Interest Expenses	
	Fixed loans	
	Unsecured loans - KfW - Foreign currency loan	3.59 4.71
	Secured loans-NLC Bonds	52.98 52.98
	Loan from Banks	185.37 232.10
	Loan from Power Finance Corporation	16.33 0.00
	Others	0.12 3.86
	Guarantee Fees on KfW loan	7.50 6.59
		265.89 300.24
	Less: Transfer to Capital Expenditure Accounts	109.83 118.66
		156.06 181.58
	b. Borrowing cost capitalised during the year - Interest	109.83 118.66
30	Depreciation and Amortisation Expenses	For the year ended 31.03.2015 For the year ended 31.03.2014
	a. Fixed Assets	425.32 509.73
	b. Mine Development and other Amortisations	41.02 37.46
		466.34 547.19
	Less: Transfer to Capital Expenditure Accounts	5.73 4.87
	Transfer of carrying amount of fixed assets whose useful life served before 01-04-2014 to general reserve	44.92 0.00
	Transfer from Grants	0.15 0.14
	Deferred Foreign currency fluctuation liability	-25.08 24.90
		440.62 517.28



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
		For the year ended 31.03.2015	For the year ended 31.03.2014
31	Other Expenses		
	Consumption of Stores and Spares	632.69	641.78
	Fuel	110.32	92.31
	Liability for Mine closure	31.58	46.26
	Excise duty	67.51	63.30
	Rent	0.88	0.67
	Rates and taxes		
	Electricity tax	1.54	1.50
	Clean energy cess	288.87	139.44
	Others	3.41	3.65
	Wealth Tax	0.40	0.12
	Repairs and Maintenance		
	Plant and Machinery	200.97	166.36
	Buildings	10.87	9.01
	Others	264.76	229.84
	Overburden Removal Expenditure	80.27	89.29
	Insurance	7.59	6.89
	Payments to auditors		
	Audit fees	0.20	0.22
	Tax Audit fees	0.13	0.12
	Other Certification Fees	0.24	0.21
	Reimbursement of expenses	0.30	0.10
	Travelling expenses	16.03	16.90
	Training expenses	5.76	4.57
	Family Welfare expenses	4.08	3.93
	Selling expenses - Discounts	30.44	22.79
	Afforestation expenses	11.87	11.19
	Royalty	264.36	241.11
	Central Industrial Security Force expenses	81.59	78.04
	Corporate Social Responsibility expenses	47.49	26.30
	Miscellaneous expenses	38.81	61.67
	Loss on disposal of assets	0.05	0.18
	Fixed assets written off	0.00	0.10
	Provision for Contingencies	3.30	20.46
	Provision for Stores & Materials	0.37	0.88
	Carried forward	<u>2,206.68</u>	<u>1,979.19</u>



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
		For the year ended 31.03.2015 For the year ended 31.03.2014
	Brought forward	2,206.68 1,979.19
	Provision for Doubtful debts/advances	0.04 0.00
	Provision for Loss on Assets	0.00 0.88
	Provision for Preliminary expenses	0.30 8.17
		2,207.02 1,988.24
	Less: Transfer to Capital Expenditure Accounts	34.19 47.03
	Transfer from Grant	0.51 0.66
		2,172.32 1,940.55
32	Prior Period Adjustments (Net)	For the year ended 31.03.2015 For the year ended 31.03.2014
a.	Sales	0.00 -2.42
b.	Depreciation	-4.15 0.00
c.	Deferred Foreign currency Fluctuation Liability	0.00 -31.41
d.	Repairs and Maintenance	1.77 -2.00
e.	Consumption of Stores and Spares	-9.08 8.89
f.	Liability for Mine closure	42.17 0.00
g.	Other Income transfer to Liability	-8.65 0.00
h.	Exchange Rate Variation	10.47 0.00
		32.53 -26.94
	(-) Indicates income	
33	Expenses Capitalised	For the year ended 31.03.2015 For the year ended 31.03.2014
a.	Lignite Consumption during construction	40.81 5.03
b.	Power Consumption during construction	0.45 0.61
c.	Service charges	6.38 11.75
d.	Land Acquisition expenses	7.40 7.24
		55.04 24.63
34	Exceptional Items	For the year ended 31.03.2015 For the year ended 31.03.2014
a.	Power Sales	346.69 -57.00
b.	Lignite Sales	2.19 0.00
c.	Interest - Income	0.00 0.37
d.	Employee remuneration	0.00 -10.19
e.	Other expenses -royalty	-3.30 0.00
f.	Interest Expenses	0.00 -6.15
g.	Miscellaneous Income	-0.01 0.00
	Total	345.57 -72.97



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	h. Power sales comprises, ₹ 73.36 crore towards impact of Truing up provided from 2009-14 and ₹ 273.33 crore towards Claim of Wage Revision arrears approved by CERC vide order dt.12.5.2015 and the same are receivable from beneficiaries.		
	i. Lignite sales includes ₹ 24.20 crore towards impact of truing up from 2009-14 payable to the customers and ₹ 25.59 crore towards increase in pooled price due to wage revision arrears paid which is receivable from the customers.		
	(-) indicates Expenditure		
35	Earnings Per Share	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Profit after tax	1,579.68	1501.88
b.	Number of Shares	1677709600	1677709600
c.	Face Value of Share (₹)	10.00	10.00
d.	Earning Per Share - Basic and Diluted (₹)	9.42	8.95
36	The effect of Foreign Exchange Fluctuation	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	The amount of exchange rate difference debited/ (credited) to the Profit & Loss Account	-2.60	1.36
b.	The amount of exchange rate difference adjusted and debited /(credited) to the carrying amount of fixed assets & WIP	-130.02	120.76
37	Based on opinion from Expert Advisory Committee (EAC) of ICAI , exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations are accounted as Deferred foreign currency fluctuation asset / liability. Accordingly necessary adjustment is made in the current year in depreciation and interest expenditure.		
38	Expenditure Incurred on Research & Development	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Capital expenditure	1.25	1.13
b.	Revenue expenditure	11.91	13.28
39	Profit Appropriation	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Surplus brought forward from previous year	10,622.24	9,907.02
b.	Profit after tax	1,579.68	1,501.88
c.	Transfer to/from Interest Differential Fund Reserve	-11.81	-17.07
d.	Transfer to Bond Redemption Reserve	-15.00	-15.00
e.	Transfer to General Reserve	-160.00	-155.00
f.	Transfer to Contingency Reserve	-10.00	-50.00



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
		For the year ended 31.03.2015	For the year ended 31.03.2014
	g. Transfer to PRMA Reserve Fund	-43.86	0.00
	h. Interim Dividend	-301.99	-167.77
	i. Tax on Interim Dividend	-61.83	-28.51
	j. Proposed Final Dividend	-167.77	-301.99
	k. Tax on Proposed Final Dividend	-35.11	-51.32
	l. Transfer of carrying amount of fixed assets whose useful life served before 01-04-2014 to general reserve	-44.92	0.00
	m. Surplus carried to Balance Sheet	11,349.63	10,622.24
40	Details of Contingency Provisions	As at 01.04.2014	As at 31.03.2015
	a. Interest on disputed tax deducted at source	16.60	16.60
	b. Power Tariff adjustment - Deemed export benefit	20.46	22.79
	c. Tamil Nadu Construction Worker Welfare Board Cess	0.00	0.97
	Total	37.06	40.36
41	Details of Other Provisions	As at 01.04.2014	As at 31.03.2015
	a. Provision for Asset Under development	37.73	33.33
	b. Provision for loss on Assets	1.29	1.29
	c. Provision for Stores and Material	5.78	3.79
	d. Provision for Loans and Advances	2.67	2.25
	e. Provision for Sundry Debtors	2.08	1.65
	Total	49.55	42.31
42	Consumption of Raw Material and Spare Parts	For the year ended 31.03.2015	For the year ended 31.03.2014
	Value of Indigenous and Imported Spares consumed		
	INDIGENOUS		
	Spare parts	441.88	431.68
	Percentage	97.21%	95.86%
	IMPORTED		
	Spare parts	12.67	18.66
	Percentage	2.79%	4.14%



Notes to the Financial Statement

Sl. No.	Particulars		(₹ in crore)																	
43	Remuneration to Directors	For the year ended 31.03.2015	For the year ended 31.03.2014																	
	(i) Salaries	1.11	1.04																	
	(ii) Contribution to Provident and other funds	0.29	0.23																	
	(iii) Cost of Benefits	1.07	1.60																	
	(iv) Sitting fees paid to Independent Directors	0.03	0.15																	
44	C.I.F. Value of Imports	For the year ended 31.03.2015	For the year ended 31.03.2014																	
a.	Capital Goods	0.14	0.76																	
b.	Components and spares	30.89	20.71																	
45	Expenditure in Foreign Currency	For the year ended 31.03.2015	For the year ended 31.03.2014																	
a.	Travelling expenses	0.28	0.30																	
b.	Professional and Consultancy	0.61	0.00																	
c.	Interest charges	3.59	4.71																	
46	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:																			
	<table><tr><td rowspan="5">Shri. B.Surender Mohan Chairman-cum-Managing Director</td><td colspan="2">Directors</td></tr><tr><td>Shri. Sarat Kumar Acharya</td><td>Shri. S. Boopathy</td></tr><tr><td>Shri. Rakesh Kumar</td><td>Shri. Subir Das</td></tr><tr><td>Shri. S. Rajagopal</td><td>Dr. A.K. Dubey</td></tr><tr><td>Shri. M.S. Ravindranath</td><td>Shri. C.V Sankar</td></tr><tr><td></td><td>Shri. Rakesh Kumar</td><td>Chief Financial Officer</td></tr><tr><td></td><td>Shri K. Viswanath</td><td>Company Secretary</td></tr></table>			Shri. B.Surender Mohan Chairman-cum-Managing Director	Directors		Shri. Sarat Kumar Acharya	Shri. S. Boopathy	Shri. Rakesh Kumar	Shri. Subir Das	Shri. S. Rajagopal	Dr. A.K. Dubey	Shri. M.S. Ravindranath	Shri. C.V Sankar		Shri. Rakesh Kumar	Chief Financial Officer		Shri K. Viswanath	Company Secretary
Shri. B.Surender Mohan Chairman-cum-Managing Director	Directors																			
	Shri. Sarat Kumar Acharya	Shri. S. Boopathy																		
	Shri. Rakesh Kumar	Shri. Subir Das																		
	Shri. S. Rajagopal	Dr. A.K. Dubey																		
	Shri. M.S. Ravindranath	Shri. C.V Sankar																		
	Shri. Rakesh Kumar	Chief Financial Officer																		
	Shri K. Viswanath	Company Secretary																		
	(ii) Remuneration to Key Managerial Personnel listed in (a) above: ₹ 2.55 crore																			
47	Disclosure in accordance with the Accounting Standard-24 towards discontinued operations:																			
	a. Discontinuing operation	:	Thermal Power Station I																	
	b. Business Segment	:	Power																	
	c. Date and nature of initial disclosure of event	:	On 3rd June 2014, it was communicated that TPS-I will be retired on commissioning of Neyveli New Thermal Power Project.																	
	d. Date of discontinuation	:	Likely from Oct.2017 to April 2018																	



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
		For the year ended 31.03.2015 For the year ended 31.03.2014
	e. Total Assets as on	842.96 543.06
	f. Total Liabilities as on	60.99 79.60
	g. Revenue for the year ended	1,711.90 1,365.25
	h. Expenses for the year ended	1,711.49 1,218.18
	i. Profit Before Tax	0.41 147.06
	j. Net Cashflow attributable to :	
	Operating activities	0.36 5.12
	Investing activities	(3.39) (3.82)
	Financing activities	3.01 (1.28)
	k. New higher capacity of Neyveli New Thermal Power Project of 1000 MW under implementation would be commissioned as replacement to TPS-I.	
	l. Salaries and wages are included in the expenses in order to arrive the operating profit before tax	
	m. Total assets includes net current assets.	
48	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 31.03.2015 For the year ended 31.03.2014
	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	7.42 7.50
	(ii) Current assets	5.36 5.97
	(iii) Current Liability	0.10 0.78
	(iv) Reserve & Surplus	-0.08 -0.08
	(v) Income	Nil Nil
	(vi) Expenditure	Nil Nil
49	Figures of the previous year have been re-grouped wherever necessary.	



Notes to the Financial Statement

Sl. No.	Particulars								(₹ in crore)
50	Segment-wise Result for the year 2014-15								
		Lignite Mining		Power Generation		Inter-segment adjustment		Total	
		For the year ended		For the year ended		For the year ended		For the year ended	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	REVENUE								
	External Sales	493.22	585.95	5594.46	5381.28			6087.68	5967.23
	Inter-segment sales	4182.08	3790.89	335.04	310.97	4517.12	4101.86		
	Total Revenue	4675.30	4376.84	5929.50	5692.25	4517.12	4101.86	6087.68	5967.23
	RESULT								
	Segment Result	1240.54	986.72	578.49	608.99			1819.03	1595.71
	Other Income							56.37	390.54
	Unallocated Corporate expenses							297.93	141.24
	Operating Profit							1577.47	1845.01
	Interest Expense							156.06	181.58
	Interest Income							648.88	591.73
	Exceptional Items							345.57	-72.97
	Income taxes							803.65	707.25
	Profit from Ordinary activities							1612.21	1474.94
	Prior period / Income / Expenditure (Net)							-32.53	26.94
	Net Profit							1579.68	1501.88
	OTHER INFORMATION	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
	Segment Assets	5192.06	4934.14	5157.08	5257.24			10349.14	10191.37
	Unallocated Corporate assets(Including Capital Work-in Progress)							11013.72	10253.17
	Total Assets							21362.86	20444.54
	Segment liabilities	1017.60	1026.72	475.14	572.88			1492.74	1599.60
	Unallocated Corporate liabilities							4998.44	4941.32
	Total liabilities							6491.18	6540.92
	Capital Expenditure	313.09	215.30	-63.06	-155.57			250.03	59.73
	Depreciation	195.36	283.96	175.95	218.20			371.31	502.16
	Non-cash expenses other than depreciation	0.00	1.53	2.73	20.52			2.73	22.05
<p>Note: 1. Since the business operation is within India the secondary disclosure does not arise.</p> <p>2. The inter-segment transfers are priced on cost plus profit basis.</p> <p>3. Allocation of</p> <ul style="list-style-type: none"> i. Storage charges on the basis of material consumption ii. Common charges and social overhead on the basis of salaries & wages and iii. Service Centres Assets & Liabilities are apportioned among the segments on the basis of the service rendered. 									



Information on Subsidiary Companies

Statement pursuant to Section 129, Companies Act, 2013 (Schedule III)

Name of the entity (1)	Net Assets i.e. Total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net assets (2)	Amount ₹ in crore (3)	As a % of consolidated profit or loss (4)	Amount ₹ in crore (5)
Parent Subsidiaries				
1. NLC Tamilnadu Power Limited	11.91%	1,814.51	89%	Nil
2. Neyveli Uttar Pradesh Power Limited	2.43%	370.40	51%	Nil
Minority Interest in all Subsidiaries		367.87		Nil
Joint Venture (As per proportionate consolidation method)				
3. MNH Shakti Limited	0.08%	12.69	15%	Nil



Part "A": Subsidiaries

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (accounts) Rules 2014

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint ventures

		₹ in crore	
1	Sl.No	1	2
2	Name of the Subsidiary	NLC Tamilnadu Power Limited	Neyveli Uttar Pradesh Power Limited
3	Reporting Period	2014-15	2014-15
4	Reporting Currency	INR	INR
5	Share Capital	1814.55	372.40
6	Reserves and Surplus	(0.04)	(2.00)
7	Total Assets	6818.86	373.60
8	Total Liabilities	5004.35	3.20
9	Investments	0.00	0.00
10	Turnover	0.00	0.00
11	Profit before taxation	0.00	0.00
12	Provision for taxation	0.00	0.00
13	Profit after taxation	0.00	0.00
14	Proposed Dividend	0.00	0.00
15	% of Shareholding	89%	51%
	Remarks	Yet to commence operations	Yet to commence operations

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 29.05.2015

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

K. Sreedhar
Partner
M.No.: 024314

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015



Part "B": Associates and Joint Venture

Statement pursuant to Sec. 129(3) of the Companies Act, 2013 related to Joint Venture.

1	Name of Joint Venture	MNH Shakti Limited
2	Share of Joint venture held by the Company on the year end	
	No	12765000
	Amount of Investment in Joint venture ₹ In crore	12.77
	Extent of Holding	15%
3	Description of how there is significance influence	By way of shareholding
4	Reason why the Joint venture is not consolidated	NA
5	Networth attributable to shareholding as per latest audited Balance sheet. ₹ in crore	9.23
6	Profit /Loss for the year	
	(i) Considered for Consolidation	Yes
	(ii) Not considered in Consolidation	NA
	Remarks	Yet to commence operations

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 29.05.2015

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

K. Sreedhar
Partner
M.No.: 024314

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015

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 Tamil Nadu Power Limited and Neyveli Uttar Pradesh Power Limited, for the year 2014-15 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 2014-15, 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 : 2014-15
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, Bengaluru, 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 (2014-15)
2. Total Turnover : ₹ 6,087.68 crore (2014-15)
3. Total PAT : ₹ 1,579.68 crore (2014-15)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of PAT :
 In the previous three financial years, the Company's CSR was in line with the guidelines issued by the Department of Public Enterprise (DPE), Government of India. During the said period, the Company has spent about 1.2 per cent of PAT on CSR activities.

 From the year 2014-15, the Company has adopted a Policy as per the provisions of Section 135 of the Companies Act 2013, the Companies (CSR Policy) Rules 2014 and also the supplemental Guidelines issued by the DPE. In the year 2014-15, the Company has spent 2.28% percent of the average net profits for the last three years on CSR activities.
5. List of activities in which expenditure in 4 above has been incurred:

<ol style="list-style-type: none"> A. Health Care, Family Welfare and Sanitation B. Providing Drinking Water Supply Facilities C. Providing Education including Special Education, Scholarships, Construction of educational infrastructure like Schools/ Libraries / Laboratories D. Skill Development E. Women Empowerment / Gender Equality F. Animal Welfare 	<ol style="list-style-type: none"> G. Heritage, Arts, Culture and Sports H. Relief / Rehabilitation of areas Affected by Disasters I. Research / Technology Incubation Projects J. Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development K. Providing Link Roads/ Access for Rural Development L. Other Community Assets for Rural Development
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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 region, 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 : Rakesh Kumar
- Designation : Director (Finance)

- b. Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	R. Arul
3.	Designation	DGM – 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?	www.nlcindia.com								
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 policy/rules relating to ethics, bribery and corruption cover the company and also extended to the Group/Joint Ventures/Suppliers/Contractors/NGOs. The Code of Conduct has been prescribed by the Company as well as by its subsidiaries applicable for Senior Management Personnel and Board level Executives. The Company and its subsidiaries are also governed by the guidelines issued by CVC, Government of India and provisions as per applicable Acts.

In addition, the Company has signed a Memorandum of Understanding with Transparency International India for implementation of Integrity Pact Programme.

The Integrity Pact has been signed with 133 numbers of the successful Vendors/Contractors up to the month of February 2015 for the Tenders which are more than one crore in value.

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

During the year 2014-15, Vigilance Department of the Company received 531 complaints in addition to 70 pending complaints of previous year (Totally 601 complaints) Out of that 593 complaints (98.66%) have been disposed off. Out of 593 complaints disposed, 90 complaints were Anonymous/Pseudonymous, 281 complaints have been sent for Administrative action to the respective units and investigation was done for 222 Nos. of complaints by Vigilance Department and disposed off.

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	2013-14	2014-15	% change
Energy	Kwh/T of Lignite	Mines	34.23	33.66	- 1.66

Resources consumption in Power Generation

Consumption per unit of production	Unit	Thermal Unit	2013-14	2014-15	% change
Lignite	Kg/Kwh (gross generation)	TPS	1.15	1.14	-0.87

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 ensures energy conservation. As per the procurement process, materials are procured from the ISO certified vendors, which ensure quality products.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
The Company takes following key measures for the development of the small scale industries and communities surrounding their place of work and improve their capabilities:
- Workmen in and around Neyveli are engaged for service sector.
 - Cleaning Products such as soaps etc. are procured from local societies run by Project Affected persons (Land displaced).
 - All repair to the office chairs are carried out through Neyveli Health Promotion and Social Welfare Society which is patronised by the Company.
 - Complies with the Public Procurement Policy of the Government in procurement of goods from MSEs .
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.
The Company has taken up several projects for the reclamation of 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.
 - 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).
 - NLC's plastic recycling plant ensures 100% recycling of waste plastic collected at site.
 - 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 storm water of mines is treated and used for domestic consumption of the population in township and partly for industrial and agricultural purposes.
- vi. The waste concrete products are recycled and used for construction works.

The Company is exploring possibilities of recovering iron, sand and un-burnt carbon from the bottom slag of the power plant. The Company had proposed to erect a pilot plant for the above study and Erection work is in progress.

Principle 3 (P3)

1. Please indicate the Total number of employees.

Total number of employees as on March 31, 2015 is 16445.

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 manpower for their requirement.

3. Please indicate the Number of permanent women employees.

Total number of permanent women employees as on March 31, 2015 is 1,173.

4. Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities as on March 31, 2015 is 114.

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 employees 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 : 20%
- Permanent Women Employees : 0.6%
- Casual/Temporary/Contractual Employees : The workers employed by the Contractors are also considered for periodic training and during the last year 36% 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 marginalised 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 2014-15 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 environmental issues, for instance,
 - Reclamation of lands of mines and afforestation of reclaimed lands.
 - 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.
 - Training Programme on Sustainable Development for women.
Two training programme on Sustainable development for women were conducted during the year 2014-15 covering 51 women employees.

- Entering into green energy business.
- Maintaining green belt in Township area.
- Modern Sewage Treatment Plant of 30 Million Litres a day (MLD) capacity catering to the needs of Thermal Power Station-I, General Hospital and Township.
- Storm Water Treatment Plant of 60 Million Litres a day (MLD) capacity catering to the needs of Thermal Power Stations and Township domestic use.
- Utilisation of renewable energy by setting 10 MW Solar, 51 MW Wind Power Projects and 25 MW Solar Power Plant at Barsingsar, Rajasthan.
- Utilisation of bottom ash for the replacement of river sand.
- Retrieving coarse and fine aggregate from waste concrete blocks and utilisation in manufacturing of pre-cast products.
- Manufacturing of building units using retrieved clay burnt building elements.
- Reclamation of slag dump areas in Mine-II suitable for development of Green cover.
- Studies of Development of Rapid Greening of NLC Mine spoil slopes using Advanced Hydro seeding Techniques.

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 implementing the following projects which are related to CDM:

1. 51 Wind power project;
2. 10 MW Solar PV power Project at Neyveli and
3. 25 MW Solar PV power Project at Barsingsar, Rajasthan

Energy Efficiency

Thermal

In Neyveli Thermal Power Stations are following the norms set by Central Electricity Regulations and the actual consumption of lignite, oil and Auxiliary power are within the norms.

Mines

Energy conservation measures are carried out such as:

1. Use of capacitor banks to improve power factor.
2. Optimum utilisation of conveyors during loading.
3. Using energy efficient CFL, LED for lighting.
4. Variable voltage variable frequency controls with PLC is introduced in various machines and conveyors in Mines.

Solar power is used in library and industrial canteens.

Mine-I had bagged the National Energy conservation award for the year 2014 from the Ministry of Power/GOI.



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.

Other initiatives of the Company on clean technology are listed below:

1. Setting up of 25 MW Solar PV Power Project at Barsingsar, Rajasthan is under consideration.
2. Sequestration of CO₂ and production of Bio-fuel from flue gas from Thermal Power Station.

Details are published at 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 the waste generated by the Company were within the permissible limited given by CPCB/SPCB in the financial year 2014-2015. CARD is Monitoring AAQ at 13 locations.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the 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 2014-15.

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 a 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.

NLC has been carrying out CSR activities for the improvement of public good. Besides this, no specific advocacy/lobby is made in this regard.

Principle 8 (P8)

1. Does the Company have specified programme/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company follows a CSR policy for social welfare of the society. The Company has specific initiatives in pursuit of inclusive growth and equitable development. The Company has carried out several projects for the development of social infrastructure in the peripheral villages as well as communities at large. Also, the Company has established infrastructural facilities for educational institutes and hospitals in the peripheral villages.

In 2014-15, the Company focused on the following projects in pursuit of inclusive growth:

- Health Care, Family Welfare and Sanitation
- Providing Drinking Water Supply Facilities
- Providing Education including Special Education, Scholarships, Construction of educational infrastructure like Schools/ Libraries / Laboratories
- Skill Development
- Women Empowerment / Gender Equality
- Animal Welfare



- Heritage, Arts, Culture and Sports
- Relief / Rehabilitation of areas Affected by Disasters
- Research / Technology Incubation Projects
- Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development
- Providing Link Roads/ Access for Rural Development
- Other Community Assets for Rural Development

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

- Are the programme/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 Expert Agencies.

- Have you done any impact assessment of your initiative?

The Company has done impact assessment of various CSR activities. The Company has trained 7486 persons during 2014-15 through its CSR focused training programme. Through its health and sanitation programme, the Company has provided medical consultation in 86,921 cases and emergency treatment in 32574 cases to patients from peripheral areas.

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

- What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken.

The Company has spent ₹ 47.49 crore under various CSR programme in 2014-15, details of which are shown in below table.

CSR Expenditures in 2014-15 (₹ in crore)

CSR Focus area	Expenditure in 2014-15
Health Care, Family Welfare and Sanitation	6.73
Providing Drinking Water Supply Facilities	0.90
Providing Education including Special Education, Scholarships, Construction of educational infrastructure like Schools/Libraries/Laboratories	11.23
Skill Development	0.19
Women Empowerment/Gender Equality	0.09
Animal Welfare	0.04
Heritage, Arts, Culture and Sports	0.26
Relief/Rehabilitation of areas Affected by Disasters	4.05
Research Technology Incubation Projects	1.01
Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development	10.97
Providing Link Roads/Access for Rural Development	11.78
Other Community Assets for Rural Development	0.24
Total	47.49



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 31st March 2015.

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 the 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 2014-15.

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

Regular interactions through meetings, correspondences and Periodical Reconciliation Exercises are carried out with the customers regarding issues related to Power Sales & Accounts by the Commercial Department to maintain cordial relationship with the customers and for smooth dispute redressal. Other than this, no separate consumer survey or analysis of customer satisfaction trends is being carried out.

Besides, to promote sale of raw lignite, 'Raw Lignite Customer Meet' is held once in a year.





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

M/s. P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants,
14/27, Cathedral Garden Road,
Nungambakkam,
Chennai - 600 034.

Independent Auditors' Report

To
The Members of Neyveli Lignite Corporation Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. NEYVELI LIGNITE CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements. .

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No: 11(c) to the consolidated financial statements regarding Capitalisation of Interest and Overheads for the delay in commissioning of Thermal Power Station-II Expansion project.
- b) Note No: 22(b)(v)(b) to the consolidated financial statements regarding contingent liability of ₹ 147.56 crores under the scheme of Perform, Achieve and Trade (PAT) mechanism of the Energy Conservation Act, 2001 in respect of Thermal Power Station-I for exceeding the notified energy efficiency targets.
- c) Note No: 24(e) to the consolidated financial statements regarding disputed liability based on the order of Central Electricity Regulatory Commission (CERC) dated 7-5-2015 for refund of incentive earned for the excess generation of power over and above the contemplated PLF in TPS-II and passing of the revenue earned on lignite sales from Mines II to beneficiaries.
- d) Note No: 22(a) (ii) to the consolidated financial statements regarding adoption of normal corporate tax rate instead of Minimum Alternate Tax rate for calculation of Return on Equity in tariff fixation under Central Electricity Regulatory Commission (CERC) regulation.
- e) Note No: 24(d) to the consolidated financial statements regarding Power tariff that final adjustment will be made in the accounts on receipt of Central Electricity Regulatory Commission (CERC) order, which is not ascertainable at this stage.
- f) Note No: 36 to the consolidated financial statements regarding accounting of Foreign Exchange Rate Variation (FERV) recoverable from /payable to beneficiaries which is as per opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI).

- g) As per the requirements of section 135(1) of Companies Act, 2013, at least one director shall be an independent Director on Corporate Social Responsibility Committee. In the absence of Independent Directors, the holding Company has not been complied with from 24th September 2014.
- h) As per Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is supposed to have appointed at least one woman director. However the holding company has not been complied with.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of TWO (2) subsidiaries, and ONE (1) jointly controlled entities, whose financial statements reflect total assets of ₹ 7277.70 crore as at 31st March, 2015, total revenues of ₹ Nil and net cash flows amounting to ₹ 293.84 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. Nil for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of THREE (3) associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary Companies, associate Companies and jointly controlled Companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) As per the Notification No. G.S.R. 829(E) dated 21.10.2003, issued U/s. 620(1) of the Companies Act, 1956, Sub-section (2) of Section 164 of the Companies Act 2013 is not applicable to Government Companies.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 22 to the consolidated financial statements.
 - The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Companies, associate Companies and jointly controlled Companies incorporated in India.

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

K. Sreedhar
Partner
M.No.: 024314

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai
Date : 29.05.2015

Annexure to Auditors' Report

I. Fixed Assets

- (a) The Group and of its associates and jointly controlled entities has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The Group and of its associates and jointly controlled entities has a policy of verifying all the fixed assets at reasonable intervals. **Pending reconciliation of discrepancies observed on the physical verification, a sum of ₹ 0.41 crore has been retained as Provision for possible loss of asset in the books of holding Company.**

II. Inventories

- (a) The inventory has been physically verified during the year by the management of the holding Company. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the holding Company are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The holding Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification as compared to book records.
- (d) However, in respect of subsidiaries and associates and jointly controlled entities, this clause is not applicable since there is no commercial operation.

III. Transactions with persons covered by register maintained u/s 189 of the Companies Act, 2013

During the year the Group and of its associates and jointly controlled entities has not granted any loan to companies, firms and other parties to be listed in the register maintained under Section 189 of the Companies Act, 2013. However in respect of loans granted by holding Company in the earlier year repayment of principal and interest are regular as per the terms and conditions of the loan.

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 Group and of its associates and jointly controlled entities and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls in other areas.

V. Public Deposits

In our opinion and according to the information and explanations given to us, the Group and of its associates and jointly controlled entities has not accepted deposits from public and hence the provisions of sections 73 to 76 or any other provisions of the Companies Act 2013 and the rules made there under are not applicable.

VI. Cost Accounting Records

The Central Government has prescribed the maintenance of records under Section 148(1) of the Companies Act, in respect of Thermal Power Station Units and Mining Units. We are of the opinion that prima facie, the records prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2001, have been maintained by the holding company for Thermal Power Station Units and the



proforma specified therein for the year are under preparation. In the case of Mining Units, the records 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. In respect of Subsidiary and its associates and jointly controlled entities, since the commercial operation is not commenced, we are of the opinion that reporting under this clause is not applicable for the year under audit.

VII. Statutory Dues

- The Group and of its associates and jointly controlled entities has generally been regular in depositing Provident Fund dues of its own employees. Based on information and explanations given to us the Group and of its associates and jointly controlled entities have laid down systems and procedures regarding deposit of PF and ESI dues relating to contractors' workers.
- Based on information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues were outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs duty, Wealth Tax, Excise Duty, Value Added Tax 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	Customs Duty	3237.21	733.98	-	CESTAT
Income Tax Act, 1961	Income Tax	4147.97	200.00	AY 2010-11	CIT(A)
		16158.18	4800.00	AY 2012-13	CIT(A)
		26539.89	-	AY 2009-10	CIT(A)
		31586.31	22959.43	AY 2011-12	CIT(A)
		79.75	79.75	AY 2001-02	ITAT
		100.02	100.02	AY 2010-11	ITAT
TNGST	Sales Tax	15.61	15.61	2002-03	Tribunal
		2.02	2.02	2003-04	Tribunal

In respect of one of the jointly controlled entities, the department has treated interest earned on Fixed Deposits as revenue income and taxed accordingly. However the Company has not accepted the same. The matter is pending before the department.



- (d) The Group and of its associates and jointly controlled entities have generally been regular in transfer of amounts required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of Companies Act, 2013.

VIII. Accumulated Losses

The holding Company does not have accumulated losses as at the end of the financial year. In respect of one subsidiary Company, the accumulated loss as on 31st March 2015 is ₹ 4.12 lakh which is attributable to pre-incorporation expenses and in respect of another subsidiary Company, since it is registered for a period less than five years, this clause is not applicable. In respect of jointly controlled entities, the accumulated losses at the end of the financial year are less than 50% of their networth. However, the Group and of its associates and jointly controlled entities have not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

- IX.** In our opinion and according to the information and explanations given to us, the Group and of its associates and jointly controlled entities have not defaulted in repayment of dues to any financial institution, bank or Debenture Holders.
- X.** The Group and of its associates and jointly controlled entities have not given any guarantee for loans taken by others from banks or financial institutions based on the records produced to us.
- XI.** In our opinion, the term loans have been applied for the purpose for which they were obtained.

XII. Frauds

According to the information and explanations given to us, no fraud on or by the Group and of its associates and jointly controlled entities has been noticed or reported during the course of our audit.

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

K. Sreedhar
Partner
M.No.: 024314

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai
Date : 29.05.2015



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

M/s. P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants,
14/27, Cathedral Garden Road,
Nungambakkam,
Chennai - 600 034.

To

The Members of Neyveli Lignite Corporation Limited

Below are our reply to the Directions and Sub-directions issued by The Comptroller and Auditor General of India under Section 143(5) of The Companies Act, 2013 with respect to Consolidated Financial Statement of M/s. Neyveli Lignite Corporation Limited as on 31st March 2015.

1. No information is available with us to report whether the Group and of its associates and jointly controlled entities has been selected for disinvestment.
2. In case of waiver/write off of debts/loans /interest etc., as per the accounting policy of the holding Company, surcharge on belated settlement of power bills is reckoned as income in the year when certainty of realisation is reached. During the year 2014-15 surcharge income ₹ 81.93 crore (AP DISCOMS ₹ 11.67 crore, Telangana DISCOMS ₹ 13.23 crore, Karnataka ESCOMS ₹ 42.92 crore and PED ₹ 14.11 crore) has been reckoned as other income after waiving 50% of the total surcharge. In the case of subsidiaries and jointly controlled entities, there are no cases of waiver/write off of debts/loans/interest etc., during the year under audit.
3. There are no cases of inventories lying with third parties & assets received as gift from Govt. or other authorities of the Group and of its associates and jointly controlled entities.
4. Given below is the age-wise analysis of pending legal / arbitration cases in the case of holding Company. The reason for pendency being arbitration proceeding is going on and the Legal Department of NLC monitoring the expenditure on all legal cases (foreign and local):

Age wise Analysis	No. of Cases	₹ in crore
Less than 1 Year	4	28.54
1-2 Years	3	148.82
More than 3 years	7	1632.21
Total	14	1809.57

In respect of one of its subsidiary Company, following are the demands:

- i. A demand has been raised by Excise Authority towards Service Tax payable by the Holding Company for the service of manpower provided to subsidiary Company. This case has been decided in favour of Holding Company. However, the department has gone for appeal against the order of Commissioner. Demand raised is ₹ 205.63 lakh.
- ii. A demand has been raised by VO Chidambaranar Port Trust towards Revenue Sharing @ 52.17% of Coal handling charges i.e., ₹ 63.85 per ton in North Cargo Berth (NCB I) as upfront tariff. The proceedings and final decision is pending with Tariff Authority for Major Ports (TAMP) for fixation of upfront tariff. Total Coal Handled at NCB I as on 31.03.2015 is 3,12,519 Tonnes. Demand raised is ₹ 199.54 lakh.
- iii. Service tax on Lease Hold land for the construction of Power Project. Amount of contingency is ₹ 400.37 lakh.

In respect of jointly controlled entities, a demand notice was received from income tax department for the FY 2011-12 of ₹ 181.73 lakh and further appeal has been filed with higher tax authorities.



SUB DIRECTIONS ISSUED U/S 143(5) OF THE COMPANIES ACT, 2013 FOR THE FY 2014-15

In the case of Holding Company, in respect of creation of liability for payment of electricity tax under Electricity Act, 2003 with regard to sale of power to TANGEDCO and other State Beneficiaries, as per the legal opinion obtained from eminent lawyers the company does not have any liability for the Tamilnadu tax on consumption or sale of Electricity Act, 2003 and further opinion that the relief can be obtained from Appellate Authorities in case of demand. Therefore the Company shown this as a contingent liability, which is reproduced below:

Note No: 23 Contingencies and Commitments

b (v) Statutory Authorities

₹ 1162.25 crore

Includes tax payable under Tamil Nadu Tax on Consumption or sale of Electricity Act, 2003 of ₹ 856.63 crore (previous year ₹ 722.12 crore) and ₹ 138.71 crore (previous year ₹ 128.99 crore) towards sale of power to the Distribution Companies and Captive consumption in Mines. However the same is recoverable from the beneficiaries after getting approval from CERC.

For **M/s. SREEDHAR, SURESH & RAJAGOPALAN,**

Chartered Accountants
Firm Regn. No. 003957S

K. Sreedhar
Partner
M.No.: 024314

Place : Chennai
Date : 29.05.2015

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**

Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

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. 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, 2013 and Electricity Act, 2003 to the extent applicable.

III. 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 read with the Right to fair Compensation and transparency in land Acquisition, Rehabilitation and Resettlement Act, 2013. Capitalisation of land is done with reference to the date of taking over the physical possession of land.

IV. Depreciation

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

	Description of Assets covered	Basis
i.	a) Assets of Thermal Power Stations and Wind Turbine Generators excluding vehicles other than Ash Tippers. b) LEP assets	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. At residuary life of 15 years
ii.	Residential Buildings - III Class	At rates prescribed by Department of Public Enterprises.
iii.	Buildings : Non-residential Buildings Plant & Machinery : CME other than dozers and pipe layers, Workshop machinery, pumps GWC & SWC pipes and Civil construction machinery.	At technically assessed rates.
iv.	Specialised Mining Equipment : Commissioned on or after 31.08.2007	
v.	Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.

Rates under (ii) and (iii) above are followed so long as they are higher than the useful life 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 parameters 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 utilization.

V. Intangible Assets

- a. Computer Software:
 - i. Application Software acquired for an amount more than ₹ 10 lakh are capitalised as intangible assets and amortised over a period of 5 years.
 - ii. Computer Application Software acquired for an amount of less than ₹ 10 lakh are fully depreciated in the year in which it has been acquired
- 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.

VI. Inventory Valuation

Inventories are valued at lower of cost and net realizable value.

The basis of cost:

- i. Lignite: - At absorption cost, excluding share of common charges and social overhead
- ii. Stores and Spares procured: - At weighted average acquisition cost
- iii. Fly ash brick – at absorption cost
- iv. Waste product, used belts reconditioned, Stores and spares discarded for disposal, medicine and canteen stores are taken at NIL value.
- v. Goods in Transit including goods received but pending inspection/acceptance are valued at cost.
- vi. Fuel such as Light Diesel Oil, Heavy Furnace Oil, Coal are valued at weighted average cost basis.

VII. 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.



VIII. Prepaid Expenses

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

IX. Investments

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

X. 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.

XI. 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.

XII. 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.

XIII. 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 Leave Salary are fully provided for.
- ii. Long term employee benefits such as Leave salary are provided as per Department of Public Enterprises Guideline and actuarial valuation and also funded to trust.
- 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 Gratuity Trust.
- iv. Post Retirement Medical Benefit Scheme is treated as defined contribution scheme and accounted accordingly in respect of the employees retired prior to 01-01-2007 for which a separate reserve fund is created out of the accumulated reserve profit with corresponding investments
- v. Contribution to Provident Fund, Superannuation Fund which includes Post Retirement Medical Assistance are recognised in the Profit & Loss Account on the basis of actual liability and funded to trust.



XIV. Allocation of common charges/social overhead expenses

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

XV. 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 are considered as material and 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.

XVI. 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.

XVII. 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) Sale of Lignite, in respect of e-auction sales has been reckoned to the extent of amount received and for others on accrual basis.
- c) Claim towards insurance, surcharge on belated settlement of power bills and interest including 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.
- d) Cash discounts for prompt payments are accounted as and when the related dues are settled.
- e) Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation/interest for the year due to the accounting of such exchange differences is adjusted in depreciation/interest.

XVIII. 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 as per para 46 of Accounting Standard - 11.

XIX. 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 are reviewed at each Balance Sheet date.

XX. Borrowing Cost

Borrowing costs (net of interest earned on temporary investments) specifically attributable to the assets are capitalised along with the cost of such assets and where the borrowings are not specific, 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.

XXI. 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 namely Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalisation and commencement of depreciation charge and revenue recognition. The entire test shall be completed within twelve hours from the time of starting of the test including minor stoppages.

B. 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.

C. Wind turbine Generators (WTG)

Each WTG will be capitalised on the date on which it is connected to grid based on the commissioning certificate issued by TANGEDCO. Depreciation charges will start from the date of capitalisation.

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

XXII. Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Fixed Assets resulting in increased life and/or efficiency of an existing asset is added to the carrying cost of related asset and depreciated over the estimated life of the unit from the date of synchronisation.



BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in crore)

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I.	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	a) Share Capital	1	1,677.71	1,677.71
	b) Reserves and Surplus	2	13,192.83	12,224.77
	Minority Interest		367.87	160.99
	(2) Non-current Liabilities			
	a) Long term borrowings	3	6,010.76	6,210.53
	b) Deferred tax liability - Net	4	1,010.10	957.31
	c) Other Long term liabilities	5	417.49	410.10
	(3) Current Liabilities			
	a) Trade payables	6	631.41	461.26
	b) Other current liabilities	7	2,022.09	2,083.60
	c) Short term provisions	8	422.11	523.80
	TOTAL		25,752.37	24,710.07
II.	ASSETS			
	(1) Non-current assets			
	a) Fixed Assets			
	(i) Tangible assets	9	6,654.29	6547.19
	(ii) Intangible assets	10	0.29	0.62
	(iii) Capital work-in-progress	11	10,867.20	9335.17
	(iv) Assets under development	12	117.62	36.41
	b) Non-current investments	13	0.00	103.19
	c) Long term loans and advances	14	476.86	389.32
	d) Other Non-current assets	15	51.12	115.64
	(2) Current Assets			
	a) Current Investments	16	103.20	103.20
	b) Inventories	17	898.63	681.69
	c) Trade receivables	18	2,282.07	2,204.45
	d) Cash and Bank balances	19	3,577.60	4,273.87
	e) Short term loans and advances	20	524.34	669.96
	f) Other current assets	21	199.15	249.36
	TOTAL		25,752.37	24,710.07

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
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 29.05.2015

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

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

K. Sreedhar
Partner
M.No.: 024314

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in crore)

	Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I.	Revenue from operations	24	6,087.68	5,967.23
II.	Other income	25	709.29	1,024.76
III.	Total Revenue (I+II)		6,796.97	6,991.99
IV.	Expenses:			
	Increase (-) / Decrease in stock	26	-204.66	-72.54
	Employee benefits expense	27	2,217.38	2,194.59
	Finance Cost	28	156.06	181.58
	Depreciation and amortisation expenses	29	440.62	517.28
	Other Expenses	30	2,172.32	1,940.55
	Prior Period Adjustments(Net)	31	32.53	-26.94
			4,814.25	4,734.52
	Less: Expenses Capitalised	32	55.04	24.63
	Total expenses		4,759.21	4,709.89
V.	Profit before exceptional and extra-ordinary items and tax (III-IV)		2,037.76	2,282.10
VI.	Exceptional items	33	345.57	-72.97
VII.	Profit before Extra-ordinary Items and tax (V+VI)		2,383.33	2,209.13
VIII.	Extra-ordinary Item		0.00	0.00
IX.	Profit before tax (VII+VIII)		2,383.33	2,209.13
X.	Profit from continuing operations before tax		2,382.92	2,062.07
XI.	i) Tax Expense:			
	For current year		743.28	493.43
	For previous year		7.44	71.04
	ii) Deferred tax:			
	For current year		49.78	107.32
	For previous year		3.02	-5.44
			803.52	666.35
XII.	Profit for the period from continuing operation after Tax (X-XI)		1,579.40	1,395.72
XIII.	Profit from discontinuing operations before tax		0.41	147.06
XIV.	Tax Expenses		0.13	40.90
XV.	Profit for the period from discontinuing operation after tax (XIII-XIV)		0.28	106.16
XVI.	Profit for the period		1,579.68	1,501.88
XVII.	Earning Per Share Basic and Diluted (₹)	34	9.42	8.95

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
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: Chennai

Date: 29.05.2015

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

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

K. Sreedhar
Partner
M.No.: 024314

P.B. Srinivasan
Partner
M.No.: 203774

Place : Chennai

Date : 29.05.2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in crore)

	For the year ended 31.03.2015	For the year ended 31.03.2014
A.CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	2,383.33	2,209.13
Adjustments for:		
Less: Profit on Disposal of Asset	1.61	3.51
Interest Income	568.29	598.12
	569.90	601.63
Add: Depreciation including prior period	436.47	485.85
Other non-cash charges	70.49	-54.21
Interest charged to P&L A/c	156.06	181.58
	663.02	613.22
Operating Profit before working capital changes	93.12	11.59
Adjustments for Trade and other receivables:	2,476.45	2,220.72
Sundry Debtors	-77.62	1,595.84
Loans & Advances	260.53	-194.26
Inventories & other current assets	-214.95	2.09
Trade Payables	-101.13	602.77
Cash flow generated from operations	2,343.28	4,227.16
Direct Taxes paid	-762.86	-489.12
Cash flow before extra-ordinary items and P.P.T.	1,580.42	3,738.04
Grants received	-0.68	-1.06
Net Cash from operating activities	1,579.74	3,736.98
B.CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets/ Preliminary expenses	-2,195.19	-2,042.99
Sale of Fixed Assets/Projects		
From continuing operations	3.54	36.11
Sale/Purchase of Investments	103.19	103.19
Interest received	619.19	510.86
Net Cash used in investing activities	-1,469.27	-1,392.83
C.CASH FLOW FROM FINANCING ACTIVITIES:		
Long term borrowings (Net)	14.05	173.15
Interest paid	-266.14	-644.40
Share Capital Purchased	206.88	29.92
Dividend (including Dividend Tax)	-761.53	-505.08
Net Cash used/received in financing activities	-806.74	-946.41
Net increase, decrease (-) Cash and cash equivalents	-696.27	1,397.74
Cash and cash equivalents as at the beginning of the year	4,273.87	2,876.13
Cash and cash equivalents as at the end of the year	3,577.60	4,273.87

NOTE : (-) INDICATES CASH OUTFLOW.

	As at 31.03.2015	As at 31.03.2014
DETAILS OF CASH AND CASH EQUIVALENTS:		
Cash in hand	0.01	0.04
Cash at bank in current account	78.44	36.52
Cash at bank in deposit account	3,499.15	4,237.31
Total	3,577.60	4,273.87

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY
Place: Chennai

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

B. SURENDER MOHAN
CHAIRMAN-CUM-MANAGING DIRECTOR
Date: 29.05.2015

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

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

K. Sreedhar
Partner
M.No.: 024314

Place : Chennai

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

Date : 29.05.2015



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
1	Share Capital	As at 31.03.2015	As at 31.03.2014
a.	Authorised		
	2,00,00,00,000 Equity Shares of ₹10/- each	2,000.00	2,000.00
b.	Issued, Subscribed and Paid-up		
	1,67,77,09,600 Equity shares of ₹10 each fully paid	1,677.71	1,677.71
c.	1,50,99,38,640 (previous year 1,50,99,38,640) Equity Shares being 90.00% are (previous year 90%) 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 01.04.2014	As at 31.03.2015
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		
	10,621.18	1,601.67	11,348.57
	- Share of interest in Joint Venture	-0.08	-0.08
c.	KfW Interest Differential Reserve	284.30	296.11
d.	Contingency Reserve	50.00	60.00
e.	General Reserve	1,177.00	1,337.00
f.	Bond Redemption Reserve	90.00	105.00
g.	PRMA Reserve Fund	0.00	43.86
	Total	12,224.77	13,192.83
3	Long term Borrowings	As at 31.03.2015	As at 31.03.2014
a.	Secured		
i.	Neyveli Bonds - 2009	600.00	600.00
ii.	Term Loans from Banks		
	Canara Bank Consortium Loan	1,225.00	1,575.00
	Bank of Baroda Consortium Loan	2,375.00	2,500.00
	Bank of India Consortium Loan	843.30	937.00
iii.	Power Finance Corporation Ltd	500.00	0.00
b.	Unsecured		
	Foreign Currency loan from KfW-Germany##		
	8.98 Million Euro (9.42 Million Euro) - I	60.71	77.87
	60.26 Million Euro (63.06 Million Euro) - II	406.75	520.66
	Total	6,010.76	6,210.53
	## 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 lakhs each secured by way of pari-passu 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	i. The Rupee Term Loan of ₹2500 crore from Canara Bank consortium is secured by pari-passu charge on project fixed assets financed and repayable in twenty equal bi-annual instalments commenced from 23-02-2010, ending on August 2019. ii. The Rupee Term Loan of ₹1250 crore from Canara Bank consortium is secured by pari-passu charge on project fixed assets financed and repayable in twenty equal bi-annual instalments commenced from 23-02-2010, ending on August 2019.	
e	During the year Company availed ₹ 500 crore (upto 31-03-2015) out of The Rupee term loan of ₹ 3000 crores from M/s. Power Finance Corporation Ltd is secured by pari-passu charge on project fixed assets of Neyveli New Thermal Power Station (NNTPS) and repayable in 20 equal bi-annual instalments commencing after moratorium period of 6 months from the date of achievement of COD of Unit-II.	
f	The term loan of ₹ 2500 crore from Bank of Baroda consortium is secured by a pari-passu charge on project of the subsidiary financed and the Repayment of loan is Rescheduled to be repaid in twenty (20) equal half-yearly consecutive instalments starting from Oct.2015.	
g	The term loan of ₹ 937 crore from Bank of India Consortium loan is secured by a pari-passu charge on project of the subsidiary financed and 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 31.03.2015 As at 31.03.2014
a.	Deferred tax Liability: Related to depreciation	1,081.56 1,108.78
b.	Deferred tax Asset: Provisions, etc.	71.46 151.47
c.	Deferred tax Liability (Net)	1,010.10 957.31
5	Other Long term Liabilities	As at 31.03.2015 As at 31.03.2014
a.	Capital Purchase & Capital work-in-progress and other Liabilities	119.82 166.39
b.	Mine Closure Liability	275.59 193.88
c.	Deferred Foreign Currency Fluctuation Liability	22.08 49.83
	Total	417.49 410.10
d.	Pursuant to GOI guidelines on Mine closure, Mine closure cost was approved by Ministry of Coal at a rate of ₹ 6 lakh per hectare for all the open cast Mine. The amount is being compounded annually @ 5% and deposited in Escrow account in the name of Coal Controller Escrow account NLC Ltd.Mine..., (renewed with interest less tax) as stipulated by Coal Controller.	



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
6	Trade Payables	As at 31.03.2015	As at 31.03.2014
a.	Sundry creditors	298.24	258.48
b.	Others	333.17	202.78
	Total	631.41	461.26
c.	Principal amount remaining unpaid to any supplier belonging to Micro, Small and Medium Enterprises as at the end of the year ₹ 7.04 crore (previous year ₹ 19.86 crore).		
d.	Amount of Interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006 not provided in the account ₹0.41 crore. (previous year provided ₹0.02 crore).		
7	Other Current Liabilities	As at 31.03.2015	As at 31.03.2014
a.	Current maturities of Long Term Debt		
i.	Loan from Banks		
	- Canara Bank Consortium	350.00	350.00
	- Bank of Baroda Consortium	125.00	0.00
	- Bank of India Consortium	93.70	0.00
ii.	Foreign Currency loan from KfW -3.24 Million Euro	21.88	26.76
b.	Interest Accrued but not due on borrowing		
i.	Neyveli Bonds	9.87	9.87
ii.	KfW	0.92	1.17
c.	Unclaimed Dividend	1.39	17.28
d.	Unutilised Revenue grant	4.96	5.79
e.	Staff Security deposit	0.01	0.01
f.	Deferred Foreign Currency Fluctuation Liability	2.71	4.45
g.	Other Liabilities	1,411.56	1,667.49
	- Share of interest in Joint Venture	0.09	0.78
	Total	2,022.09	2,083.60
h.	Other liabilities include LD, EMD from contractors, credit balance from vendors, deposits for lignite supply, caution deposits etc.		
8	Short term Provisions	As at 31.03.2015	As at 31.03.2014
a.	Accrued Leave Salary	0.00	11.21
b.	Short term benefit of leave salary	125.41	75.25
c.	Post Retirement Medical Benefit	21.12	17.16
d.	Provision for Loss on Assets	1.29	1.29
e.	Proposed Dividend Tax (Interim)	0.00	28.51
f.	Proposed Final Dividend	167.77	301.99
g.	Proposed Dividend Tax (Final)	35.11	51.32
h.	Contingencies	40.36	37.06
i.	Provision for Gratuity	31.05	0.01
	Total	422.11	523.80



Notes to the Financial Statement

Sl. No.	Particulars										(₹ in crore)
9	Tangible Assets										
	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2014	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2015	As at 31.03.2014	Withdrawals Trans./Adj.	For the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	a. Land ***	494.94	183.07	0.00	678.01	0.00	0.00	0.00	0.00	678.01	494.94
	b. Lease hold land - Share of interest in Joint Venture	50.29	0.00	0.00	50.29	11.18	0.00	1.68	12.86	37.43	39.11
	c. Roads	3.99	0.00	0.00	3.99	0.31	0.00	0.12	0.43	3.56	3.68
	d. Buildings ++ - Share of interest in Joint Venture	69.36	6.24	0.00	75.60	15.46	0.00	30.72	46.18	29.42	53.90
	e. Elec. Installations	401.01	46.63	0.56	447.08	129.19	0.15	11.26	140.30	306.78	271.82
	f. Water Supply & Drainage	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00
	g. Plant & Machinery*	364.56	16.80	0.34	381.02	162.01	0.00	55.88	217.89	163.13	202.55
	h. Furniture & Equipment - Share of interest in Joint Venture	155.73	12.09	0.32	167.50	94.81	0.00	11.42	106.23	61.27	60.92
	i. Vehicles	11,828.83	290.76	13.37	12,106.22	7,260.81	12.67	299.96	7,548.10	4,558.12	4,568.02
	j. Assets Costing Rs.5000 and below	75.91	6.42	0.81	81.52	46.53	0.72	4.83	50.64	30.88	29.38
	k. Mine Development	0.02	0.00	0.00	0.02	0.01	0.00	0.00	0.01	0.01	0.01
	Mine-I	98.33	7.80	3.13	103.00	61.07	2.97	8.49	66.59	36.41	37.26
	Mine-II	6.45	0.20	0.00	6.65	6.45	0.00	0.20	6.65	0.00	0.00
	Barsingsar Mine	464.33	0.00	0.00	464.33	236.08	0.00	21.28@	257.36	206.97	228.25
	Total	127.50	0.00	0.00	127.50	32.85	0.00	2.91@	35.76	91.74	94.65
	Previous Year	473.67	4.67	0.00	478.34	124.96	0.00	13.68@	138.64	339.70	348.71
		123.86	0.00	0.00	123.86	9.87	0.00	3.14@	13.01	110.85	113.99
10	Intangible Assets										
	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2014	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2015	As at 31.03.2014	Withdrawals Trans./Adj.	For the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	a. Software	9.85	0.01	0.00	9.86	9.23	0.00	0.34	9.57	0.29	0.62
	Total	9.85	0.01	0.00	9.86	9.23	0.00	0.34	9.57	0.29	0.62
	Previous Year	9.81	0.04	0.00	9.85	8.40	0.00	0.83	9.23	0.62	
	There is no impairment loss identified for the assets.										
	* Includes assets belonging to Ministry of Coal obtained under Coal Science & Technology 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 ₹ 0.23 crore (Previous year ₹ 2.80 crore).										
	@ Represents provisions for amortisation										
	Lease Hold Land is being amortised over the lease period.										
	There is no impairment loss identified for the assets.										
	Based on internal assessment and in consultation with Indian Bureau of Mines (Sub-ordinate Office under the control of Ministry of Mines) and Ministry of Corporate Affairs approved in Aug, 2007 the useful lives of Specialised Mining Equipment such as Bucket Wheel Excavator, Mobile Transfer Conveyor, Spreader, Conveyors deployed in mines were fixed as 15 years which are different from useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.										



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)			
11	Capital Work-in-Progress	As at 31.03.2015	As at 31.03.2014		
a	Plan Expenditure				
	i) TPS-II Expansion				
	Supply and Erection	2,073.74		2,049.77	
	Capital Goods in Stock	5.19		1.28	
	Expenditure during Construction	402.66		296.62	
	Interest during Construction	781.23	3,262.82	687.73	3,035.40
	ii) Barsingsar Mines and Thermal				
	Supply and Erection	0.74		0.13	
	Capital Goods in Stock	0.47	1.21	0.03	0.16
	iii) Mine-II Expansion				
	Supply and Erection	4.59		26.00	
	Capital Goods in Stock	1.01		0.10	
	Expenditure during Construction	35.50	41.10	34.63	60.73
	iv) Neyveli New Thermal Plant				
	Supply and Erection	427.97		22.19	
	Expenditure during Construction	8.63		0.71	
	Interest during Construction	33.13	469.73	16.80	39.70
	v) Wind Project				
	Supply and Erection	130.56		47.14	
	Expenditure during Construction	0.80	131.36	0.02	47.16
	vi) Solar Project				
	Supply and Erection	44.43		0.00	
	Expenditure during Construction	0.06	44.49	0.00	0.00
	vii) NLC Tamil Nadu Power Ltd.				
	Supply and Erection	5,080.22		4,710.15	
	Capital Goods in Stock	0.00		2.13	
	Expenditure during Construction	240.89		130.19	
	Interest during Construction	1,237.03	6,558.14	813.26	5,655.73
	viii) Neyveli Uttar Pradesh Power Ltd.,				
	Supply and Erection	1.81	1.81	0.77	0.77
	- Share of Interest in Joint Venture		0.39		0.39
b.	Non- Plan Expenditure				
	Supply and Erection	321.96		447.70	
	Capital Goods in Stock	33.88		41.72	
	Capital Goods in Transit	0.31	356.15	5.71	495.13
	Total		10,867.20		9,335.17
c.	Thermal Power Station-II Expansion consists of two units of 250 MW each based on first of its kind eco friendly CFBC technology in India with the scheduled completion in February 2009 for Unit-I and June 2009 for Unit-II which were revised to June 2012 for Unit-I and March 2013 for Unit-II.				



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	<p>Due to technical issues, sustained operations could not be maintained to declare Commercial Operation Date (COD).</p> <p>The issue was also subjected to a technical audit in July-August 2014 to assess the nature of delays in the project. The technical audit report proposed extension of time to provide further opportunity to the contractor to complete the project, given the technological constraints.</p> <p>Subsequently, Unit-II has been commissioned on 22.04.2015 and Unit-I is expected to be commissioned shortly.</p> <p>The additional interest and overheads for the period of delay are being capitalized along with the cost of the project in line with industry practice and policies of the Company. Based on the past experience, management is reasonably confident to recover the project cost through tariff.</p>		
12	<p>Assets under Development</p> <p>As at 31.03.2015 As at 31.03.2014</p> <p>Preliminary Project Expenditure 147.49 70.72</p> <p>- Share of interest in Joint Venture 3.46 3.42</p> <p>150.95 74.14</p> <p>Less: provisions 33.33 37.73</p> <p>Total 117.62 36.41</p>		
13	<p>Non-current Investments (Unquoted)</p> <p>As at 31.03.2015 As at 31.03.2014</p> <p>a. 8.5% tax free SLR Power Bonds issued by State Governments 0.00 103.19</p>		
14	<p>Long term Loans and Advances</p> <p>As at 31.03.2015 As at 31.03.2014</p> <p>a. Loans and Advances - Staff (Secured) 86.00 79.69</p> <p>b. Loans and Advances - Staff (Unsecured-considered good) 18.49 15.49</p> <p>c. Capital Advances (Unsecured-considered good) 372.37 294.14</p> <p>Total 476.86 389.32</p>		
15	<p>Other Non-current Assets</p> <p>As at 31.03.2015 As at 31.03.2014</p> <p>a. Unsecured considered good 0.00 6.13</p> <p>b. Deferred Foreign currency Fluctuation Asset 51.12 109.51</p> <p>Total 51.12 115.64</p>		
16	<p>Current Investments (Unquoted)</p> <p>As at 31.03.2015 As at 31.03.2014</p> <p>8.5% tax free SLR Power Bonds issued by State Governments 103.20 103.20</p>		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
17	Inventories (As certified by the Management) <div> <div>As at 31.03.2015</div> <div>As at 31.03.2014</div> </div> <div> <div>a. Raw Materials</div> <div>406.81</div> <div>202.15</div> </div> <div> <div>b. Stores and Spares</div> <div>461.24</div> <div>456.46</div> </div> <div> <div>Goods-in-transit</div> <div>32.34</div> <div>23.97</div> </div> <div> <div></div> <div>493.58</div> <div>480.43</div> </div> <div> <div>Less: Provision</div> <div>3.79</div> <div>5.78</div> </div> <div> <div>474.65</div> </div> <div> <div>c. Solid/Hollow/Fly Ash Bricks</div> <div>2.03</div> <div>4.89</div> </div> <div> <div>Total</div> <div>898.63</div> <div>681.69</div> </div> <div> <div>d. Inventory valuation - Inventories are valued at the lower of cost and net realisable value.</div> <div>i. Lignite - At absorption cost excluding share of common charges and social overhead.</div> <div>ii. Stores & Spares procured - At weighted average acquisition cost.</div> <div>iii. Fly ash bricks - At absorption cost.</div> <div>iv. Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.</div> <div>e. Stocks of stores,spares,raw materials and finished goods are under hypothecation for cash credit facilities arranged with State Bank of India.</div> </div>		
18	Trade Receivables Unsecured <div> <div>As at 31.03.2015</div> <div>As at 31.03.2014</div> </div> <div> <div>a. Considered Good</div> <div>298.61</div> <div>684.57</div> </div> <div> <div>More than six months</div> <div>1,983.46</div> <div>1,519.88</div> </div> <div> <div>Others</div> <div>2.08</div> <div>2.08</div> </div> <div> <div>b. Considered Doubtful</div> <div>2,284.15</div> <div>2,206.53</div> </div> <div> <div>Less: Provision for Doubtful Debts</div> <div>2.08</div> <div>2.08</div> </div> <div> <div>Total</div> <div>2,282.07</div> <div>2,204.45</div> </div>		
19	Cash and Bank Balances Cash and cash equivalents <div> <div>As at 31.03.2015</div> <div>As at 31.03.2014</div> </div> <div> <div>a. Balances with Scheduled Banks in Current A/c</div> <div>77.05</div> <div>30.93</div> </div> <div> <div>b. Cash on hand</div> <div>0.01</div> <div>0.04</div> </div> <div> <div>c. Unpaid Dividend A/c</div> <div>1.39</div> <div>17.28</div> </div> <div> <div>d. Fixed Deposits</div> <div>3,137.82</div> <div>3,986.80</div> </div> <div> <div>i. Short term Deposit</div> <div>5.06</div> <div>5.59</div> </div> <div> <div>- Share of interest in Joint Venture</div> <div>0.01</div> <div>0.01</div> </div> <div> <div>ii. Staff Security Deposit</div> <div>0.44</div> <div>0.23</div> </div> <div> <div>iii. Endowment fund in the name of NLC schools</div> <div>272.59</div> <div>193.88</div> </div> <div> <div>iv. Mine Closure Deposit *</div> <div>43.86</div> <div>0.00</div> </div> <div> <div>v. PRMA Fixed deposit</div> <div>39.37</div> <div>39.11</div> </div> <div> <div>vi. Short term Deposits for lien for guarantee</div> <div>3,577.60</div> <div>4,273.87</div> </div> <div> <div>Total</div> <div>3,577.60</div> <div>4,273.87</div> </div> <div> <div>*In the Name of " Coal Controller Escrow Account NLC Ltd. Mine..."</div> </div>		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
20	Short term Loans and Advances (Recoverable in cash or in kind or for value to be received)	As at 31.03.2015	As at 31.03.2014
a.	Secured		
	Staff Advances	10.14	20.39
b.	Unsecured		
i.	Considered good	173.46	320.89
	- Share of interest in Joint Venture	0.22	0.17
ii.	Considered doubtful	2.25	2.67
		186.07	344.12
	Less: Provision for doubtful advances	2.25	2.67
		183.82	341.45
c.	Advance Income tax	2,037.50	1,845.05
	Less : Provision for taxation	1,697.02	1,516.58
d.	Deposit with Central Excise, Port Trust and Customs authorities	0.04	0.04
		524.34	669.96
e.	i. Due by Officers	0.05	0.05
	ii. Maximum amount due at any time during the year	0.05	0.05
f.	i. Due by Directors	0.09	0.09
	ii. Maximum amount due at any time during the year	0.09	0.09
	Coal of 1,05,319 Tonnes valuing ₹ 37.74 crore have been diverted to Tuticorin Thermal Power Station/TANGEDCO on returnable basis treated as Short Term Loans and Advances.		
21	Other Current Assets	As at 31.03.2015	As at 31.03.2014
a.	Interest accrued	191.41	242.18
	- Share of interest in Joint Venture	0.08	0.21
b.	Disposable/Dismantled assets, Spares	0.56	0.53
	Less: Provision for impairment of assets	0.12	0.12
c.	Prepaid expenses	6.49	5.27
d.	Deferred Foreign Currency Fluctuation Asset	0.73	1.29
	Total	199.15	249.36
22	Contingencies and Commitments	As at 31.03.2015	As at 31.03.2014
a.	Contingent Liability exists in respect of:		
i.	Guarantees issued by Company	26.95	26.95



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
		As at 31.03.2015	As at 31.03.2014
	ii. Differential amount to beneficiaries on account of adopting normal Corporate Tax rate instead of Minimum Alternative Tax rate (MAT) for Return on Equity in power tariff for the year 2012-13, as the Company is of the opinion that MAT rate is not applicable. Petition with CERC filed and awaiting orders.	55.61	55.61
	iii. The demand notice was received from Income Tax Department for the financial year 2011-12 of ₹ 181.73 lakh and further appeal has been filed with higher tax authority (Company share in the above is 15%)		
b.	Claims against the Corporation not acknowledged as debts:		
	i. From employees/others	NQ	NQ
	ii. Additional amount payable for the land acquired after 1-1-2014 towards compensation payable under the Right to Fair Compensation and Transparency in land acquisition, Rehabilitation and Resettlement of Act 2013	NQ	NQ
	iii. From suppliers/contractors/customers	1,816.81	1,798.43
	iv. Disputed amount of Income Tax/ST/Other taxes	1,048.85	675.63
	v. Statutory authorities	1,162.25	869.46
	(a) Includes tax payable under Tamilnadu Tax on Consumption or sale of Electricity Act. 2003 of ₹ 856.63 crore (previous year ₹ 722.12 crore) and ₹ 138.71 crore (previous year ₹ 128.99 crore) towards sale of power to distribution Companies and Captive consumption in Mines. However the same is recoverable from the beneficiaries after getting approval from CERC.		
	(b) Includes ₹ 147.56 crore estimated liability under the scheme of Perform, Achieve and Trade (PAT) mechanism of The Energy Conservation Act, 2001 in respect of Thermal Power Station-I for exceeding the energy efficiency targets. However application for exemption of TPS-I from PAT mechanism has been made to the appropriate authority.		
c.	i. Estimated value of contracts remaining to be executed on capital accounts not provided for	4,655.52	4,775.77
	ii. Commitment for the acquisition of lands	8.96	94.56
	NQ - In view of the various court cases and litigations and claims disputed by the corporation financial impact as to outflow of resources is not quantifiable at this stage.		
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. However, Power dues and Lignite sale dues are reconciled with Debtors periodically.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
24	Revenue from Operations	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Power	5,589.87	5,361.13
b.	Lignite	494.24	598.73
c.	Miscellaneous	30.53	20.89
		6,114.64	5,980.75
	Less: Excise duty	9.90	12.78
		6,104.74	5,967.97
	Less: Transfer to Capital Expenditure Accounts	17.06	0.74
		6,087.68	5,967.23
d.	Pending determination of power tariff by Central Electricity Regulatory Commission (CERC), sale of power for the year is accounted by adopting provisional tariff as per CERC Regulation, 2014 and provisional lignite price in energy charges is considered as per the guidelines of Ministry of Coal (MOC) dt, 02.01.2015. Due to this, net sales from the operation is increased to the extent of ₹ 275.78 crores for which invoice will be raised on receipt of CERC Order.		
e.	CERC Order dt 07-05-2015 was received admitting the inclusion of cost of Mine II expansion for the year 2010-11 to 2014-15 in the Pooling price of lignite. While admitting the increase in the lignite price, the CERC has ordered for the refund of incentive earned for the excess generation of power over and above the contemplated PLF in TPS-II and passing of the revenue earned on lignite sales from Mine II to the beneficiaries. This has not been quantified since the Company has not accepted this order and is in the process of filing the petition for review/appeal before the competent authority.		
25	Other Income	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Interest		
i.	Bank Deposit	421.51	378.77
ii.	Employees	10.13	9.62
iii.	Long Term Investments	15.35	24.12
iv.	Interest on Mine Closure Deposit	25.18	25.46
v.	Others	104.17	160.15
b.	Recoveries		
i.	Rent	13.33	11.29
ii.	Others	0.51	0.47
c.	Profit on sale of assets	1.61	3.51
d.	Provision written back	4.04	42.49
e.	Surcharge	81.93	309.61
f.	Miscellaneous	60.50	75.97
		738.26	1,041.46
	Less: Transfer to Capital Expenditure Accounts	12.36	16.70
	Less: Transfer to Mine Closure Liability	16.61	0.00
		709.29	1,024.76



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
	g. As per the accounting policy of the Corporation, surcharges recoverable from beneficiaries on the belated settlement of the power bill, amounting to ₹ 17.52 crore for the year (previous year ₹ 60.56 crore) has not been reckoned as income since there is uncertainty in realisation. The same will be accounted on certainty of realisation.		
	h. Surcharge for the belated settlement of power dues pertaining to earlier periods has been negotiated and settled by the beneficiaries amounting to ₹ 81.93 crore (AP DISCOMS - ₹ 11.67 crore, Telangana DISCOMS - ₹ 13.23 crore, Karnataka ESCOMS ₹ 42.92 crore and PED ₹ 14.11 crore)		
26	Increase(-)/Decrease in Stock	For the year ended 31.03.2015	For the year ended 31.03.2014
	a. OPENING STOCK		
	Raw Material		
	Lignite	202.15	129.61
		<u>202.15</u>	<u>129.61</u>
	b. CLOSING STOCK		
	Raw Material		
	Lignite	406.81	202.15
		<u>406.81</u>	<u>202.15</u>
	Increase (-)/Decrease in Stock	-204.66	-72.54
27	Employee Benefits Expenses	For the year ended 31.03.2015	For the year ended 31.03.2014
	a. Salaries, Wages and Incentives	1,895.66	1,872.85
	b. Contribution to Provident and other funds	292.62	272.05
	c. Gratuity	32.03	25.55
	d. Welfare expenses	105.60	95.81
		<u>2,325.90</u>	<u>2,266.26</u>
	Less: Transfer to Capital Expenditure Accounts	89.65	71.67
	Less: Transfer to CSR Expenditure	18.87	0.00
		<u>2,217.38</u>	<u>2,194.59</u>
	e. Pending pay revision settlement, provision of ₹ 37.54 crore has been made towards arrears of salaries and other benefits revision in respect of Non - executives and interim relief paid ₹ 44.55 crore during the year.		
	f. Disclosure under Accounting Standard-15 on Employee benefits:	For the year ended 31.03.2015	For the year ended 31.03.2014
	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.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
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Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)
		For the year ended 31.03.2015 For the year ended 31.03.2014
	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	18.02 17.59
	ii. Liability provided for the fixed Medical Assistance	10.31 5.94
28	Finance Cost	For the year ended 31.03.2015 For the year ended 31.03.2014
	a. Interest Expenses	
	Fixed loans	
	Unsecured loans - KfW - Foreign currency loan	3.59 4.71
	Secured loans-NLC Bonds	52.98 52.98
	Loan from Banks	609.14 576.40
	Loan from Power Finance Corporation	16.33 0.00
	Others	0.12 3.86
	Guarantee Fees on KfW loan	7.50 6.59
		689.66 644.54
	Less: Transfer to Capital Expenditure Accounts	533.60 462.96
		156.06 181.58
	b. Borrowing cost capitalised during the year	
	Interest and commitment charges	533.60 462.96
29	Depreciation and Amortisation Expenses	For the year ended 31.03.2015 For the year ended 31.03.2014
	a. Fixed Assets	428.92 512.62
	b. Mine Development and other Amortisations	41.02 37.46
		469.94 550.08
	Less: Transfer to Capital Expenditure Accounts	9.33 7.76
	Transfer of carrying amount of fixed assets whose useful life served before 01-04-2014 to general reserve	44.92 0.00
	Transfer from Grants	0.15 0.14
	Deferred Foreign currency fluctuation liability	-25.08 24.90
		440.62 517.28



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
		For the year ended 31.03.2015	For the year ended 31.03.2014
30	Other Expenses		
	Consumption of stores and spares	632.69	642.19
	Fuel	164.73	92.31
	Liability for Mine closure	31.58	46.26
	Excise duty	67.51	63.30
	Rent	1.33	0.72
	Rates and taxes		
	Electricity tax	1.54	1.50
	Clean energy cess	288.87	139.44
	Others	3.41	3.83
	Power charges	15.76	9.43
	Water charges	1.34	1.43
	Wealth Tax	0.40	0.12
	Repairs and Maintenance		
	Plant and Machinery	200.97	166.36
	Buildings	10.87	9.01
	Others	267.54	232.13
	Overburden removal expenditure	80.27	89.29
	Insurance	7.62	6.89
	Payments to auditors		
	Audit fees	0.21	0.24
	Tax audit fees	0.13	0.12
	Other certification fees	0.31	0.21
	Reimbursement of expenses	0.30	0.11
	Travelling expenses	17.98	18.45
	Training expenses	6.02	4.57
	Family welfare expenses	4.08	3.93
	Selling expenses - Discounts	30.44	22.79
	Afforestation expenses	11.87	11.19
	Royalty	264.36	241.11
	Central Industrial Security Force expenses	81.59	78.04
	Corporate Social Responsibility expenses	47.74	26.90
	Miscellaneous expenses	42.60	65.02
	Loss on disposal of assets	0.05	0.18
	Carried forward	<u>2,284.11</u>	<u>1,977.07</u>

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Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)	
33	Exceptional Items	For the year ended 31.03.2015	For the year ended 31.03.2014
a	Power Sales	346.69	-57.00
b	Lignite Sales	2.19	0.00
c	Interest - Income	0.00	0.37
d	Employee remuneration	0.00	-10.19
e	Other expenses - Royalty	-3.30	0.00
f	Interest Expenses	0.00	-6.15
g	Miscellaneous Income	-0.01	0.00
	Total	345.57	-72.97
	(-) Indicates Expenditure		
h	Power sales comprises ₹ 73.36 crore towards impact of Truing up provided from 2009-14 and ₹ 273.33 crore towards Claim of Wage Revision arrears approved by CERC vide order dt.12.5.2015 and the same are receivable from beneficiaries.		
i	Lignite sales includes ₹ 24.20 crore towards impact of truing up from 2009-14 payable to the customers and ₹ 25.59 crore towards increase in pooled price due to wage revision arrears paid which is receivable from the customers.		
34	Earnings Per Share	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	Profit after tax	1,579.68	1501.88
b.	Number of Shares	1677709600	1677709600
c.	Face Value of Share (₹)	10.00	10.00
d.	Earning Per Share - Basic and Diluted (₹)	9.42	8.95
35	The effect of Foreign Exchange Fluctuation	For the year ended 31.03.2015	For the year ended 31.03.2014
a.	The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	-2.60	1.36
b.	The amount of exchange rate difference adjusted and debited/(credited) to the carrying amount of fixed assets & WIP	-127.23	123.63
36	Based on opinion from Expert Advisory Committee (EAC) of ICAI , exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations are accounted as Deferred foreign currency fluctuation asset / liability. Accordingly necessary adjustment is made in the current year in depreciation and interest expenditure.		



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)		
37	Expenditure Incurred on Research & Development	For the year ended 31.03.2015	For the year ended 31.03.2014	
a.	Capital expenditure	1.25	1.13	
b.	Revenue expenditure	11.91	13.28	
38	Profit Appropriation	For the year ended 31.03.2015	For the year ended 31.03.2014	
a	Surplus brought forward from previous year	10,621.18	9,905.96	
b	Profit after tax	1,579.68	1,501.88	
c	Transfer to/from Interest Differential Fund Reserve	-11.81	-17.07	
d	Transfer to Bond Redemption Reserve	-15.00	-15.00	
e	Transfer to General Reserve	-160.00	-155.00	
f	Transfer to Contingency Reserve	-10.00	-50.00	
g	Transfer to PRMA Reserve Fund	-43.86	0.00	
h	Interim Dividend	-301.99	-167.77	
i	Tax on Interim Dividend	-61.83	-28.51	
j	Proposed Final Dividend	-167.77	-301.99	
k	Tax on Proposed Final Dividend	-35.11	-51.32	
l	Transfer of carrying amount of fixed assets whose useful life served before 01-04-2014 to general reserve	-44.92	0.00	
m	Surplus carried to Balance Sheet	11,348.57	10,621.18	
39	Details of Contingency Provisions	As at 01.04.2014	Additions	Withdrawal
a	Interest on disputed tax deducted at source	16.60	0.00	0.00
b	Power Tariff adjustment - Deemed export benefit	20.46	2.33	0.00
c	Tamil Nadu Construction Worker Welfare Board Cess	0.00	0.97	0.00
	Total	37.06	3.30	0.00
40	Details of Other Provisions	As at 01.04.2014	Additions	Withdrawal
a	Provision for Asset Under development	37.73	0.29	4.69
b	Provision for loss on Assets	1.29	0.00	0.00
c	Provision for Stores and Material	5.78	0.37	2.36
d	Provision for Loans and Advances	2.67	0.04	0.46
e	Provision for Sundry Debtors	2.08	0.03	0.46
	Total	49.55	0.73	7.97



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)																																														
41	<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> <table border="1"> <tr> <td rowspan="9"> Shri. B. Surender Mohan Chairman-cum-Managing Director </td><td colspan="2">Directors</td></tr> <tr> <td>Shri. Sarat Kumar Acharya</td><td>Shri. P. Annadurai</td></tr> <tr> <td>Shri. Rakesh Kumar</td><td>Shri. Manoj Kumar Sharma</td></tr> <tr> <td>Shri. Rajagopal</td><td>Shri. A.K. Bhalla</td></tr> <tr> <td>Shri. Subir Das</td><td>Shri. R.S. Alagappan</td></tr> <tr> <td>Shri. M.S. Ravindranath</td><td>Shri. Sanjay Agarwal</td></tr> <tr> <td>Shri S. Boopathy</td><td>Shri. Sanjay Prasad</td></tr> <tr> <td>Dr. A.K. Dubey</td><td>Shri. Kamran Rizvi</td></tr> <tr> <td>Shri C.V Sankar</td><td></td></tr> <tr> <td colspan="2">Chief Executive Officers</td><td>Chief Financial Officers</td></tr> <tr> <td colspan="2">Shri. I. Susai Arul Raj</td><td>Shri. Rakesh Kumar</td></tr> <tr> <td colspan="2">Shri. K. Chandran</td><td>Shri. V. Udayasankar</td></tr> <tr> <td colspan="2">Shri. C. Ramachandran</td><td>Shri. V.N. Babu</td></tr> <tr> <td colspan="2"></td><td>Shri. Mukesh Agrawal</td></tr> <tr> <td colspan="2"></td><td>Company Secretaries</td></tr> <tr> <td colspan="2"></td><td>Shri. K. Viswanath</td></tr> <tr> <td colspan="2"></td><td>Shri. R. Jayasathy</td></tr> <tr> <td colspan="2"></td><td>Shri. R. Udhayashankar</td></tr> </table> <p>(ii) Transactions during the year with related parties:</p> <p>1. Remuneration to Key Managerial Person Listed above listed in (a) above: ₹ 3.31 crore</p>	Shri. B. Surender Mohan Chairman-cum-Managing Director	Directors		Shri. Sarat Kumar Acharya	Shri. P. Annadurai	Shri. Rakesh Kumar	Shri. Manoj Kumar Sharma	Shri. Rajagopal	Shri. A.K. Bhalla	Shri. Subir Das	Shri. R.S. Alagappan	Shri. M.S. Ravindranath	Shri. Sanjay Agarwal	Shri S. Boopathy	Shri. Sanjay Prasad	Dr. A.K. Dubey	Shri. Kamran Rizvi	Shri C.V Sankar		Chief Executive Officers		Chief Financial Officers	Shri. I. Susai Arul Raj		Shri. Rakesh Kumar	Shri. K. Chandran		Shri. V. Udayasankar	Shri. C. Ramachandran		Shri. V.N. Babu			Shri. Mukesh Agrawal			Company Secretaries			Shri. K. Viswanath			Shri. R. Jayasathy			Shri. R. Udhayashankar	
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		Shri. R. Jayasathy																																														
		Shri. R. Udhayashankar																																														
42	<p>Disclosure in accordance with the Accounting Standard-24 towards discontinued operations:</p> <p>(a) Discontinuing operation : Thermal Power Station-I</p> <p>(b) Business Segment : Power</p> <p>(c) Date and nature of initial disclosure of event : On 3rd June 2014, it was communicated that TPS-I will be retired on commissioning of Neyveli New Thermal Power Project.</p> <p>(d) Date of discontinuation : Likely from October 2017 to April 2018</p> <table> <tr> <th></th><th>For the year ended 31.03.2015</th><th>For the year ended 31.03.2014</th></tr> <tr> <td>(e) Total Assets as on</td><td>842.96</td><td>543.06</td></tr> <tr> <td>(f) Total Liabilities as on</td><td>60.99</td><td>79.60</td></tr> <tr> <td>(g) Revenue for the year ended</td><td>1,711.90</td><td>1,365.25</td></tr> <tr> <td>(h) Expenses for the year ended</td><td>1,711.49</td><td>1,218.18</td></tr> <tr> <td>(i) Profit Before Tax</td><td>0.41</td><td>147.06</td></tr> <tr> <td>(j) Net Cashflow attributable to :</td><td></td><td></td></tr> <tr> <td>Operating activities</td><td>0.36</td><td>5.12</td></tr> <tr> <td>Investing activities</td><td>(3.39)</td><td>(3.82)</td></tr> <tr> <td>Financing activities</td><td>3.01</td><td>(1.28)</td></tr> </table>		For the year ended 31.03.2015	For the year ended 31.03.2014	(e) Total Assets as on	842.96	543.06	(f) Total Liabilities as on	60.99	79.60	(g) Revenue for the year ended	1,711.90	1,365.25	(h) Expenses for the year ended	1,711.49	1,218.18	(i) Profit Before Tax	0.41	147.06	(j) Net Cashflow attributable to :			Operating activities	0.36	5.12	Investing activities	(3.39)	(3.82)	Financing activities	3.01	(1.28)																	
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Financing activities	3.01	(1.28)																																														



Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)									
43	<p>(k) New higher capacity of Neyveli New Thermal Power Project of 1000 MW under implementation would be commissioned as replacement to TPS-I.</p> <p>(l) Salaries and wages are included in the expenses in order to arrive the operating profit before tax</p> <p>(m) Total assets includes net current assets</p> <p>Disclosure in respect of the interests in Joint Venture as per Accounting standard -27 is furnished as under:</p> <p>a. Company Name : M/s. MNH Shakti Limited</p> <p>b. Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.</p> <p style="text-align: right;">For the year ended 31.03.2015</p> <p style="text-align: right;">For the year ended 31.03.2014</p> <p>c. Joint Venture/Interest :</p> <table> <tr> <td>i. M/s. Mahanadi Coalfields Limited</td><td>70%</td><td>70%</td></tr> <tr> <td>ii. M/s. Neyveli Lignite Corporation Limited</td><td>15%</td><td>15%</td></tr> <tr> <td>iii. M/s. Hindalco Industries Limited</td><td>15%</td><td>15%</td></tr> </table>	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%	
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%									
44	Figures of the previous year have been re-grouped wherever necessary.										



Notes to the Financial Statement

Sl. No.	Particulars								(₹ in crore)
45	Segment-wise Result for the year 2014-15								
		Lignite Mining		Power Generation		Inter-segment adjustment		Total	
		For the year ended		For the year ended		For the year ended		For the year ended	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	REVENUE								
	External Sales	493.22	585.95	5594.46	5381.28			6087.68	5967.23
	Inter-segment sales	4182.08	3790.89	335.04	310.97	4517.12	4101.86		
	Total Revenue	4675.30	4376.84	5929.50	5692.25	4517.12	4101.86	6087.68	5967.23
	RESULT								
	Segment Result	1240.54	986.72	578.49	608.99			1819.03	1595.71
	Other Income							56.37	390.54
	Unallocated Corporate expenses							297.93	141.24
	Operating Profit							1577.47	1845.01
	Interest Expense							156.06	181.58
	Interest Income							648.88	591.73
	Exceptional Items							345.57	-72.97
	Income Taxes							803.65	707.25
	Profit from Ordinary activities							1612.21	1474.94
	Prior period / Income / Expenditure (Net)							-32.53	26.94
	Net Profit							1579.68	1501.88
	OTHER INFORMATION	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
	Segment Assets	5192.06	4934.14	5157.08	5257.24			10349.14	10191.37
	Unallocated Corporate assets (Including Capital Work-in Progress)							15403.23	14518.70
	Total Assets							25752.37	24710.07
	Segment Liabilities	1017.60	1026.72	475.14	572.88			1492.74	1599.60
	Unallocated Corporate Liabilities							9021.22	9047.00
	Total Liabilities							10513.96	10646.60
	Capital Expenditure	313.09	215.30	-63.06	-155.57			250.03	59.73
	Depreciation	195.36	283.96	175.95	218.20			371.31	502.16
	Non-cash expenses other than depreciation	0.00	1.53	2.73	20.52			2.73	22.05
<p>Note: 1. Since the business operation is within India the secondary disclosure does not arise.</p> <p>2. The inter-segment transfers are priced on cost plus profit basis.</p> <p>3. Allocation of</p> <ul style="list-style-type: none"> i. Storage charges on the basis of material consumption. ii. Common charges and social overhead on the basis of salaries & wages and iii. 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, 2015

(₹ in crore)




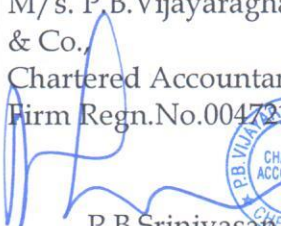

Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Expenses:												
Consumption of Materials												
Stores & Spares	8.76	10.81	0.00	0.01	2.30	2.43	0.03	0.15	0.01	0.00	11.10	13.40
Power (A)	57.05	38.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57.05	38.69
Employees' Remuneration and Benefits:												
Salaries, Wages, Bonus and Incentives	88.15	84.95	2.69	2.36	23.58	22.73	12.88	11.80	2.17	2.07	129.47	123.91
Contribution to Provident and other Funds	12.65	11.89	0.41	0.37	3.49	3.26	1.09	1.04	0.36	0.32	18.00	16.88
Gratuity	2.58	2.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.58	2.10
Welfare expenses	6.69	5.71	0.02	0.07	0.21	0.34	0.16	0.23	0.02	0.03	7.10	6.38
Rent, Rates & Taxes	0.66	0.54	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.67	0.54
Repairs & Maintenance:												
Buildings	3.53	5.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.53	5.10
Others	23.43	22.46	0.02	0.00	0.71	0.14	0.08	0.06	0.00	0.00	24.24	22.66
Depreciation	9.09	5.65	0.02	0.01	0.44	0.33	0.02	0.01	0.00	0.00	9.57	6.00
Travelling Expenses	0.07	0.13	0.00	0.00	0.00	0.00	0.01	0.02	0.01	0.01	0.09	0.16
Miscellaneous	12.11	10.08	0.05	0.02	0.17	0.22	0.53	0.43	0.09	0.13	12.95	10.88
Total	224.77	198.11	3.21	2.84	30.91	29.45	14.80	13.74	2.66	2.56	276.35	246.70
Receipts:												
Recoveries:												
Rent	12.66	10.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.66	10.45
Electricity Charges	14.46	15.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.46	15.34
Water Charges	0.42	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.39
Grant-in-aid	0.00	0.00	0.00	0.00	0.00	0.00	5.90	7.15	0.00	0.00	5.90	7.15
Bus Receipts	0.00	0.00	0.00	0.00	2.48	1.93	0.00	0.00	0.00	0.00	2.48	1.93
Misc. Receipts	1.80	1.84	0.05	0.03	0.00	0.00	0.00	0.02	0.00	0.00	1.85	1.89
Total	29.34	28.02	0.05	0.03	2.48	1.93	5.90	7.17	0.00	0.00	37.77	37.15
Net Expenditure	195.43	170.09	3.16	2.81	28.43	27.52	8.90	6.57	2.66	2.56	238.58	209.55

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 2015 (Standalone)	
3	Type of Audit observation	Matter of Emphasis	
4	Frequency of observation	<p>(a) Note no 11 c - Second Time</p> <p>(b) Note no 23(b)(v)(b) - First time</p> <p>(c) Note no 25 e - First Time</p> <p>(d) Note no 23(a)(ii) - Second Time</p> <p>(e) Note no 25 d - First Time</p> <p>(f) Note no 37 - Second Time</p> <p>(g) Absence of Independent director in CSR Committee - First Time</p> <p>(h) Non appointment of Woman Director in Board - First Time</p>	
5	Signed by -		
	Chairman -cum - Managing Director DIN. 02133243		
	CFO/ Director (Finance) DIN. 02865335		
	Auditors of the Company	M/s. Sreedhar, Suresh & Rajagopalan Chartered Accountants Firm Regn.No.003957S  K. Sreedhar Partner M.No :024314	M/s. P.B. Vijayaraghavan & Co., Chartered Accountants Firm Regn.No.004721S  P.B. Srinivasan Partner M.No :203774
	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 2015 (Consolidated)	
3	Type of Audit observation	Matter of Emphasis	
4	Frequency of observation	<p>(a) Note no 11 c - Second Time</p> <p>(b) Note no 22(b)(v)(b) - First time</p> <p>(c) Note no 24 e - First Time</p> <p>(d) Note no 22(a)(ii) - Second Time</p> <p>(e) Note no 24 d - First Time</p> <p>(f) Note no 36 - Second Time</p> <p>(g) Absence of Independent director in CSR Committee - First Time</p> <p>(h) Non appointment of Woman Director in Board - First Time</p>	
5	Signed by -		
	Chairman -cum - Managing Director DIN . 02133243		
	CFO/ Director (Finance) DIN . 02865335		
	Auditors of the Company	M/s. Sreedhar, Suresh & Rajagopalan Chartered Accountants Firm Regn.No.003957S  K.Sreedhar Partner M.No :024314	M/s. P.B.Vijayaraghavan & Co., Chartered Accountants Firm Regn.No.004721S  P.B.Srinivasan Partner M.No :203774
	Audit Committee Chairman		

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

M/s. P.B.VIJAYARAGHAVAN & Co.,
Chartered Accountants,
14/27, Cathedral garden Road,
Nungambakkam,
Chennai - 600 034

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

M/s. Neyveli Lignite Corporation Limited,

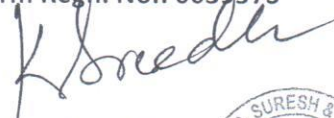
1. We have examined the compliance of conditions of Corporate Governance by Neyveli Lignite Corporation Limited for the year ended 31st March 2015 as stipulated in Clause - 49 of the Listing Agreement of the said Company with the Stock Exchange(s) and Guidelines on Corporate Governance for Central Public 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 and Guidelines. 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 except for the following:
 - a. *As per the requirements of Clause 49 of the Listing Agreement and DPE Guidelines, the Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with not less than 50% of the Board of Directors comprising of Non-Executive Directors. However, this has not been complied with.*
 - b. *As per the requirements of Clause 49 of the Listing Agreement and DPE Guidelines, where the Chairman of the Board is an Executive Director, atleast half of the Board should comprise of Independent Directors. However, this has not been complied with.*



- c. As per the requirements of Clause 49 of the Listing Agreement and DPE Guidelines, two-third of the members of audit committee shall be independent directors. However, this has not been complied with from 24th September 2014.
- d. As per the requirements of Clause 49 of the Listing Agreement and DPE Guidelines, the Chairman of the Audit Committee shall be an independent director. However, this has not been complied with from 24th September 2014.
- e. As per the requirements of Clause 49 of the Listing Agreement and DPE Guidelines, the Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries. However, he has not attended the last AGM held on 24th September 2014.
- f. As per the requirements of Clause 49 of the Listing Agreement and DPE Guidelines, the Nomination and Remuneration Committee should comprises of three or more non-executive directors out of which not less than one-half shall be independent directors and DPE guidelines requires the abovesaid Committee to be headed by an Independent Director. However, this has not been complied with from 24th September 2014.
- g. In the absence of Independent Directors on the Board, the related provisions of Listing Agreement on the following was not complied with.
- i. Separate meetings and performance evaluation of Independent Directors
 - ii. Quorum for the Audit Committee Meetings held after 23rd Sep.2014.

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.

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



K.Sreedhar
Partner
M.No.024314



M/s. P.B.VIJAYARAGHAVAN & Co
Chartered Accountants
Firm Regn. No.: 004721S



P.B.Srinivasan
Partner
M.No.203774



Place: Chennai
Date: 29.05.2015.



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 : 2014-15
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, Bengaluru, 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 (2014-15)
2. Total Turnover : ₹ 6,087.68 crore (2014-15)
3. Total PAT : ₹ 1,579.68 crore (2014-15)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of PAT :
 In the previous three financial years, the Company's CSR was in line with the guidelines issued by the Department of Public Enterprise (DPE), Government of India. During the said period, the Company has spent about 1.2 per cent of PAT on CSR activities.

 From the year 2014-15, the Company has adopted a Policy as per the provisions of Section 135 of the Companies Act 2013, the Companies (CSR Policy) Rules 2014 and also the supplemental Guidelines issued by the DPE. In the year 2014-15, the Company has spent 2.28% percent of the average net profits for the last three years on CSR activities.
5. List of activities in which expenditure in 4 above has been incurred:

A. Health Care, Family Welfare and Sanitation	G. Heritage, Arts, Culture and Sports
B. Providing Drinking Water Supply Facilities	H. Relief / Rehabilitation of areas Affected by Disasters
C. Providing Education including Special Education, Scholarships, Construction of educational infrastructure like Schools/ Libraries / Laboratories	I. Research / Technology Incubation Projects
D. Skill Development	J. Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development
E. Women Empowerment / Gender Equality	K. Providing Link Roads/ Access for Rural Development
F. Animal Welfare	L. Other Community Assets for Rural Development

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 region, 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 : Rakesh Kumar
- Designation : Director (Finance)

- b. Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	R. Arul
3.	Designation	DGM – 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?	www.nlcindia.com								
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 policy/rules relating to ethics, bribery and corruption cover the company and also extended to the Group/Joint Ventures/Suppliers/Contractors/NGOs. The Code of Conduct has been prescribed by the Company as well as by its subsidiaries applicable for Senior Management Personnel and Board level Executives. The Company and its subsidiaries are also governed by the guidelines issued by CVC, Government of India and provisions as per applicable Acts.

In addition, the Company has signed a Memorandum of Understanding with Transparency International India for implementation of Integrity Pact Programme.

The Integrity Pact has been signed with 133 numbers of the successful Vendors/Contractors up to the month of February 2015 for the Tenders which are more than one crore in value.

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

During the year 2014-15, Vigilance Department of the Company received 531 complaints in addition to 70 pending complaints of previous year (Totally 601 complaints) Out of that 593 complaints (98.66%) have been disposed off. Out of 593 complaints disposed, 90 complaints were Anonymous/Pseudonymous, 281 complaints have been sent for Administrative action to the respective units and investigation was done for 222 Nos. of complaints by Vigilance Department and disposed off.

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	2013-14	2014-15	% change
Energy	Kwh/T of Lignite	Mines	34.23	33.66	- 1.66

Resources consumption in Power Generation

Consumption per unit of production	Unit	Thermal Unit	2013-14	2014-15	% change
Lignite	Kg/Kwh (gross generation)	TPS	1.15	1.14	-0.87

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 ensures energy conservation. As per the procurement process, materials are procured from the ISO certified vendors, which ensure quality products.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
The Company takes following key measures for the development of the small scale industries and communities surrounding their place of work and improve their capabilities:
- Workmen in and around Neyveli are engaged for service sector.
 - Cleaning Products such as soaps etc. are procured from local societies run by Project Affected persons (Land displaced).
 - All repair to the office chairs are carried out through Neyveli Health Promotion and Social Welfare Society which is patronised by the Company.
 - Complies with the Public Procurement Policy of the Government in procurement of goods from MSEs .
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.
The Company has taken up several projects for the reclamation of 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.
 - 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).
 - NLC's plastic recycling plant ensures 100% recycling of waste plastic collected at site.
 - 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 storm water of mines is treated and used for domestic consumption of the population in township and partly for industrial and agricultural purposes.
- vi. The waste concrete products are recycled and used for construction works.

The Company is exploring possibilities of recovering iron, sand and un-burnt carbon from the bottom slag of the power plant. The Company had proposed to erect a pilot plant for the above study and Erection work is in progress.

Principle 3 (P3)

1. Please indicate the Total number of employees.

Total number of employees as on March 31, 2015 is 16445.

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 manpower for their requirement.

3. Please indicate the Number of permanent women employees.

Total number of permanent women employees as on March 31, 2015 is 1,173.

4. Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities as on March 31, 2015 is 114.

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 employees 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 : 20%
- Permanent Women Employees : 0.6%
- Casual/Temporary/Contractual Employees : The workers employed by the Contractors are also considered for periodic training and during the last year 36% 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 marginalised 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 2014-15 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 environmental issues, for instance,
 - Reclamation of lands of mines and afforestation of reclaimed lands.
 - 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.
 - Training Programme on Sustainable Development for women.

Two training programme on Sustainable development for women were conducted during the year 2014-15 covering 51 women employees.

- Entering into green energy business.
- Maintaining green belt in Township area.
- Modern Sewage Treatment Plant of 30 Million Litres a day (MLD) capacity catering to the needs of Thermal Power Station-I, General Hospital and Township.
- Storm Water Treatment Plant of 60 Million Litres a day (MLD) capacity catering to the needs of Thermal Power Stations and Township domestic use.
- Utilisation of renewable energy by setting 10 MW Solar, 51 MW Wind Power Projects and 25 MW Solar Power Plant at Barsingsar, Rajasthan.
- Utilisation of bottom ash for the replacement of river sand.
- Retrieving coarse and fine aggregate from waste concrete blocks and utilisation in manufacturing of pre-cast products.
- Manufacturing of building units using retrieved clay burnt building elements.
- Reclamation of slag dump areas in Mine-II suitable for development of Green cover.
- Studies of Development of Rapid Greening of NLC Mine spoil slopes using Advanced Hydro seeding Techniques.

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 implementing the following projects which are related to CDM:

1. 51 Wind power project;
2. 10 MW Solar PV power Project at Neyveli and
3. 25 MW Solar PV power Project at Barsingsar, Rajasthan

Energy Efficiency

Thermal

In Neyveli Thermal Power Stations are following the norms set by Central Electricity Regulations and the actual consumption of lignite, oil and Auxiliary power are within the norms.

Mines

Energy conservation measures are carried out such as:

1. Use of capacitor banks to improve power factor.
2. Optimum utilisation of conveyors during loading.
3. Using energy efficient CFL, LED for lighting.
4. Variable voltage variable frequency controls with PLC is introduced in various machines and conveyors in Mines.

Solar power is used in library and industrial canteens.

Mine-I had bagged the National Energy conservation award for the year 2014 from the Ministry of Power/GOI.



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.

Other initiatives of the Company on clean technology are listed below:

1. Setting up of 25 MW Solar PV Power Project at Barsingsar, Rajasthan is under consideration.
2. Sequestration of CO₂ and production of Bio-fuel from flue gas from Thermal Power Station.

Details are published at 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 the waste generated by the Company were within the permissible limited given by CPCB/SPCB in the financial year 2014-2015. CARD is Monitoring AAQ at 13 locations.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the 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 2014-15.

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 a 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.

NLC has been carrying out CSR activities for the improvement of public good. Besides this, no specific advocacy/lobby is made in this regard.

Principle 8 (P8)

1. Does the Company have specified programme/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company follows a CSR policy for social welfare of the society. The Company has specific initiatives in pursuit of inclusive growth and equitable development. The Company has carried out several projects for the development of social infrastructure in the peripheral villages as well as communities at large. Also, the Company has established infrastructural facilities for educational institutes and hospitals in the peripheral villages.

In 2014-15, the Company focused on the following projects in pursuit of inclusive growth:

- Health Care, Family Welfare and Sanitation
- Providing Drinking Water Supply Facilities
- Providing Education including Special Education, Scholarships, Construction of educational infrastructure like Schools/ Libraries / Laboratories
- Skill Development
- Women Empowerment / Gender Equality
- Animal Welfare



- Heritage, Arts, Culture and Sports
- Relief / Rehabilitation of areas Affected by Disasters
- Research / Technology Incubation Projects
- Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development
- Providing Link Roads/ Access for Rural Development
- Other Community Assets for Rural Development

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

- Are the programme/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 Expert Agencies.

- Have you done any impact assessment of your initiative?

The Company has done impact assessment of various CSR activities. The Company has trained 7486 persons during 2014-15 through its CSR focused training programme. Through its health and sanitation programme, the Company has provided medical consultation in 86,921 cases and emergency treatment in 32574 cases to patients from peripheral areas.

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

- What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken.

The Company has spent ₹ 47.49 crore under various CSR programme in 2014-15, details of which are shown in below table.

CSR Expenditures in 2014-15 (₹ in crore)

CSR Focus area	Expenditure in 2014-15
Health Care, Family Welfare and Sanitation	6.73
Providing Drinking Water Supply Facilities	0.90
Providing Education including Special Education, Scholarships, Construction of educational infrastructure like Schools/Libraries/Laboratories	11.23
Skill Development	0.19
Women Empowerment/Gender Equality	0.09
Animal Welfare	0.04
Heritage, Arts, Culture and Sports	0.26
Relief/Rehabilitation of areas Affected by Disasters	4.05
Research Technology Incubation Projects	1.01
Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development	10.97
Providing Link Roads/Access for Rural Development	11.78
Other Community Assets for Rural Development	0.24
Total	47.49



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 31st March 2015.

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 the 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 2014-15.

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

Regular interactions through meetings, correspondences and Periodical Reconciliation Exercises are carried out with the customers regarding issues related to Power Sales & Accounts by the Commercial Department to maintain cordial relationship with the customers and for smooth dispute redressal. Other than this, no separate consumer survey or analysis of customer satisfaction trends is being carried out.

Besides, to promote sale of raw lignite, 'Raw Lignite Customer Meet' is held once in a year.

