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

CREATING WEALTH FOR WELLBEING

Lr.No.Secy/Regulation 34 of LODR/2017 Dt.30.09.2017

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

Dear sirs,

Sub: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(LODR).

***

As required under Regulation 34(1) of LODR, we enclose a copy the Annual Report of the Company for the year 2016-17 for your record.

Thanking you.

Yours faithfully
for NLC India Limited

30/09/17

Company Secretary

CHAIRMAN AND MANAGING DIRECTOR

Dr. Sarat Kumar Acharya

DIRECTORS

Shri. Suresh Kumar
Shri. Vikram Kapur
Shri. Rakesh Kumar
Shri. Subir Das
Shri. V. Thangapandian
Shri. P. Selvakumar
Shri. R. Vikraman
Shri. Chandra Prakash Singh
Shri. Azad Singh Toor
Shri. K. Madhavan Nair
Ms. Nalini Padmanabhan
Ms. Monika Arora

CHIEF FINANCIAL OFFICER

Shri. Rakesh Kumar

COMPANY SECRETARY

Shri. K. Viswanath

STATUTORY AUDITORS

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

M/s. Chandran & Raman,
Chartered Accountants,
Paragon No.2, Dr. Radhakrishnan Salai,
2nd Street, Mylapore,
Chennai - 600 004.

BRANCH AUDITOR

M/s. Bhandawat and Company
Chartered Accountants,
Khetan Bhavan, M.I. Road, Jaipur,
Rajasthan.

COST AUDITOR

M/s. Bandyopadhyaya Bhaumik & Co.,
Cost Accountants,
G-16, Banerjee Para, Kamdhari,
Garia, Kolkata,
West Bengal -700084. India.

SECRETARIAL AUDITOR

Shri. R. Balasubramaniam,
Practising Company Secretary,
Door No. 27, Flat No. A2,
J Block, Second Street,
Anna Nagar East,
Chennai - 600 102.

PRINCIPAL BANKERS

State Bank of India
Canara Bank
AXIS Bank
HDFC Bank
ICICI Bank

TRUSTEES TO THE NEYVELI BONDS 2009

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

REGISTERED OFFICE

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

DEPOSITORY REGISTRAR & SHARE TRANSFER AGENT

M/s. Integrated Registry Management Services Private Limited,
II Floor, 'Kences Towers',
No.1, Ramakrishna Street,
North Usman Road, T. Nagar,
Chennai - 600 017.

CONTENTS

Performance Highlights	11
Directors' Report	13
C&AG's Comments	72
Auditors' Report	73
Significant Accounting Policies	84
Balance Sheet	94
Profit & Loss Statement	95
Cash Flow Statement	96
Notes to the Financial Statements	98
Consolidated Financial Statements	142
Information on Subsidiary Companies	211
Business Responsibility Report	214
Social Overhead	224

DIRECTORS' PROFILE

Dr. SARAT KUMAR ACHARYA, Chairman and Managing Director (DIN 03357603)

Dr. Sarat Kumar Acharya, aged 59 years, holds an Honours Degree in Economics and Post Graduation in Personnel Management. Dr.S.K.Acharya carries with him rich and varied experience of over 35 years of working in BHEL, NTPC, NTPC-SAIL Power Company and NLCIL. Prior to assumption of charge as CMD, Shri. Acharya served NLCIL as Director (Human Resource) from 16.12.2010 to 30.09.2015. Prior to this, Dr.S.K.Acharya held the position of General Manager (HR) in National Thermal Power Corporation and Head (Corporate HR) in NTPC-Sail Power Company Limited.

Dr.S.K.Acharya hails from Odisha and had his studies in prestigious Institutions like Ravenshaw College and Utkal University. In his rich professional career, he had made significant contributions in improving people processes and practices in the companies he worked and through his innovative management initiatives, strategic and operational interventions he contributed to the enhancement of business results.

A recipient of many national and international awards, he has been conferred Doctorate by Satyabhama University, Tamil Nadu and D.Litt by Utkal University, Odisha.

Shri.SURESH KUMAR, Director (DIN 06440021)

Shri.Suresh Kumar, aged 58 years, is a Post Graduate in Economics from the University of Manchester, Post Graduate in Public Policy from TERI University, New Delhi and Post Graduate in Agriculture from IRAI, Delhi and holding Post Graduate Diploma in Forestry. Shri.Suresh Kumar a member of Indian Administrative Service, has held various important positions in Government of Jammu and Kashmir and also with Government of India. Shri.Suresh Kumar is presently serving as the Additional Secretary to Government of India, Ministry of Coal.

Shri.VIKRAM KAPUR, Director (DIN 00463564)

Shri.Vikram Kapur, aged 51 years, is a Honours graduate in Physics and has done Post Graduation in Public Policy and Management from the Indian Institute of Management, Bangalore and Maxwell School of Citizenship and Public Affairs, Syracuse University, New York. Shri.Vikram Kapur, a member of Indian Administrative Service, has held various important positions in Government of Tamilnadu and also with Government of India. Shri.Vikram Kapur is presently serving as the Principal Secretary to Government of Tamilnadu, Energy Department.

Shri. RAKESH KUMAR, Director (Finance) (DIN 02865335)

Shri. Rakesh Kumar, aged 54 years, is a Commerce Graduate with Master Degree in Business Administration in Finance. Shri. Rakesh Kumar assumed charge as Director (Finance) w.e.f. 23.05.2012 and prior to this, he was the Director (Finance) of Brahmaputra Cracker and Polymer Limited (BCPL) and had held various positions at GAIL (India) Limited.

Shri. Rakesh Kumar has rich and varied experience of three decades in the sectors of Oil & Natural Gas, Coal, Power, Renewable Energy and Regulatory affairs. He has made significant contribution in the areas of financial management, treasury and risk management, cost and budgetary control, internal financial control and corporate governance. In addition, in order to optimise cost and bring efficiency, he has been nominated by GoI as the convener of the Energy Sector Task Force. Shri. Rakesh Kumar is the recipient of many prestigious awards and has travelled extensively abroad.

Shri. SUBIR DAS, Director (Mines) (DIN 06988287)

Shri. Subir Das, aged 59 years, did his Graduation in Mining from Indian School of Mines, Dhanbad and holds first Class Mines Manager's 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 underground coal mining and was involved in various projects of the Subsidiaries of CIL and was also instrumental in many of its achievements.

Shri. V. THANGAPANDIAN, Director (Power) (DIN 07255163)

Shri. V. Thangapandian, 58 years, is a graduate in Mechanical Engineering started his career as an Executive Trainee with NTPC in the year 1981 and during the last three and half decades, he had held several key positions in various projects of NTPC. Shri. Thangapandian assumed charge as Director (Power) w.e.f. 01.09.2015 and prior to his joining, he held the position of Head of Project at NTPC-Mouda (Nagpur). Shri. Thangapandian has vast experience in the areas of Planning, Erection, Commissioning and Operation & Maintenance of power plants and was also instrumental in many of the achievements in NTPC.

Shri. P. SELVAKUMAR, Director (Planning & Projects) (DIN 07347130)

Shri. P. Selvakumar, aged 59 years, is a graduate in Mechanical Engineering and in Mining Engineering and also holds a post graduate degree in Thermal Power Engineering besides Master Degree in Business Administration in Finance. Shri.Selvakumar also holds the First Class Mines Manager's Certificate. Shri. P. Selvakumar had joined the Company in 1981 and has held various important positions in the Company, before assuming charge as Director (Planning & Projects) w.e.f. 01.01.2016.Prior to joining in the present post, he held the position of Chief General Manager(P&BD). Shri.P.Selvakumar successfully implemented the Barsingsar Lignite Mine Project in Rajasthan from concept to completion stage without any time or cost overrun and has vast experience in the fields of Mine planning, Mine operation, Projects planning and implementation and has visited various countries including Germany, Canada and United States to attend Technical Seminars and Industrial Exhibitions.

Shri. R. VIKRAMAN, Director (Human Resource) (DIN 07601778)

Shri.R.Vikraman, aged 55 years, is a Graduate in Mechanical Engineering and holds a Post Graduate Degree in Business Administration. Shri.R.Vikraman joined NLC as Graduate Engineer Trainee in the year 1986. Prior to assuming charge as Director (HR) w.e.f. 09.12.2016, he had held various important positions in the Company. Shri.R.Vikraman was involved in the successful construction, commissioning and operation of Thermal Power Station-II- Stage-II (4x210 MW) project without time and cost overrun. After switching over his line of service from Engineering to Management, he had been at the helm of affairs of Corporate HR Department for over ten years, bringing in a number of innovations. After the Corporate assignment, he took over as the Head of the HR Departments of NLC's Mine-II & Mine-II Expansion and Thermal Power Station-II, before becoming the "Group Head of HR" of all Thermal Units.

He has excelled in every challenging assignment entrusted and his significant contribution in HR include efficient crisis management, ensuring no production loss despite man-days loss, disciplining the units he served and ensuring smooth and cordial Industrial climate.

Shri. AZAD SINGH TOOR (Independent Director) (DIN 07358170)

Shri.Azad Singh Toor, aged 65 years, is a Graduate in Economics, Political Science and English. He was a member of Indian Foreign Service. Shri.Toor has served in various positions in Indian Missions abroad including the post of Ambassador. He has also held various assignments in the Ministry of External Affairs at the headquarters in New Delhi.

Shri. CHANDRA PRAKASH SINGH (Independent Director) (DIN 00594463)

Shri.Chandra Prakash Singh, aged 63 years, a Post Graduate in Political Science, was a Member of Indian Administrative Service and had held various positions in Government of Tamilnadu and also in Government of India.Shri.Chandra Prakash Singh retired as Additional Chief Secretary to Government of Tamilnadu.

Shri. K. MADHAVAN NAIR (Independent Director) (DIN 07366493)

Shri.K.Madhavan Nair, aged 64 years, a Post Graduate in Economics, joined Indian Revenue Service in 1975 after a stint in teaching and worked in the Income-tax Department and Enforcement Directorate. Functioned in the Investigation, Training and Field Assignments at various locations in India, Shri.K.Madhavan Nair retired as Member, Central Board of Direct Taxes in the year 2012 after holding the portfolios of Investigation and Legislation which involved the preparation of Direct Taxes part of the Union Budget. Shri.K.Madhavan Nair was also Vice-Chairman of the Committee on black money set up by the Finance Minister and later functioned as Income-tax Ombudsman at Kochi, Kerala State.

Ms. NALINI PADMANABHAN (Independent Director) (DIN 01565909)

Ms. Nalini Padmanabhan, aged 53 years, a Graduate in Commerce, a Fellow Member of Institute of Chartered Accountants of India (ICAI) and holds Post Qualification in Information System Audit of ICAI besides a Certified Information System Auditor of ISACA, Illinois, USA. Ms. Nalini Padmanabhan, who is in practice from the year 1985 and has rich professional experience spanning to 3 decades. She is a senior partner in B.Thiagarajan & Co., Chartered Accountants, Chennai, a firm having 13 partners and has been in practice for 4 decades. Ms.Nalini Padmanabhan specializes in system audit and business consultancy areas. Ms.Nalini Padmanabhan handles assignments in IT, Textiles, Jewellery, Educational Institutions, Engineering and Banking. She has served in State Bank of India, Chennai Local Board for a period of 3 years (2003 to 2006) as Director, appointed by Government of India. Ms.Nalini Padmanabhan serves as a Managing Committee Member of Madras Management Association a premier Management Association of repute. Ms.Nalini Padmanabhan is a founder Member of Prerana Helpline Foundation a NGO that caters for the need of people. Ms.Nalini Padmanabhan has contributed articles in various seminars and conferences in the topics related to finance. Ms.Nalini Padmanabhan has taken classes for Non-Finance Executives, CFO's and senior executives of corporates in the areas of business development, personality improvement. Ms.Nalini Padmanabhan is interested in social activities particularly in the areas of women's upliftment programmes.

Ms. MONIKA ARORA (Independent Director) (DIN 01065112)

Ms. Monika Arora, aged 43 years, did her Graduation & Post Graduation in Political Science from University of Delhi, besides holding M.Phil., in Political Science. Ms. Monika Arora also hold a Degree in Law and presently practising as an Advocate in Hon'ble Supreme Court of India and Delhi High Court. She has represented various Ministries of Government of India in various matters and presently, nominated as the Standing Counsel, Union of India (in Delhi High Court). Ms. Monika Arora is a recipient of many awards and scholarships for her contribution in the field of education.

Chief Vigilance Officer

T. Venkata Subramanian

Executive Directors

N. Muthu
Executive Director(HR)

Syed Abdul Fateh Khalid
Executive Director(Mines)

S. Thirunavukkarasu
Executive Director(CP&PM)

V. Renganathan
Executive Director (SME&Conv./Mines)

D. Ravindran
Executive Director(PP&MG)

M. Maheswaran
Executive Director(Corporate Liaison)

V. Chandrasekaran
Executive Director (Finance)

Chief General Managers

V. Shanmuganathan
CGM(IE&Contracts)

N. Sankar
CGM/HR(ERP)

M. Rajasekaran
CGM(Mining)

K. Chandran
CGM(Monitoring)

Chief General Managers

Dr. T. Kannadasan
CGM(GEO&SPCP)

Kaushal Kishore Anand
CEO(NUPPL)

Aravind Kumar
CGM(Mining)

Nadella Naga Maheswara Rao
CPO(Barsingsar)

K. Mohan Reddy
CGM(Safety Monitoring&ISO)

R. Mohan
CGM/HR(CSR,Edn., Sports&Cul.)

S. Mathivanan
CGM(Finance)

Dr. P. Ravi
CGS(Medical)

A. Ganesan
CGM(Fin.&Comml.)

N. Sadish Babu
CGM/HR(Mines,Serv.,L&DC)

C. Thiyagaraju
CGM/HR(IR)

Hemant Kumar
CGM(Mining)

Chief General Managers

K. Subramanian
CGM(Electrical)

O.S. Swaminathan
CGM(Vigilance)

D. Venkatasubbaiah
CGM(Electrical)

N. Sabapathi
CGM(Electrical)

A. Surya Narayana
CGM(Thermal)

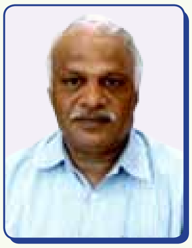
M.V. Varadharajan
CGM(PSE)

M. Raghavan
CGM(GWC&BHD)

P.A. Senthil Kumar
CGM(Safety&PBD)

M. Karthikeyan
CGM(Civil)

N. Raguraman
CGM(Civil)



M. Prabhagar
CEO(NTPL)

PHYSICAL AND FINANCIAL CHARTS

YEAR 2016-17 AT A GLANCE

PHYSICAL

Lignite production 276.17 LT

Power Generation (gross) 21033.10 MU

Power Export 17719.46 MU

FINANCIAL

₹ in crore

Sales 8672.84

Profit Before Tax 3027.56

Profit After Tax 2368.81

Dividend 73.40%

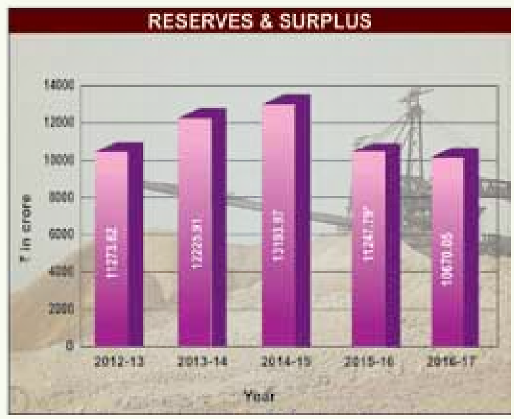
Reserves & Surplus 10670.05

Net Worth 12046.65

Value Added Per Employee (₹) 4372132

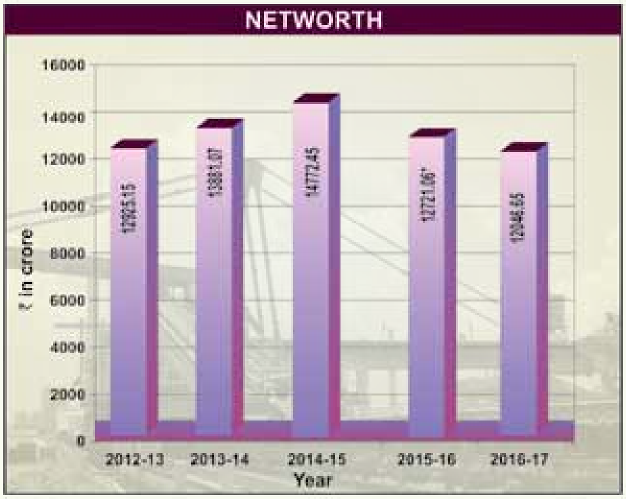
Book Value (₹) 78.81

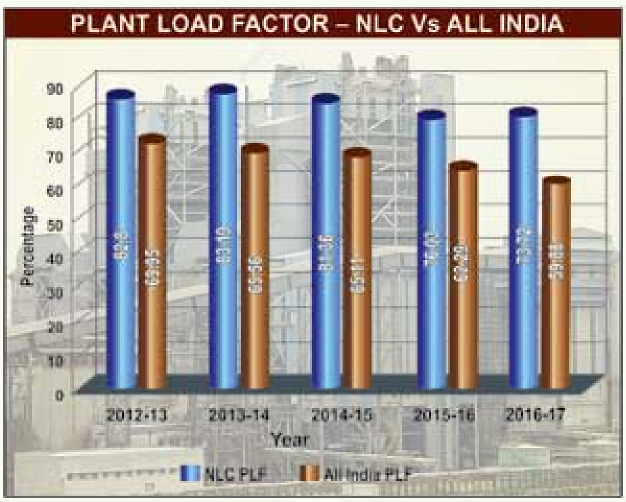
Earning Per Share (₹) 14.14

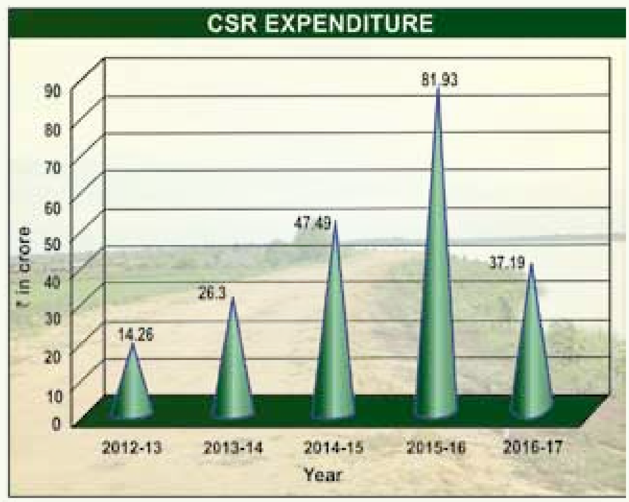


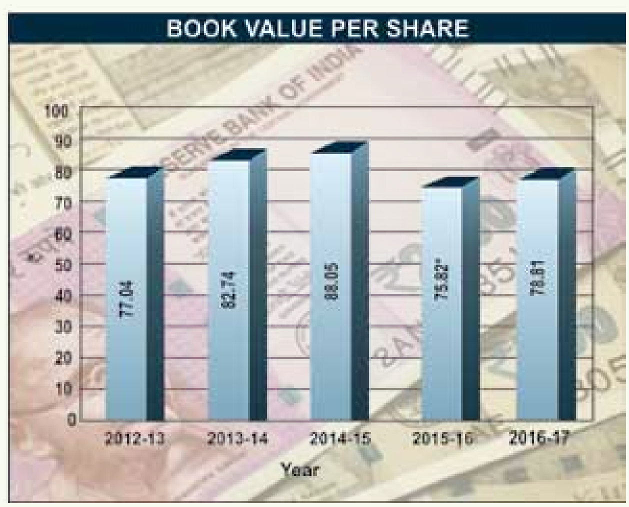
*2015-16 Financial figures are Re-stated as per Ind AS

PHYSICAL AND FINANCIAL CHARTS









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

10 Years Performance at a glance - Financial

(₹in crore)

	2016-17	2015-16 (Restated)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
INCOME STATEMENT											
Sales	**8672.84**	6652.05	6669.05	6087.68	5967.23	5590.07	4866.85	4295.95	4121.02	3354.91	2981.65
Other Income	**674.41**	525.15	525.15	709.29	1024.76	582.95	748.36	571.69	569.22	720.79	611.45
TOTAL INCOME	**9347.25**	7177.20	7194.20	6796.97	6991.99	6173.02	5615.21	4867.64	4690.24	4075.70	3593.10
Operating Expenses	**5287.63**	4462.90	4452.35	4162.53	4011.03	3581.01	3129.75	2674.47	2801.08	2589.33	1705.86
Earning Before Int., Deprn.& Tax	**4059.62**	2714.30	2741.85	2634.44	2980.96	2592.01	2485.46	2193.17	1889.16	1486.37	1887.24
Depreciation	**682.91**	641.49	599.23	440.62	517.28	512.31	430.18	412.87	253.89	424.50	454.49
Interest	**169.06**	188.36	188.36	156.06	181.58	193.39	149.54	112.77	33.58	8.15	8.80
Profit for the Year	**3207.65**	1884.45	1954.26	2037.76	2282.10	1886.31	1905.74	1667.53	1601.69	1053.72	1423.95
Prior Period Adjustments(Net)	**0.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.17	-7.71	-2.66
Exceptional Items	**-180.08**	-28.38	-28.38	345.57	-72.97	161.34	78.15	17.02	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	0.00	0.00
Profit before Tax	**3027.56**	1856.07	1925.88	2383.33	2209.13	2047.65	1983.89	1684.55	1604.86	1046.01	1421.29
Provision for Tax	**-214.81**	721.73	721.73	803.65	707.25	587.90	572.56	386.22	357.40	224.92	319.72
Net Movement in Regulatory Deferral Account Balances	**-873.56**	-906.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the period	**2368.81**	228.00	1204.15	1579.68	1501.88	1459.75	1411.33	1298.33	1247.46	821.09	1101.57
Other Comprehensive Income	**-26.61**	12.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income	**2342.20**	240.62	1204.15	1579.68	1501.88	1459.75	1411.33	1298.33	1247.46	821.09	1101.57
Dividend	**1121.97**	503.32	503.32	469.76	469.76	469.76	469.76	385.87	335.54	335.54	335.54
Dividend - tax	**228.42**	101.50	101.50	96.94	79.83	78.55	76.21	62.60	56.37	57.03	57.02
BALANCE SHEET											
Equity Capital	**1528.57**	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71
Reserves & Surplus	**10670.05**	11247.79	13797.28	13193.97	12225.91	11273.62	10362.18	9496.82	8646.96	7791.52	7362.57
Free Reserve	**9934.79**	10678.02	13233.78	12686.63	11799.24	10929.02	10048.29	9216.01	8396.40	7568.35	7175.07
Networth	**12046.65**	12721.06	15270.55	14772.45	13881.07	12925.15	11989.57	11121.40	10225.60	9412.78	9008.79
Loans Outstanding	**6828.34**	3539.98	3539.98	3164.34	3150.29	3524.14	3819.28	4004.04	4077.36	4057.70	2790.68
Net Fixed Assets	**9625.03**	9654.23	9654.23	6425.66	6470.62	6635.36	8253.75	6795.82	5238.80	4502.96	3743.67
Investments	**2421.37**	1949.12	1949.12	1934.06	1616.89	1432.40	1197.05	964.75	1044.94	811.37	826.22
Net Current Assets	**2876.15**	3850.86	6400.30	5907.94	5928.74	6055.31	5558.55	5268.07	4681.17	4705.51	4049.71
Capital Employed	**12501.17**	13505.04	16054.53	12333.60	12399.36	12690.67	13812.30	12063.89	9919.97	9208.47	7793.38
RATIOS											
Operating Margin(OPM)(%)	**39.03**	32.91	33.24	31.62	32.78	35.94	35.69	37.74	32.03	22.82	42.79
Return on Capital Employed (ROCE)(%)	**18.95**	1.69	7.50	12.81	12.11	11.50	10.22	10.76	12.58	8.92	14.13
Return on Networth (RONW)(%)	**19.66**	1.79	7.89	10.69	10.82	11.29	11.77	11.67	12.20	8.72	12.23
Debt Equity (%)	**56.68**	27.83	23.18	21.42	22.69	27.27	31.86	36.00	39.87	43.11	30.98
Current Ratio	**1.41**	1.70	3.19	3.55	3.44	3.78	3.17	3.04	2.56	2.65	3.21
Quick Ratio	**1.15**	1.47	2.75	3.16	3.16	3.46	2.97	2.85	2.39	2.46	2.96
Value added per employee (in ₹)	**4372132**	3325408	3336130	2960648	2842095	2642505	2204260	1934346	1844515	1218369	1276836
BOOK VALUE PER SHARE (in ₹)	**78.81**	75.82	91.02	88.05	82.74	77.04	71.46	66.29	60.95	56.10	53.70
EARNING PER SHARE (in ₹) after adjustment of net regulatory deferral balances	**14.14**	1.36	7.18	9.42	8.95	8.70	8.41	7.74	7.44	4.89	6.01
DIVIDEND (%)	**73.40**	30.00	30.00	28.00	28.00	28.00	28.00	23.00	20.00	20.00	20.00

10 Years Performance at a glance - Physical

PARTICULARS	UNIT		2016-2017	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
PRODUCTION												
Lignite												
Mine-I	LT		**94.01**	91.01	90.55	90.03	79.60	77.34	83.05	91.59	90.40	87.82
Mine-IA	LT		**27.80**	28.17	29.15	30.01	29.40	28.77	27.19	27.11	30.56	33.27
Mine-II	LT		**140.23**	123.09	132.21	130.52	139.44	130.96	117.11	104.43	91.09	94.37
Barsingsar Mine	LT		**14.13**	12.24	13.52	15.53	13.79	8.83	4.09	0.25	1.02	0.40
TOTAL	LT		**276.17**	**254.51**	**265.43**	**266.09**	**262.23**	**245.90**	**231.44**	**223.38**	**213.07**	**215.86**
Power												
T.P.S.I	- Gross	MU	**3696.70**	3160.98	3631.05	4058.14	4035.43	3987.85	3878.65	4114.44	3577.49	3671.54
	- Net	MU	**3256.99**	2776.89	3192.95	3594.55	3569.44	3510.55	3400.54	3630.13	3141.03	3235.03
T.P.S.I EXPN	- Gross	MU	**3337.33**	3268.16	3385.03	3292.10	3319.77	3042.68	2997.04	2979.43	3126.05	3267.66
	- Net	MU	**3055.32**	3000.07	3107.27	3013.59	3035.58	2809.97	2743.44	2720.12	2858.42	2994.06
T.P.S.II	- Gross	MU	**11052.17**	10583.15	11131.33	11179.16	11238.09	11087.65	10739.78	10559.69	9064.44	10517.69
	- Net	MU	**9988.05**	9546.47	10063.06	10104.37	10152.16	10018.96	9701.51	9549.99	8172.14	9486.88
Barsingsar Thermal	- Gross	MU	**1463.49**	1285.57	1380.71	1438.24	1280.85	617.68	265.61	2.48	0.00	0.00
	- Net	MU	**1275.20**	1106.09	1255.79	1256.96	1118.40	514.29	193.45	2.48	0.00	0.00
T.P.S.II EXPN	- Gross	MU	**1375.25**	851.46	199.57	21.01	28.20	53.58	0.00	0.00	0.00	0.00
	- Net	MU	**1130.16**	660.77	125.38	14.00	19.81	39.34	0.00	0.00	0.00	0.00
Wind Power	- Gross	MU	**91.28**	24.02	1.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Net	MU	**88.11**	23.72	1.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Solar Power	- Gross	MU	**16.88**	8.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Net	MU	**16.88**	8.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**- Gross**	**MU**	21033.10	**19182.21**	**19729.13**	**19988.65**	**19902.34**	**18789.44**	**17881.08**	**17656.04**	**15767.98**	**17456.89**
	- Net	**MU**	18810.71	**17122.88**	**17745.89**	**17983.47**	**17895.39**	**16893.11**	**16038.94**	**15902.72**	**14171.59**	**15715.97**
SALES												
Lignite	**LT**		**13.26**	17.16	25.48	32.54	27.56	27.18	21.68	21.69	21.35	22.94
Power	**MU**		**17719.46**	16104.02	16671.23	16956.40	16841.51	15810.67	14971.26	14828.22	13204.05	14775.84

LT - Lakh Tonnes MU - Million Units

DIRECTORS' REPORT FOR THE YEAR 2016-17

Your Board of Directors have pleasure to present the Directors' Report together with the Audited Accounts of the Company for the year ended 31st March 2017.

Highlights

The following are the achievements during the year 2016-17

Physical

- Total overburden removal from all Mines put together at 2058.14 LM^3 was the highest for any year since inception.
- Total Lignite production from all Mines put together at 276.17 LT was the highest for any year since inception.
- Total Power Generation from all Thermal Power Stations put together at 21033.10 MU was the highest for any year since inception.
- Total Export of Power from all Thermal Power Stations put together at 17719.46 MU was the highest for any year since inception.

Financial

- Total sales turnover of ₹8672.84 crore was the highest for any year since inception.
- Profit Before Tax (PBT) and the Profit After Tax (PAT) for the year 2016-17 of ₹3027.56 crore and ₹2368.81 crore respectively were the highest for any year since inception.
- Dividend paid for the year 2016-17 @ 73.40% (₹7.34 per equity share) was the highest for any year since inception.

Segment-wise Performance

Mines

Your Company is presently operating four lignite mines viz., three lignite mines at Neyveli, in the State of Tamil Nadu and one lignite mine at Barsingsar in the State of Rajasthan with an aggregate capacity of 30.60 MTPA. The detailed Mine-wise performance during the year 2016-17 as compared to the previous year were as under:

Over view of Mine-I

Mine	Overburden (OB) Removal (LM^3)		Lignite Production (LT)	
	2016-17	2015-16	**2016-17**	2015-16
Mine-I including Expansion (10.5 MTPA)	**647.29**	660.75	**94.01**	91.01
Mine-IA (3.0 MTPA)	**421.15**	246.46	**27.80**	28.17
Mine-II including Expansion (15.0 MTPA)	**919.47**	725.53	**140.23**	123.09
Barsingsar Mine (2.1 MTPA)	**70.23**	70.02	**14.13**	12.24
Total (30.6 MTPA)	**2058.14**	1702.76	**276.17**	254.51

The lower Overburden (OB) removal in Mine-I was attributable to re-arrangement of bench configuration of Mine-I and Mine-IA. Mine-II has achieved the highest ever OB removal which was attributable to additional contribution from outsourcing apart from departmental overburden removal.

Power


Over view of TPS-II Expansion

Your Company is presently operating Four Thermal Power Stations at Neyveli, Tamil Nadu and one Thermal Power Station at Barsingsar, Rajasthan. The total power generation during the financial year 2016-17, was the highest ever since inception registering a growth of 9.65% over the previous year 2015-16. During the year under review, both the units of TPS-II Expansion were under stabilisation after provisional take over from BHEL. As reported in the Directors' Report of the previous years, your Company has set its footprint in generation of renewable energy through its Wind Power Plant at Kazhuneerkulam, Tirunelveli District in the State of Tamil Nadu and Solar Power Plant at Neyveli. As on the date, all the 34 Wind Turbine Generators (WTGs) of 1.5 MW each have been commissioned and the overall Installed Power Generating Capacity of the Company has increased to 3301 MW.

The detailed performance of power plants during the year 2016-17 as compared to the previous year were as under:

Power Plant	Station PLF(%)	Power Generation (MU)		Power Export (MU)	
	2016-17	**2016-17**	2015-16	**2016-17**	2015-16
TPS-I (600 MW)	**70.33**	**3696.70**	3160.98	**2968.21**	2471.68
TPS-I Expansion (420 MW)	**90.71**	**3337.33**	3268.16	**3055.32**	3000.06
TPS-II (1470 MW)	**85.83**	**11052.17**	10583.15	**9189.79**	8836.81
TPS-II Expansion (500 MW)	**31.40**	**1375.25**	851.46	**1130.16**	660.78
Barsingsar TPS (250 MW)	**66.83**	**1463.49**	1285.57	**1271.24**	1102.68
Solar Power (10 MW)	**-**	**16.88**	8.87	**16.88**	8.87
Wind Power (45 MW)	**-**	**91.28**	24.02	**87.86**	23.14
Total	**73.73***	**21033.10**	19182.21	**17719.46**	16104.02

*Plant Load Factor excluding Solar and Wind Power

The average Plant Load Factor (PLF) of the Thermal Power Plants of the Company as a whole during the year 2016-17 was 73.73% against the National Average of 59.88%. Even though TPS-I crossed 55 years of operation, it has achieved PLF of 70.33%. The lower PLF of TPS-II Expansion when compared to the other stations of your Company was due to longer outage duration of the Units for carrying out certain refractory modification, lignite bunker and transfer conveyor modification works etc. Moreover, the Discoms during the year 2016-17 had surrendered 1307.25 MU and but for this the overall Power Generation could have been still higher. The issues relating to the performance of TPS-II Expn., and Barsingsar TPS are being addressed on a continuous basis and in fact the technical problems faced in the CFBC boilers in the Units of these plants have been resolved to a considerable extent. The Barsingsar Thermal Station had recorded the highest ever generation since inception and it is expected that both the Plants will be performing well.

With regard to Thermal Power Station-I (600 MW), while granting exemption from the purview of Perform, Achieve and Trade (PAT) Scheme, decommissioning or retirement of the Units of TPS I by 31st March, 2017 was stipulated as one of the conditions. As Members may be aware Neyveli New Thermal Power Project (NNTPP) with a capacity of 1000 MW is under implementation for replacing the above TPS-I. Considering the present status of implementation and the requirement of TANGEDCO for continuing the operation of TPS-I till the commissioning of NNTPP and further the closure of operations of TPS-I may also adversely affect the operations of captive Mines, the Company is pursuing with the Ministry of Coal (MoC) as well as the Ministry of Power (MoP) to permit continuing the operation of TPS-I till March 2019 by which time the Units of NNTPP will become fully operational on a sustained basis. MoC has recommended for rescheduling of the retirement of above Plant and to permit the operation till August 2018 and the issue is being pursued with MoP requesting for permission to operate the Units of TPS-I till March 2019 or atleast by July/August 2018 for the reasons stated above.

Productivity

The output per man shift achieved during the year 2016-17 as compared with the previous year is given below:

Product	Unit	**2016-17**	2015-16
Lignite	Tonne	**13.67**	13.08
Power	kWh	**24341**	22889

Financial Performance

Members may be aware that the Indian Accounting Standards (IND AS) was made mandatory for reporting of financials of the Company effective from the year 2016-17 and the audited financials for the said year has been prepared in compliance with the IND AS. As per the requirements, the financials of the previous year 2015-16 have been restated from the date of transition to IND AS i.e. 01.04.2015 .

During the year ended 31st March 2017, the Company had registered a total sales of ₹8672.84 crore as against ₹6652.05 crore (restated) during the year 2015-16, registering a growth of 30.38 %.

The Profit Before Tax (PBT) and the Profit After Tax (PAT) for the year 2016-17 were ₹3027.56 crore and ₹2368.81 crore as against the restated PBT and PAT of ₹1856.07 crore and ₹228.00 crore, respectively.

The details of Profit earned for the financial year 2016-17 and appropriation of the same are as follows:

₹in crore

Particulars	**2016-17**	2015-16
Profit Before Tax	**3027.56**	1856.07
Tax Provision	**(214.81)**	721.73
Net Movement in Regulatory Deferral Account	**(873.56)**	(906.34)
Profit(Loss) for the period (PAT)	**2368.81**	228.00
Appropriation:		
Transfer (to) / from Interest Differential Fund Reserve	**(11.12)**	(15.00)
Transfer to Bond Redemption Reserve	**(15.00)**	(15.00)
Transfer to PRMA Reserve Fund	**(6.84)**	(12.18)
Transfer to Contingency Reserve	**(10.00)**	(10.00)
Transfer to General Reserve	**-**	(120.00)
Transfer to Capital Redemption Reserve	**(149.14)**	-
Buy-back Premium	**(1327.36)**	-
Dividend (Interim & Final)	**(1121.97)**	(503.32)
Tax on Dividend	**(228.42)**	(101.50)

Dividend

During the year 2016-17, the Board of Directors of your Company had paid an Interim Dividend of 73.40% (₹7.34 per equity share) and the same has been treated as the Dividend for the year 2016-17. The Dividend of 73.40% (previous year 30%) was the highest ever dividend paid by the Company since inception and the total dividend outgo for the year 2016-17 including distribution tax works out to ₹1350.39 crore (previous year ₹604.82 crore), which is 57.01% of PAT for the year 2016-17.

Buyback of Equity shares

The Guidelines dated 27th May, 2016 of the Department of Investment & Public Asset Management (DIPAM) of Ministry of Finance, Government of India, had mandated the Central Public Sector Enterprises (CPSEs) to consider for restructuring of capital through buyback of shares.

In pursuance of the above guidelines and in terms of the provisions of the Companies Act, 2013 and SEBI Buyback Regulations, the Board of Directors of your Company had accorded approval for buyback of equity shares not exceeding 10% of the paid-up equity share capital and free reserves of the Company as on 31st March, 2016, on proportionate basis from the eligible shareholders by way of tender offer process through the Stock Exchange mechanism.

In accordance with the above approval 14,91,41,173 equity shares of the Company were bought back during March, 2017 at a price of ₹99 per share and post buy-back, the paid-up equity share capital of the Company has been reduced to ₹1528.57 crore from ₹1677.71 crore and the equity shareholding of the President of India is now 89.32% from the earlier holding of 90%.

MoU with the Ministry of Coal

Your Company had achieved "Very Good" rating for its performance during the year 2015-16 in terms of the Memorandum of Understanding (MoU) entered into with the Ministry of Coal as per DPE guidelines.

The details of achievements of MoU parameters for the year 2016-17 based on the audited results are as under:

Capacity Utilisation

Your Company has achieved a power generation of 21033.10 MU. Power surrender by the beneficiaries was 1307.25 MU and if the surrendered power is taken into account the power generation (gross) for the year 2016-17 would be 22340.35 MU.

Efficiency Parameters (Physical Operation)

Production Efficiency

The heat rate in Thermal Power Stations (TPS-I, TPS-I Expn., TPS-II, TPS-II Expn., and BTPS) of the Company during 2016-17 was reduced by 0.64 % as compared to the previous year 2015-16 achieving Excellent Level.

The Specific Power Consumption in Lignite Mines of the Company during the year 2016-17 was reduced by 6.68% as compared to the previous year 2015-16 achieving Excellent Level.

Output per Man Shift (OMS - Mine-I, Mine-IA & Mine-II) for Lignite for the year 2016-17 had increased to 13.67 Tonnes/Man shift (Excellent Level) as compared to 13.08 Tonnes/Man shift of the previous year 2015-16 registering an increase by 4.51%.

Technology Up-gradation

Implementation of Distributed Control System (DCS) was successfully completed on 09.07.2016 in Unit-6 of Stage-II of TPS-II (Excellent Level). Belt vulcanising process was upgraded on 27.12.2016 to improve the productivity and to reduce the downtime by 20%.

Research & Development

Conservation of energy through implementation of Programmable Logic Control (PLC) based Dynamic Loading System in one conveyor system of Mine-II was carried out on experimental basis, which has registered an energy conservation of 10,250 K.whr/month.

Leveraging Net Worth

Capex

A target of ₹5040 crore towards Capex was set for the year 2016-17 to increase the Capacity against the target of ₹3788.13 crore for the year 2015-16. The Capex target for the year 2016-17 included ₹1500 crore towards acquisition of 1200 MW Raghunathpur Plant of DVC, for which approval of Govt. of India is awaited.

Excluding the Capex of DVC, the Company had achieved ₹3569.07 crore as against the target of ₹3540 crore, The segment wise break up is as under:

₹in crore

Segment	2016-17	2015-16
Coal /Lignite Sector	**339.82**	217.19
Power Sector	**3229.25**	1168.50
Total	**3569.07**	1385.69

Monitoring Parameters

Percentage of value of Capex Contracts/Projects running/completed during the year without time/cost overrun to total value of Capex Contracts/running/completed during the year was 163.65% at Excellent Level.

Turnover from Operations

The Revenue from operations (Net of Excise duty) for the year 2016-17 was ₹8672.84 crore (Excellent Level).

Operating Profit/Surplus

Operating Profit as a percentage of revenue from operations, achieved 29.21% (Excellent Level).

Marketing Efficiency Ratios

Total Ash Utilisation - (Bottom Ash & Fly Ash) for the year 2016-17 was 91.56 % (Excellent Level).

Trade receivables as percentage of revenue from operations, achieved 34.79 % (Excellent Level)

Return on Investment

Dividend/PAT %, achieved 47.36 % for the year 2016-17 (Excellent Level).

PAT/Net worth %, achieved 19.66 % for the year 2016-17 (Excellent Level).

Dividend/ Net worth %, achieved 9.31 % for the year 2016-17 (Excellent Level).

Sector/CPSE Specific Targets

Machine Availability in Thermal Power Stations (TPS-I, TPS-I Expn., TPS-II, TPS-II Expn., and BTPS) achieved 89.87 % (Excellent Level).

Projects Under Construction/Implementation

Neyveli New Thermal Power Project (2x500 MW)


Neyveli New Thermal Power Project

Members may be aware that your Company is implementing a lignite based 1000 MW thermal power project at Neyveli as a replacement to 600 MW TPS-I the oldest lignite fired Thermal Power Station in the Country, at a capital cost of ₹5907.11 crore with a revised schedule of commissioning of Unit-I in October, 2017 and Unit-II in April, 2018.

The progress of work was slow in the initial stages due to the delay in receipt of Boiler Main Steel Structures, the design of which was unique to this Project involving complicated manufacturing process and also due to delay in starting of engineering & manufacturing activities in the Balance of Plant (BOP) Package. Due to continuous monitoring and sustained & proactive steps taken to improve the pace of works at various levels, the project achieved good progress during the year 2016-17. The overall physical progress improved from 22.39% at the end of 31.03.2016 to 58.65% at the end of 31.03.2017, recording a growth of 36.26%. More than 1,00,000 Cu. M. of RCC has been done during the year. The capital expenditure incurred during the year under review was ₹2362.59 crore, which was the highest ever and is also indicative of the progress of works.

Detailed engineering in respect of Steam Generator (SG) and Turbine Generator (TG) Packages has almost been completed and more than 80% in respect of the Balance of Plant (BOP) Package has also been completed. Major civil works have been completed. Casting of TG deck was completed in both the Units and Power House has been completed while the erection of various equipment and the piping works are in progress.

In the erection front, mechanical works are in full swing. Erection of Boiler MSS was completed in both the Units while the erection of pressure parts of Boiler, Bunker Bay and other auxiliary structures, platforms etc., are in various stages. Erection works in ESP are nearing completion. Lifting of Generator stator in both the Units and threading in of rotor have also been completed.

In the BOP area, erection works in Lignite Handling system, Ash handling system, CW System, DM plant etc., are in progress. Raw Water System has been commissioned and 230 KV GIS switchyard is charged.

At the present pace of works and with the continued monitoring to increase the momentum further, it is hoped that Unit-I will be commissioned in March 2018 and Unit-II in April 2018. The cumulative expenditure incurred in the project upto 31st March 2017 is ₹4256.43 crore.

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

Your Company is in the process of setting up the Bithnok Thermal Power Project (1x250 MW) linked to Bithnok Lignite Mine (2.25 MTPA), in the State of Rajasthan. The Board of Directors of your Company has sanctioned the above Thermal Power Project at a cost of ₹2196.30 crore with the commissioning of the Unit in August, 2020. During the year 2016-17, supply and installation contract for the Thermal Power Project was awarded to Reliance Infrastructure Limited (RIL), Mumbai for setting up the project on Engineering Procurement Construction (EPC) mode in November, 2016, Geo-technical investigation works for this project has been completed, preliminary/enabling works are in progress. Detailed engineering activities and submission/approval of drawings & Sub Vendors are in progress. The cumulative expenditure incurred upto 31st March 2017 is ₹163.26 crore.

Barsingsar Thermal Power Station Extension (250 MW) with linked Hadla Mine (1.90 MTPA)

The Board of Directors of your Company has sanctioned the Barsingsar Thermal Power Station Extension linked to Hadla lignite Mine, at a cost of ₹2112.59 crore with the commissioning of the Thermal Unit in August, 2020. Since the Unit size and the technology adopted was the same, a common tender was floated for the Bithnok Thermal Project and the Barsingsar Thermal Power Station Extension Project and Reliance Infrastructure Limited (RIL), Mumbai was awarded for setting-up of the Thermal Plant on EPC mode in Nov, 2016. Geo-technical investigation works have been completed for this project and preliminary/enabling works are in progress. Detailed engineering activities and submission/approval of drawings & Sub Vendors are in progress. The fuel requirement is proposed to be met from Hadla Mine of 1.90 MTPA capacity and 0.40 MTPA from Barsingsar Mine Extension. The cumulative expenditure incurred up to 31st March 2017 is ₹149.97 crore.

Both Bithnok and Barsingsar Extn. Power Projects have been put on hold based on the communication received from Govt. of Rajasthan and Rajasthan Discoms that they are not in a position to buy power from these projects.

The Committee of Secretaries (CoS) under the Chairmanship of Cabinet Secretary, Government of India, at the meeting held on 15th June, 2017 had reviewed the issues and it was felt by the Committee that an attempt should be made to reduce the tariff of the projects and a final view could be taken later. It was suggested to constitute a Committee comprising of representatives of main stakeholders along with the senior officials of Ministry of Coal, Ministry of Power and CEA to examine the measures required to bring down the tariff of these projects. The Committee thus constituted held a meeting on 25.07.2017 and its deliberations have been sent to the Cabinet Secretariat.

Bithnok Mine Project (2.25 MTPA)

As stated earlier the Bithnok Mine of 2.25 MTPA is being developed with the approval of Board of Directors of your Company at a cost of ₹513.64 crore to supply lignite to the Bithnok Thermal Power Station of 250 MW capacity under implementation. The Mining Plan and the Mine Closure Plan have been approved by the Ministry of Coal (MoC). The Ministry of Environment & Forest (MoE&F) has accorded Environment Clearance and the action has been taken to obtain the Mining Lease. The Government of Rajasthan (GoR) has accorded approval for the allotment of 1290.647 ha of Government land including 52.245 ha of Compensatory Afforestation land. Compliance report for obtaining Stage-II Forestry clearance submitted. The cumulative expenditure incurred up to 31st March 2017 is ₹164.88 crore.

Hadla Mine Project (1.90 MTPA)

The Board of Directors of your Company has sanctioned the lignite mine project in Hadla (1.90 MTPA), Rajasthan at a cost of ₹522.45 crore to supply lignite to the Barsingsar Thermal Power Station Extension Project of 250 MW under implementation. Mining Plan including Mine Closure plan have been approved by the Ministry of Coal. MoE&F has accorded Environmental Clearance. Mining Lease would be obtained after completion of land acquisition, for which necessary application has been submitted to the concerned Revenue Department of Govt. of Rajasthan. The cumulative expenditure incurred up to31st March 2017 is ₹4.49 crore.

Wind Power Project (51 MW)

Members may be aware that the Company as part of green energy development is implementing a 51 MW Wind Power Project at Kazhuneerkulam, Tirunelveli District, Tamil Nadu at a cost of ₹347.14 crore. Leitwind Shriram Manufacturing Limited, Chennai, the implementing agency, has commissioned 30 Wind Turbine Generators (WTGs) aggregating to 45 MW till 31st March, 2017 against the total capacity of 51 MW. The balance WTGs have also been commissioned in 2017-18 and all the 34 WTGs are now in operation. The cumulative expenditure incurred up to 31st March 2017 is ₹330.03 crore.

Neyveli Solar Power Project (130 MW)

Members may be aware, your Company had earlier set up a 10 MW Solar Power Project in Neyveli which is under operation. Presently Solar Power Project of 130 MW is under implementation at Neyveli and Jakson Engineers Limited (65 MW) and BHEL (65 MW) have been awarded contacts for setting up this project at a cost of ₹687.28 crore. Supply of solar modules and major equipment are nearing completion and installation works are in advanced stage of completion. The project is expected to be commissioned in 2017-18. The cumulative expenditure incurred up to 31st March 2017 is ₹425.37 crore

Solar Power Project

Tamil Nadu 500 MW Solar Power Project

In order to enter into renewable energy in a major way, the Board of Directors of your Company had accorded approval to set up a 500 MW Solar Power Project in various parts in the State of Tamil Nadu under the Solar Developer & Operator (SDO) Mode. This mode is similar to that of Mine Developer & Operator mode adopted for developing and production in Mines. As per this mode the scope of the SDO Contractor is to procure and transfer the land to the Company, install the equipment, Operation and Maintenance (O&M) of the Solar Plant for a period of 15 years. Power Purchase Agreement was signed with TANGEDCO and the Project is envisaged for commissioning in the year of 2017-18.

During the year under review, your Company had placed orders for installation of the above 500 MW (AC) Grid interactive Solar PV projects to the following agencies with a timeline to commission in 13 months from the date of issue of order, at a total project cost of ₹2170 crore (including O&M cost):

1. Gamesa Renewable Pvt. Ltd., Chennai - 100 MW Project
2. Harsha Abakus Solar Pvt. Ltd., Ahmedabad - 100 MW Project
3. Jakson Engineers Ltd., Noida - 100 MW Project
4. PES Engineers Pvt. Ltd., Hyderabad - 100 MW Project
5. Marine Electricals (I) Pvt. Ltd., Mumbai - 50 MW Project
6. Refex Energy Ltd., Chennai - 50 MW Project

Odisha 250 MW Solar Power Project

Based on the Letter of Intent furnished by GRIDCO, Government of Odisha for procurement of 250 MW Solar power under VGF Scheme for a period of 25 years, a tender was floated for setting up the above Project under SDO mode, similar to the one adopted in Tamil Nadu. Orders will be placed on the successful bidder(s) on signing of Power Purchase Agreement with the Govt. of Odisha.

Talabira II and III Coal Block (20.0 MTPA)

Members may be a aware that the Government of India has allotted Talabira-II & III Coal Block of capacity 20 MTPA in the State of Odisha, exclusively to your Company. The coal produced from the Talabira-II & III Mines is to meet the fuel requirement of the proposed Odisha TPS and the JV project NTPL. Application has been made to the State Govt. of Odisha to obtain the Stage-1 Forest Clearance (FC) and on receipt of the same MoEF&CC would be approached for issue of Environmental Clearance. 383.18 acres of Govt. Non Forest land in Jharsuguda and 91.270 acres of land in village Khinda have been handed over to the Company. The Board of Directors of your Company has accorded in-principle approval for the R&R Plan. The work order has been issued to RITES for the preparation of Feasibility Study Report for the Railway Siding for dispatching coal by Rail.

It is proposed to develop and operate the above Mine through the appointment of Mine Developer & Operator (MDO). Finalisation of tender for the above appointment is in advanced stage.

Expansion of Mine-I 10.50 MTPA (Area Expansion) & Expansion of Mine-IA (from 3.0 MTPA to 7.0 MTPA)

Your Company is implementing area expansion of 10.50 MTPA in Mine-I and Expansion of Mine-IA from 3.0 MTPA to 7.0 MTPA by adding contiguous lignite blocks to meet the fuel requirement of the Neyveli New Thermal Power Plant, TPS-I Expansion and TAQA.

Ministry of Coal has accorded approval for the mining plan for the above project and the Ministry of Environment & Forest & Climate Change (MOE&F&CC) has accorded Environmental Clearance. Mine development activities in Mine-IA has commenced and the cumulative expenditure was incurred up to 31st March 2017 is ₹209.55 crore.

Joint Ventures

NLC Tamil Nadu Power Limited (NTPL) - Tuticorin Power Plant (1000 MW)

Your Board of Directors are very happy to inform that the coal based thermal power project at Tuticorin, Tamil Nadu, consisting of two units of 500 MW capacity is getting stabilised and operating to its full capacity. During the year 2016-17, power generation (excluding surrender of 891 MU) and exported from this plant were 6252.74 MU and 5806.85 MU registering the growth of 71.05% and 75.26% respectively over 2015-16. The plant achieved a Plant Load Factor (PLF) of 71.38%. The cumulative project expenditure incurred up to 31st March 2017 is ₹6625.70 crore.

During the year ended 31st March, 2017, NTPL in its first full year of operation registered the sales of ₹2546.93 crore. The Profit Before Tax and Profit After Tax for the year 2016-17 were ₹135.28 crore and ₹87.85 crore respectively.

Neyveli Uttar Pradesh Power Limited (NUPPL) – Ghatampur Thermal Power Project (1980 MW – 3x660 MW) linked to Pachwara South Coal Block

During the year 2016-17, the Government of India sanctioned the Ghatampur Thermal Power Station Project being set up at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh at a cost of ₹17,237.80 crore with commissioning of Unit-I in November, 2020, followed by other two units at an interval of 6 months each. The project is being executed through the Subsidiary Company, Neyveli Uttar Pradesh Power Limited (NUPPL) a joint venture with Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL). All three main packages (GA1-Steam Generator, GA2-Turbine Generator & GA3-Balance of Plant) have been awarded during the year 2016-17 and the project construction activities have commenced. As a fuel linkage to the above power project, Government of India has allocated Pachwara South Coal Block in the State of Jharkhand. The cumulative expenditure incurred up to 31st March 2017 is ₹957.32 crore.

Uttar Pradesh Power Corporation Limited (UPPCL) had signed a Power Purchase Agreement (PPA) for availing 75% of the Power from Ghatampur Thermal Power Project (GTPP) and had communicated their unwillingness to absorb more than 75% of power from GTPP. NUPPL has requested to avail the balance 25% power from the Project as per the assurance given by them to PIB at the meeting held on 08.02.2016 during the consideration of the GTPP.

MNH Shakti Limited

Mahanadi Coalfields Limited, your Company and Hindalco jointly formed MNH Shakti Limited with equity participation of 70:15:15 to implement 20.0 MTPA Coal Mining project in Talabira, in the state of Odisha. The Talabira-II & III Coal Blocks allocated for this purpose have been cancelled pursuant to judgment of Hon'ble Supreme Court of India and the Coal Mines (Special Provisions) Ordinance, 2014. The JV Company has proposed for winding up and necessary formalities are being worked out by them. The above said Coal Blocks have since been allotted to the Company.

New Coal Block Development

Pachwara South Coal Block (11.0 MTPA)

The Pachwara South Coal Block for a capacity 11.0 MTPA allotted to NUPPL has been proposed to be developed through the appointment of Mine Developer & Operator (MDO) and the tender floated for the above appointment is in process. In the meantime NUPPL is pursuing through the task force set up by the Government of Jharkhand for issues concerning detailed exploration, obtaining forestry clearance etc. and for the development of the block. Notification has been issued under Sec 4(1) of CBA Act for carrying out the detailed exploration of the block.

New Projects Under Formulation

Mine-III Project (11.5 MTPA)

Your Company has proposed to develop Mine-III at Neyveli, South of Mine-II for a capacity of 11.5 MTPA to supply lignite to the proposed Thermal Station-II Second Expansion (1320 MW) Project. The Board of Directors of your Company has accorded approval for the expenditure sanction of ₹7.05 crore for the Phase-I Advance Action Proposal (AAP) activities. Mining Plan & Feasibility Report are being prepared and preparation of EIA/EMP reports are in progress for obtaining

Environment Clearance. Environmental Appraisal Committee of MoEF&CC has approved the Terms of Reference (TOR) and Baseline Study & Socio-Impact Assessment (SIA) Study have been commenced while the Geo-Technical & Geo-Hydrological Studies are under progress. Application has been submitted to the District Administration for obtaining the administrative sanction for acquiring land for the Mine project.

Thermal Station–II Second Expansion (2x660 MW) with linked Mine-III (11.5 MTPA)

Your Company had earlier proposed to set up a 1000 MW Lignite based Thermal Power Station as TPS-II 2nd Expansion Project (2x500 MW) at Neyveli near Mudhanai Village (linked to Mine-III of 9.0 MTPA) with sub-critical technology. Based on the norms issued by the Ministry of Power, Government of India, the Unit configuration was modified to 2x660 MW with super-critical technology. The Board of Directors of your Company has accorded sanction for the Advance Action Proposal at an estimated cost of ₹66.85 crore, for taking certain pre-project related activities for this project. Ministry of Power has granted exemption from the tariff based competitive bidding for the above project and has also allowed to allocate the power from this Project as per the Central formula for allocation of Power to the constituents of Southern region. The Power Purchase Agreements (PPAs) have already been signed with the Southern DISCOMs viz., Tamil Nadu Generation and Distribution Corporation(TANGEDCO), Electricity Department of Puducherry (EDP), Kerala State Electricity Board (KSEB), Telangana State Power Coordination Committee (TSPCC) & Andhra Pradesh Power Coordination Committee (APPCC) and the Power Company of Karnataka Limited (PCKL) is yet to sign the PPA for the above project. Excepting KSEB all other beneficiaries mentioned above have given their consents for the earlier signed PPAs for the revised capacity of 1320 MW.

The Expert Appraisal Committee (EAC) of MoE&F & CC has considered and issued the Terms of Reference (ToR). Environment Clearance is awaited. It is proposed to issue the Expression of Interest (EoI) for the three Packages viz., Steam Generator & Auxiliaries (SG), Turbo Generator & Auxiliaries (TG) and Balance of Plants (BoP).

Sirkali Thermal Power Project (4000 MW)

Your Company had earlier proposed to set up a 4000 MW coal based thermal power plant at Sirkali, Nagapattinam District in the State of Tamil Nadu and the administrative sanction to acquire 1190.59 hectares of land was issued by Government of Tamil Nadu. Since the Sirkali Power Project was conceived in the year 2010 with the PPA signed in the year 2011 and in the light of allotment of Talabira – II & III coal blocks, the economic viability of the Sirkali project was re-assessed in the changed scenario. On assessment, the cost of power from the proposed pithead Power Plant at or nearby Talabira – II & III including the cost of wheeling of power emerged as a cheaper and environmentally friendly alternative instead of transportation of huge quantity of coal by road, rail and sea over a distance of around 1650 KMs to the earlier envisaged power plant at Sirkali. In view of the above, it has been decided by the Board of Directors of your Company not to pursue the Sirkali Thermal Power Project.

Odisha Pit Head Thermal Power Project (4000 MW)

The Board of Directors of your Company have accorded in-principle approval for the proposal to set up 2000 MW (Phase-1) coal based pit head power station in the proximity of Talabira-II & III coal blocks in the district of Jharsuguda, Odisha. However, it is proposed to set up 3x800 MW (Phase-I) with Ultra Super Critical Technology. Advance Action Proposal of ₹25.11 crore has been sanctioned. Additionally, it has been proposed to install 2x800 MW as Phase-II in Tareikela and Kumbhari villages of Jharsuguda District. Necessary application for the project has been submitted to the Govt. of Odisha. Consent is being obtained from the Discoms to avail power from this project based on the Power Purchase Agreement signed for the Sirkali Thermal Power Project.

Acquisition of Power Assets

In order to have an inorganic growth, your Company as per the approved Corporate Plan aims to acquire power assets of about 3000 MW by the year 2025. EOI was floated for acquisition of power assets. It is proposed to carry out due diligence studies on two short-listed power assets viz., GMR Chhattisgarh Energy Limited of 2x685 MW and Ind Bharath Energy Utkal Limited of 2x350 MW.

Acquisition of Damodar Valley Corporation's (DVC)- RTPS Project (2x600 MW)

As Members may be aware, the Board of Directors of your Company had accorded approval for the investment for acquiring Raghunathpur Thermal Power Station (RTPS) (Phase I) of Damodar Valley Corporation (DVC), by forming a Joint Venture Company between your Company and DVC in the equity participation ratio of 74:26. JVA between your Company and DVC has been signed on 10.08.2016 and the approval of Competition Commission of India for the Business Transaction has also been obtained. Approval of the Government of India is awaited for the investment in the JVC for the said acquisition.

SBI Capital Markets Ltd., (SBI Caps) was jointly appointed by DVC and your Company to carry out necessary due diligence studies on technical, legal and financial aspects with emphasis on risk factors & mitigation measures and also to advice both the parties on the acquisition process. As per the JVA entered into by your Company and DVC, the Project Cost as determined by CERC/ ATE for the purposes of arriving at the final tariff or such cost as mutually agreed would be the consideration value for the transfer of RTPS Project assets to the JVC. In this connection SBI Caps has arrived at ₹7,547 crore as the Project Cost based on CERC Regulation for Benchmark Cost and other norms etc. and the same may undergo change while determining the final tariff for this Project by CERC.

Renewable Energy Projects

Corporate Plan Vision - 2025 of the Company envisages an addition of 4000 MW Solar generation capacity in different States and 200 MW of wind based power generation.

Andaman 50 MW Solar Power Project

Tripartite MoU among your Company, Ministry of New & Renewable Energy (MNRE) and the Andaman Nicobar Administration (ANA) has been signed with the objective to plan and implement a 50 MW Solar based plant in Andaman & Nicobar Islands, which will also supply power to the proposed pumped storage system for the 5.25 MW Hydro power station in Kalpong to cater to the needs of 24 hours power supply to Middle and North Andaman. PPA for the Project has been signed with Andaman Nicobar Administration.

Initially it was planned to install 20 MW in South Andaman and 30 MW in North Andaman and based on the availability of land and further deliberations the proposal was modified to install 20 MW in South Andaman; 23 MW in North Andaman (including 5 MW floating Solar) and 7 MW in Middle Andaman. Tendering activities for installing 20 MW Solar Power Projects with the cumulative capacity of 28 MWhr of Battery Energy Storage System at South Andaman have been initiated.

Solar Projects in other States

Your Company has initiated discussions with the State Governments of Karnataka, Madhya Pradesh and Andhra Pradesh for setting up Solar Power Projects in the respective States and in this regard necessary MOUs have been signed / Letter of Consent has been received. Subject to entering into a Power Purchase Agreement with the respective States and the viability of the Project, action will be initiated to set up solar power projects/ participate in the solar power parks notified by the State Governments, from time to time.

Your Company had earlier floated a tender to set up 130 MW Solar Power Project at Barsingsar in the State of Rajasthan at an estimated cost of ₹852.57 crore. Project registration with Rajasthan Renewable Energy Corporation (RREC) was also completed. Since Viability Gap Funding was not available for this Project, it has been decided not to pursue this project further.

Roof Top Solar Power Project (1 MW)

Your Company has signed a MoU with Rajasthan Electronics and Instruments Limited (REIL) (Nodal Agency of MoC for Roof Top) for establishing 1 MW Roof Top Solar Power Project on the non-residential buildings in the township at Neyveli. Further actions are being taken to implement this project.

Long-term borrowing & Credit Rating

Your Company had earlier obtained funding of EURO 215.104 Million from KfW, Germany for Mine-I, TPS-I, TPS-I Expansion & Mine-I Expansion. Further as part of funding for the Mine-II Expansion, TPS-II Expansion, Barsingsar Mines & Thermal Power Projects, your Company in addition to the issue of 8.83% Neyveli Bonds 2009 aggregating to ₹600 crore, had earlier entered into Rupee Term Loan (RTL) Agreements for ₹3750 crore (RTL-I ₹2500 crore and RTL-II of ₹1250 crore) from the Canara Bank Consortium. The outstanding amount of ₹1400 crore from the above Consortium was repaid during the year 2015-16 through refinance, at a lower interest rate, from SBI (₹467 crore), HDFC Bank (₹466.50 crore) and ICICI Bank (₹466.50 crore). All these borrowings have been rated with "AAA/Stable" indicating highest safety by CRISIL and ICRA.

Power Finance Corporation had also sanctioned a RTL of ₹3000 crore for the NNTPS Project and this has also been rated with AAA/Stable (highest safety) by Brick work Ratings. During the year, your Company had obtained funding of ₹481 crore from HDFC Bank at a lower Interest rate of 7.53% for the130 MW Neyveli Solar Power Project (NSPP) in Neyveli and the same has been rated AAA/Stable (highest safety) by CARE Ratings.

Commercial

Trading of Unrequisitioned Surplus (URS) Power

The beneficiaries continue to surrender their share of power from the Thermal Power Plants of the Central Generating Stations including your Company due to less demand conditions, availability of cheaper power in the market etc.

In order to improve the revenue, your Company has started selling this Unrequisitioned Surplus (URS) power in the market from June 2016.

Power Dues/Realisation

During the year 2016-17, outstanding dues beyond the 60 days limit without levy of surcharge stood at ₹631.21 crore against ₹406.17 crore for the year 2015-16.

Steps taken by your Company to recover dues in a time bound manner in 2016-17

1. Rebate Scheme

- To encourage early realisation, a special scheme called "Graded Rebate Scheme" was formulated which provides for a graded rebate from a maximum of 2% for payment within 2 days from the date of billing to 0% on the 60th day of billing.

2. Payment Priority Clause

- Amendment of Power Purchase Agreement (PPA) for incorporating payment priority clause for appropriation of receipts was entered into with all beneficiaries (except Rajasthan Discoms).
- As per the payment priority mechanism, payment made by beneficiaries will be appropriated in the following order of priority:
  - towards late payment surcharge payable, if any.
  - towards earlier unpaid bill(s) including arrear bills, if any
  - towards statutory dues like income tax, other tax, royalty etc., in the current bill(s) and
  - towards other charges in the current monthly bill.

Land Acquisition and R&R Policy

Your Company is following the guidelines issued by Govt. of India from time to time on Rehabilitation and Resettlement, for the on-going 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.

Your Company is sensitive to the painful involuntary relocation of displaced families due to projects of your Company and strives to minimise the trauma of displacement. Your Company is continuously and consciously balancing the techno-economic and the socio-economic goals of its projects.

Your Company has developed several Resettlement Centres (RCs) in the vicinity of its Projects and these RCs are provided with good infrastructure facilities & amenities and also well connected to the main roads. The eligible Project affected families have smoothly resettled in these RCs and have also been provided with rehabilitation measures in addition to legal compensation for loss of assets, as directed by the appropriate Government from time to time and with the co-operation of the District Administration.

So far 17121 enhanced compensation cases have been settled in 275 Lok Adalat sittings and maximum settlement rate in Lok Adalat has been achieved through complete computerization of the settlement process. Due to these measures, your Company has been facing the least resistance to Land Acquisition and 1395 Ha. of land has been acquired since April 2006.

New Land Acquisition Act

The Government of India (GOI) has enacted New Land Acquisition Act viz.,–"Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act – 2013" which is applicable from 01.01.2014. However, the Govt. of Tamil Nadu had issued a G.O to continue the land acquisition process under the same Tamil Nadu Acquisition of land for Industrial Purposes Act 1997 (Tamil Nadu Act 10/1999) with a provision for payment of interim compensation, subject to payment of final compensation (if any) later as per the new central LA Act 30/2013. Subsequently the Govt. of Tamil Nadu had passed an Amendment Act – "Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Tamil Nadu Amendment) Act – 2014" to exclude the Industrial Purposes Act, 1997 (Tamil Nadu Act 10 of 1999) from the provisions of the Central LA Act, except the provisions relating to the determination of the compensation and rehabilitation & resettlement. The rules for implementing the provisions of compensation and R&R benefit of the New Act/amendment are awaited from Govt. of Tamil Nadu.

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 National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation for chemical and mechanical testing (for certain parameters only). This accreditation 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.

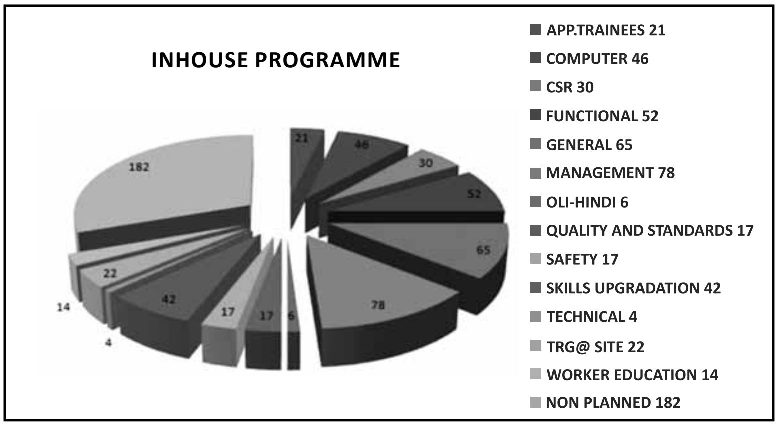
The total R&D expenditure, incurred during the year 2016-17 was ₹13.35 crore and the CARD has complied with the MoU guidelines on R&D. Two completed projects are (1) "Conservation of Energy thro' implementation of Programmable Logic Control (PLC) based Dynamic Loading System on Conveyor System" and (2) "Delineation of buried sub-surface objects in opencast Mines".

Human Resource Management

Your Company takes pride in its competent and highly motivated human resource significantly contributing to the growth and mission of the Company. Your Company maintains harmonious and cordial relationship among the employees and with other stakeholders that leads to achieving organisational as well as individual goals. Human resource has been the backbone of the Company in driving operational and financial performance. The thrust on achieving higher growth and optimal utilisation of manpower continued in the year under review also. The total manpower of the Company as on 31st March, 2017 stood at 15030.

Employee Development

Your Company is continuously promoting training, learning initiatives for skill and competency building not only for its own employees but also for the surrounding society. The training programme and module includes areas of Management, Computer, functional areas of thermal and mining, skill development, safety, CSR etc. Envisaging the importance of skill development among the society especially youths, various measures and initiatives are taken under its CSR plan for capacity building and promoting entrepreneurial skill by



imparting training in various trades. During the year 2016-17, 596 In-house programmes were organised covering 25745 employee headcounts.

During the year under review 873 employees were deputed to various Training Programmes, Workshops, Conferences within India covering 725 Executives, 148 Non-executives through 281 programmes. During the year 2016-17, 11 numbers of Leadership Development programmes were arranged for the Senior Level Executives.

Your Company provides Apprentices Training every year as per Statutory Guidelines of the Regional Director of Apprenticeship Training, Chennai (RDAT) and the Board of Apprenticeship Training (BOAT) of Southern Region, Chennai.

Industrial Relations

Your Company continued its faith in participative management and has a regular system of holding bi-partite structured meetings with the Recognised Unions in addressing the common issues of the employees.

Secret Ballot election was conducted by the Deputy Chief Labour Commissioner (Central) for getting elected as the recognised Unions to hold discussions with the Management for the issues of unionised category of workmen/ non-executives. Accordingly CITU-NLC Labour & Staff Union and NLC Workers Progressive Unions (LPF) have secured votes (Jointly) over 51% and to operate as collective bargaining agents from the year 2016 to 2020.

Your Company won the first runner up of National Award for Outstanding Industrial Relations (2014-2015) held during May-2016 by the All India Organisation of Employers and the award was presented by Shri Bandaru Dattatreya, Hon'ble Minister for Labour & Employment (Independent charge), Govt.of India.

In general, the industrial relations scenario of the organisation remained by and large peaceful and cordial during the year 2016-17.

Implementation of Official Language Policy

In line with the Policy of Government of India and the provisions prescribed under the Official Language Act 1963, your Company made all concerted efforts to implement the Policy and promote the Official Language. The following events have been carried out during the year 2016-17:

The Official Language (OL) Implementation Committee of the Company under the Chairmanship of the CMD conducted quarterly review meetings for the effective implementation of OL policy. Hindi workshops were conducted on quarterly basis on various topics as per the Act besides conducting spoken Hindi classes for 30 working days. Hindi Fortnight was celebrated in the month of September 2016 and Hindi competitions on various topics were held during that fortnight. In order to promote the OL among the employees, Hindi regular/correspondence courses, Hindi Typewriting courses and personal contact programmes were conducted. 281 employees passed under regular courses and 184 employees under correspondence courses. 235 employees have enrolled this year for the correspondence courses and 129 for the regular courses.

The House Journals & e-news are being published in trilingual i.e., Tamil, Hindi & English and Annual Reports in bilingual. Hindi version of Company website is being updated regularly. Your Company was awarded with the "Raj Bhasha Shield – 2016" for its excellent performance in the progressive use of Official Language.

Reservation of Posts

Your Company follows the reservation policy for SCs, STs and OBCs as per the presidential directives and the guidelines issued by the Government of India. The group-wise Men-in-Position (MIP) as on 31st March, 2017 stands as follows:

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	3,838	794	283	386*	20.69	7.37	10.06*
B	224	49	18	58	21.88	8.04	25.89
C	9,725	1,859	97	2754	19.12	1.00	28.32
D	1,243	276	4	616	22.20	0.32	49.56
Total	**15,030**	**2,978**	**402**	**3,814**	**19.81**	**2.67**	**25.38**

*strength of OBCs on rolls after reservation for OBCs came in to effect (08-09-1993).

However more than adequate strength of BCs were recruited prior to reservation for OBCs came in to effect.

Scholarship Scheme and Tuition Fee Concession

Your Company implements Educational Assistance Schemes to the wards of employees and Contract Workmen for pursuing Under Graduate Degree/Diploma/Professional courses till course duration subject to a maximum of five years. Exclusive Schemes have been devised for general merit, SC/STs, OBCs and Contract Workmen deployed by contractor employers and under the Contract Workmen Scholarship Scheme, 75 nos. of Scholarships have been earmarked exclusively for girl children.

Besides above, your Company reimburses the tuition fees for students belonging to SC/ST/OBC category studying in Jawahar Science College, Neyveli every year.

Welfare Activities

Your Company creates a lot of opportunities to the children/students of Neyveli to participate in various competitions organised through the Education Department of the Company in various events like Communal Harmony, Neyveli Book Fair, Children's Day, Vigilance Awareness Week, etc.

Further 16 nos. of School toppers among the girl students of Neyveli Schools were awarded with ₹10,000 each as cash award with a Merit certificate and a medal.

Swachh Bharat Mission

As per the action plan drawn by your Company cleanliness drive programme were carried out by the students of all Neyveli Schools at various locations from 16th April 2016 to 30th April 2016 on the theme of "Heritage Place and Monuments"

As per the directives issued by the Govt. of India, a detailed Swachh Bharat Mission, Action Plan for the Fortnight from 01.11.2016 to 15.11.2016 and various activities such as Mass Pledge, special lecture programme on personal hygiene & prevention of Leptospirosis, Inter-school competitions, visit to various villages to create awareness among the public, street play, mini marathon to create cleanliness awareness were organised during the fortnight.

Communal Harmony Campaign Week

As per the Ministry of Home Affairs, GOI guidelines, with a view to foster and reinforce the spirit of Communal Harmony, National Integration and pride in vibrant, composite culture and nationhood, the "QAUMI EKTA WEEK" / "COMMUNAL HARMONY CAMPAIGN WEEK – 2016" was observed from 19.11.2016 to 25.11.2016. Various activities were executed during that week.

Township

Neyveli Complex established in the year 1959, has grown into a self-contained unit with all facilities. It has a total population about 1,35,000 and spread over approximately 50 Sq.kms. The facilities include Schools, College, sophisticated 340 bed General Hospital, Central Library, Swimming Pools, Auditorium, Stadium, Community Welfare Centres, Recreation Clubs, Reading Rooms, Parks, Banks, Shopping complexes, Offices of Government Agencies and about 20,410 quarters. The township is being maintained with total ecological balance. Various sanitation and health hygiene plans are enforced and all national health and immunisation programmes were organised for the eradication of congenital and epidemic diseases. Similar townships with all facilities have been provided to the employees posted in Barsingsar and Tuticorin.

Sports Development Centre

Sports Development Centre has been promoting sports activities among the Neyveli School students, youth and NLCIL personnel. Neyveli School students are regularly trained in various disciplines by the coaches in the Sports Development Centre and they have been sponsored to participate in many tournaments. Promotion of sports among the students has culminated in the form of notable achievements at State, National and even at International level and won various medals/trophies.

Environmental Management & Sustainable Development Projects

Your Company practices and promotes the best environment management plan and is committed to environment friendly mining and power generation. The environment policy of your Company is in line with the Vision and Mission Statement and 3 Thermal Power Stations and 3 Mines at Neyveli have been certified with ISO 14001 (Environment Management System), ISO 9001 (Quality Management System) and OHSAS 18001 (Occupational Health and Safety Management System) certifications.

Members may be aware that your Company adopts various methods for reclaiming the mined out soil and one of those methods is Integrated Farming System (IFS), a technique jointly developed with the Tamil Nadu Agricultural University and successfully implemented in reclaiming the mined out land suitable for agricultural, horticulture crops and development of forestry, pasture land fish & Prawn culture, protection of water bodies, sericulture etc..

During the year 2016-17, 113.50 Ha of land has been reclaimed in all the Mines of Neyveli. Orchards and herbal cultivation is undertaken in the reclaimed area. Slope stabilisation of the Mines Overburden dumps has been undertaken with a view to convert the mine spoil into vegetative making fit for habitation.

Your Company continues to plant trees in order to maintain the green belt and so far over 20 million trees have been planted in and around Neyveli Township and production units, which helps in maintaining clean environment, dust suppression, noise control, lowering the atmospheric temperature and maintaining the ecological balance.

Safeguarding Bio-Diversity

As a part of bio-diversity, initiatives have been taken up to promote integrated fish farming in the Neyveli Township under CSR scheme. In Kundan Kulam Tank, a natural water resource spread over 9 acres, 7 fish ponds with a depth of 3.6 m and water storage capacity of 2000 to 3000 m^2 have been formed at a cost of ₹50 lakh. The department of Marine Biology, Annamalai University is the consultant for the project.

Collaborative study under sustainable development head has been taken up with Pondicherry Engineering college on “Sequestration of Co^2 and production of bio-fuel from flue gas of Thermal Power Plants” is under progress.

A Project on “Identification of suitable surface water bodies for de-silting and restoration in the Neyveli Hydro-geological Basin using Geospatiatial Technology” has been taken up in association with Annamalai University, Chidambaram at a total cost of ₹42.12 lakh.

Safety

Your Company gives paramount importance to safety of its men and equipment. Regular Risk Assessment and Safety Audits are conducted in Mines and Thermal Power Stations through engaging accredited external agencies. Safety related trainings are imparted at all levels of employees through well-designed training centres like Group Vocational Training Centre in Mines, Thermal Training Centre and Learning & Development Centre. Pit Safety Committee, Unit Safety Committee and Central Safety Council are functioning with a view to cultivate safety awareness among the employees and to avoid/minimise accidents.

Risk Management

Your Company has developed a comprehensive Integrated Risk Management (IRM) framework headed by Functional Director under this framework, Risk Management is practiced in all the units and the possible risks associated with its business are identified & mitigation plans are evolved. The risk together with the mitigation plans and its implementations are reviewed by the Risk Management Committee and by the Board periodically.

Vigilance

In order to sensitise the employees of your Company measures such as pro-active, preventive and punitive vigilance activities were undertaken by the Vigilance Department. Surprise checks, regular checks, CTE type examinations, quality check and Study/Inspection have been conducted and various system improvements were achieved.

Various IT initiatives such as Integrated Complaint Management System; Public Interface thro’ Social Media, Webpage, WhatsApp Messenger; Bill Tracking System; Payment to Contract Workmen by the Contractors through Bank; GPS based Vehicles Tracking System for lignite transportation; Auto refund of EMD for unsuccessful bidders for Purchase of Materials through e-procurement in OLIMMS; Online Vendor empanelment and Installation of Surveillance Camera, have been taken besides mapping of corruption.

As was done during the last year in order to impart ethical awareness and ethical character education, programmes were conducted wherein more than 2500 school students of Neyveli Township participated. Customized training programmes were also conducted to sensitize the employees.

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, Germany. During the year 2016-17, two review meetings of the Independent External Monitors were held.

Knowledge sharing

As part of Diamond Jubilee celebration, your Company during the year under review conducted the following two day National Seminars at Neyveli, wherein delegates from other Public Sector Enterprises and Government Organisations from all over India had participated:

- Seminar on 'Best Human Resources Practices' in association with the Neyveli Chapter of the National Institute of Personnel Management.
- Seminar on the theme "Present scenario in Power Sector & future challenges".
- Seminar titled "Eco – friendly surface mining technology, challenges and way forward".
- Seminar on "Best practices in Tendering, Contract Management and Dispute Resolution" in association with the Standing Committee of Public Sector Enterprise (SCOPE).
- Seminar on "Best Practices in Financial Management".

Corporate Social Responsibility

Your Company, as a socially responsible corporate citizen, continues to carry out development works in the surrounding villages, focusing on the socio economic development of the operating regions for achieving inclusive growth.

- In the Year 2016-17, your Company had adopted a revised Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. The Policy is available in the Company's Website: https://www.nlcindia.com/new_website/index.htm
- Your Company outlays funds for the CSR projects, programmes 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 in order to ensure that your Company spends, in every financial year, at least 2% of the average net profits of the Company for the last three years.
- Timeframes and milestones are fixed through Baseline Survey before commencement of the CSR Projects.
- Initiatives of State/ Central Government Departments/ Agencies are dovetailed/ synergized with the CSR Activities of NLCIL.

The CSR projects taken up by your Company for the year 2016-17 amounts to ₹43.46 crore.

The manner in which the amount was spent is given in the Annexure-1.

The major CSR initiatives undertaken during the year 2016-17 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 which benefit the villages surrounding Neyveli in Tamil Nadu and Barsingsar in Rajasthan. Under this scheme, infrastructure development works like drinking water facility by sinking/ maintaining the bore-wells, constructing RCC water tanks, providing roads, bridges & access, additional school buildings, laboratories, libraries, 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.

During the year 2016-17, Your Company has taken up the following activities:

- **Water resource Augmentation (Jala Paryaptha)**

Desilting and other improvement works in Sengal Odai and Middle Paravanar towards water resource augmentation was taken up in 2016-17 for the benefit of around 60 peripheral villages of Neyveli at a cost of around ₹7.0 crore. This work is being continued in 2017-18 at a cost of ₹5.78 crore.

- **Drinking Water (Jal-Dhara)**

Drinking water and butter milk were provided to the public for 47 days during the peak summer catering to around 8000 persons per day.

To cater to the need of drinking water to the public, 10 Nos. of purified drinking water plants have been installed (5 Nos. provided in Heritage sites viz., Thirumala Tirupathi Devasthanam, Lord Jagannath Temple at Puri and Sri Natarajar Temple, Chidambaram. 5 Nos. were provided in Neyveli including 3 Nos. in Resettlement areas).

- **Water Harvest Scheme (Jal-Uday)**

Your Company has taken up water harvest schemes to improve water bodies at Neyveli complex including Kundan Tank and Villudaiyanpattu Tank. Original habitat formation has been brought back by fish breeding and aquaculture. Further, planting of flowering trees, fruit trees, organic farming, herbal and medicinal plants are also taken up.

- **Roads and Access (Dhora)**

Laying of BT Road formation from Pudhukooraipettai village to Ulundurpet Highway has been taken up in 2016-17 at a cost of ₹1.77 crore. This work has been carried out partially and being continued for completion in 2017-18. Apart from the above said project, your Company provides roads and access to general public in the peripheral villages of Neyveli and Barsingsar. Your Company also provides access to the social facilities of the Company's Townships to the public in the surrounding areas.

Your Company has also provided LED Lamps in local areas for energy conservation.

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. Sneha school imparts education and training to mentally challenged children (around 75 children 49 Boys & 26 Girls).

Neyveli Health Promotion and Social Welfare Society patronised by your Company has been serving the society running a school for the hearing impaired and a Computer Centre for imparting training for physically challenged, widows & destitute and gainfully employing them through various training.

During the year 2016-17, CSR focused Training programmes were organised for the benefit of the students, teachers and the population of Neyveli locality, in which 745 persons participated. 370 women from various peripheral villages were trained for Light Motor Vehicle Driving, Tailoring, Gem and Jewellery and Beautician Trades. 375 men from various peripheral villages were trained in trades of Operation & Maintenance of Light Motor Vehicles, Heavy Transport Vehicles and Earth Moving Equipment Operation.

During the year 2016-17, Your Company has provided

- Battery Operated Vehicles & DG Sets to Heritage sites
- Yoga Kendras for promoting Yoga as per Govt. Directives

- Your Company has taken action for establishing old age home at Neyveli for the benefit of old-aged.
- Gas Crematorium at Neyveli

During the year 2016-17, Your Company has also undertaken relief measures in the area affected by Cyclone Vardha in and around Chennai, Tamil Nadu and extended its helping hand by distributing the relief materials and clearing more than 1000 trees which had fallen.

CSR – Education (Taaleem)

Your Company offers best education through its 10 schools – 3 Higher Secondary Schools, 2 High Schools, 3 Middle Schools and 2 Elementary Schools and also through the Kendriya Vidyalaya at Neyveli, to the students from surrounding villages and also to the wards of employees. The total students' strength in these 11 schools was 6017.

Your Company has imparted coaching classes to the deprived and under privileged students from the peripheral village schools entering X standard in the year 2016-17.

Your Company provides infrastructural support and also periodical financial support to various educational institutions in Barsingsar for providing quality education and technical training to the children of villages around your Company's project-sites at Neyveli.

CSR – Health (Ilaaj)

Your Company provides quality medical treatment and occupational health services 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 2016-17

- Free medical consultation with minimum antibiotic therapy and vitamins were extended in about 5,33,616 instances to out-patients from the rural public and Contract Workmen. About 29,523 patients were given emergency treatment for various causes.
- In-patient care treatment including Intensive Care for critical conditions, all surgeries (General, ENT, Ortho, Obstetrics & Gynaecology, Dermatology) was given at free of cost for about 13,430 patients from the rural public and Contract Workmen.
- 18 medical camps were conducted in peripheral villages located in the area surrounding Neyveli Township in Cuddalore District. 6669 persons of these villages were screened and given medical advice & medicines. While 642 Random Blood Sugar Tests were taken, 289 Electro Cardio Grams were generated and 438 persons were provided with vision glasses. 2503 patients were referred for in-patient treatment of which 656 persons underwent the same.
- Five Blood Donation Camps were conducted by your Company wherein 349 Students of Cuddalore ITI, Aries Polytechnic - Karunkuzhi, Periyar Arts College - Cuddalore, Anna University – Panruti, R.K. ITI – Cuddalore participated for the stock of Government Hospital at Cuddalore.
- 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. 300 such children were provided with food supplements during the year 2016-17.
- Swachh Bharath Pakhwadas were planned and carried out various programmes towards Swachh Bharath Mission as per Government directives.

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.

FORUM OF WOMEN IN PUBLIC SECTOR (WIPS)

WIPS, NLC Chapter conducts regular inter-organisational and intra-organisational meetings to elicit the views of its members & other members of the society and accordingly the following themes were given importance during year 2016 - 17:

(a) Empowerment of women employees (Education, Health & Encouragement).

(b) Motivational programme for girl children.

(c) Social welfare /awareness programme.

Visit of Parliamentary Committees

During the year 2016-17 the following Parliamentary Committees visited your Company:

- Department related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice Department related Parliamentary Standing Committee on Human Resource Development.
- Parliamentary Committee on papers laid on the table, Rajya Sabha.
- Parliamentary Committee on Subordinate Legislation, Rajya Sabha, on the subject "Hazardous and other Wastes (Management and Trans-boundary Movement) Rules, 2016 and Plastic Waste Management Rules 2016".
- Parliamentary Standing Committee on Coal and Steel on the subject "Briefing on Compliance of Environmental Norms by Coal/Lignite Companies".
- Departmental Parliamentary Committee on Industry on 19th December, 2016 at Mumbai on the subject "Prescribed 20% procurement from MSMEs by the PSEs and the status of Vendor Development Programme".
- Parliamentary Standing Committee on Coal and Steel on the subject "Production of Lignite-Projections and Planning".

Awards & Recognition

In recognition of its various activities your Company has been conferred with the following awards during the year 2016-17:

Gold Trophy & a Citation of Scope Excellence Award – Institutional Category (Maharatna/Navratna PSE's) for the year 2011-12.

National award for outstanding Industrial Relations for the year 2014-15 instituted by the All India Organisation of Employers (AIOE).

Golden Peacock Environment Award 2016 instituted by Institute of Directors, New Delhi in appreciation of its adoption of environment friendly technologies.

The following three awards instituted by Public Relation Society of India :

1. Best PSU implementing CSR (2nd Place)
2. Best Corporate film – Hindi (2nd Place)
3. Special Award for Best PSU implementing RTI

I Prize in RAJBHASHA FIELD for the best performance of the Official Language Implementation among the Member Offices of Town Official Language Implementation Committee (TOLIC)/Puducherry for the year 2015-16.

The "Best Enterprise Award" (Third prize) in the Navratna Category for the year 2016 in recognition of its works for the development of women employees in the organisation and the welfare of women and children in villages around Neyveli.

"Fly Ash Utilisation Award from Mission Energy Foundation, for effective utilisation of Fly ash".

Compliance under Persons with Disabilities Act, 1995

Your Company ensures compliance of provisions under the Persons with Disabilities Act, 1995 and has evolved a comprehensive policy for Persons with Disabilities (PwDs) as per the guidelines of Department of Personnel & Training (DoPT) for providing certain facilities/amenities to PwDs to meet their requirements and to enable them to effectively discharge their duties.

Your Company had also resorted to a special recruitment drive during the year 2015 and filled 130 vacancies with the persons with disabilities as per the reservation policy.

Compliance under the Right to Information Act, 2005

Your Company ensures compliance under the Right to Information Act 2005. 19 Central Assistant Public Information Officers representing different functional areas, one Nodal Officer, one Central Public Information Officer, one Appellate Authority 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 2016-17, under the above Act, 331 applications containing 2093 queries were received and 296 applications covering 1926 queries have been replied.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSME) has notified the Public Procurement Policy and in terms of the notification issued, has set an annual target of 20% for procurement from MSME for the three years beginning from the financial year 2012-13. After a period of three years i.e. from 1st April 2015, overall procurement goal of minimum of 20% is made mandatory. The target set for the financial year 2016-17 for procurement of such items which are within the scope of MSMEs was 20% and as against the same, the achievement was 44.49%.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines on Corporate Governance 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 SEBI (LODR) Regulations, 2015

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 in Annexure-6.

Declaration by Independent Directors

The Independent Directors have given a declaration on meeting the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013.

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 2016-17, your Company had subscribed to the equity share capital for an amount of ₹200.93 crore and ₹271.32 crore in NTPL & NUPPL respectively. As on 31st March 2017 the share capital held by your Company in NTPL & NUPPL is ₹1947.36 crore and ₹461.24 crore respectively. Your Company as the major Promoter, has been extending loans to its Subsidiaries, viz., NTPL and NUPPL. During the year 2016-17, an aggregate amount of ₹520 crore was extended to NTPL and ₹60 crore to NUPPL to meet its funding requirements.

Your Company has not granted any other loan or guarantee or made any other investments (other than short term deposits with the bank in the ordinary course of business) during the year 2016-17.

Transfer to Capital Redemption Reserve

During the year 2016-17, an amount of ₹149.14 crore was transferred to capital redemption reserves in compliance with the provisions of Companies Act, 2013, consequent to the Buy-back of Equity Shares of the Company.

Deposits

The Company has not accepted any deposit from public.

Disclosures with respect to demat suspense account/unclaimed suspense account in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There were 1100 equity shares pertaining to 6 shareholders lying unclaimed as on 01.04.2016. During the year 2016-17, no claim was received from any of the above shareholders.

Material Changes affecting financial position occurring between the end date of financial year and the date of the report

The Company has received CERC orders related to Barsingsar Thermal Power Station vide order dated 25th April, 2017 having financial impact of ₹179.30 crore and order dated 3rd May, 2017 having financial impact of ₹52.81 crore. The impact of both the orders has been considered while finalising the 2016-17 financial statements.

Sexual harassment of women at work place

A separate Committee has been constituted for looking into the complaints relating to sexual harassment of women at workplace. During the year 2016-17, one complaint was received in this regard and the enquiry is under progress.

Auditors

Statutory Audit

P.B.Vijayaraghavan & Co., Chartered Accountants, Chennai and Chandran & Raman, Chartered Accountants, Chennai were appointed by the Comptroller and Auditor General of India (C&AG) as Joint Statutory Auditors for the year 2016-17 under Section 139 of the Companies Act, 2013. The Board of Directors of your Company has fixed ₹24 lakh plus applicable service tax as the Statutory Audit fees, to be shared equally by the Joint Statutory Auditors.

Branch Audit

Bhandawat and Company, Chartered Accountants, Jaipur has been appointed as the Branch Auditor for the year 2016-17 by C&AG for conducting the audit of Mine and Thermal Units at Barsingsar.

Secretarial Audit

Shri.R.Balasubramaniam, Practicing Company Secretary, Chennai was appointed as the Secretarial Audit for the year 2016-17.The Secretarial Audit report for the year 2016-17 and the reply to observations of the Secretarial Auditor are furnished in Annexure-7.

Cost Audit

Bandyopadhyaya Bhaumik & Co, Kolkata was appointed as the Cost Auditor for the year 2016-17 to conduct cost audit for Mines & Power Stations of the Company. The cost audit report for the year 2015-16 was filed with MCA on 28th September 2016 against the due date of 11th October 2016.

C&AG's Comments

C&AG's Comments on the accounts for the year ended 31st March, 2017 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:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board of Directors

Shri. Vivek Bharadwaj, Joint Secretary, Ministry of Coal, Dr. Rajeev Ranjan, the then Additional Chief Secretary to Govt. of Tamil Nadu, Energy Department, Shri. R.P. Gupta, Joint Secretary, Ministry of Coal, Shri. R. Vikraman, Director (Human Resource), Ms. Nalini Padmanabhan, Ms. Monika Arora, Independent Directors, Shri. Vikram Kapur, Principal Secretary to Government of Tamil Nadu, Energy Department and Shri. Suresh Kumar, Additional Secretary to Government of India, Ministry of Coal were inducted into the Board of Directors w.e.f. 05.08.2016, 16.08.2016, 30.08.2016, 09.12.2016, 02.02.2017, 02.03.2017, 29.03.2017 and 09.06.2017 respectively. Shri Vivek Bharadwaj, Dr. Rajeev Ranjan and Shri R.P. Gupta, relinquished their position as Directors w.e.f. 30.08.2016, 06.03.2017 and 09.06.2017 respectively. The Board places on record its appreciation for the valuable contribution made by them during their tenure as Directors on the Board of the Company.

Shri. Subir Das, Director retires 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 New and Renewable Energy, Ministry of Finance, Ministry of Environment & Forest, Ministry of Industry, Ministry of Labour, Ministry of Heavy Industries, NITI Aayog, 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, Uttar Pradesh, Jharkhand and Odisha, V.O.C. Port Trust, Tuticorin and the District Administrations of Cuddalore, Bikaner, Tuticorin, Sambalpur, Kanpur Nagar and Dumka. The support and co-operation extended 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 : 12-8-2017

Dr.SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Annexure-1

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

❖ NLCIL has been carrying out peripheral developmental activities for betterment of communities in the surrounding villages since inception.

❖ The vision of NLCIL is to emerge as a leading Mining and Power Company, with Social Responsiveness accelerating Nation's growth.

NLCIL's Values

N - National Orientation
L - Learning and Development
C - Commitment for Excellence
I - Innovation and Speed

❖ NLCIL has adopted a revised CSR Policy, under which new/ongoing CSR projects/ programmes/activities are undertaken. The Policy is available in NLCIL's Website: https://www.nlcindia.com/new_website/index.htm
❖ The CSR activities of NLCIL focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.
❖ Aiding in the Socio-economic development of the local State(s) in which NLCIL operates and also the country at large.
❖ The CSR of NLCIL contributes to various sectors of development, as enumerated in the Schedule VII of the Companies Act. The main sectors are:
- Health and Sanitation
- Education and Special Education
- Employment enhancing vocational skills
- Women Empowerment
- Sports
- Rural Development projects for roads & access, water resources augmentation for irrigation and overall community development.
- Renovation of Heritage sites, Development of Arts and Culture

❖ The CSR Committee of the Board of Directors monitors them.
❖ The Board of Directors reviews the same from time to time and ensures that at least two percent of the average net profit for the last three years is spent on CSR.

2 The Composition of the CSR Committee (as on 31.03.2017)

Shri. Azad Singh Toor	-	Chairman
Shri. Rakesh Kumar	-	Member
Shri. Subir Das	-	Member
Shri. V.Thangapandian	-	Member
Shri. R.Vikraman	-	Member
Shri. Chandra Prakash Singh	-	Member

3. Average net profit for the last three financial years : ₹2,172.78 crore
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) : ₹43.46 crore
5. Details of CSR spent during the financial year:
   a) Total amount to be spent for the financial year : ₹43.46 crore
   b) Amount unspent, if any; : ₹ 6.27 crore
   (Works which could not be completed this FY are being continued and will be completed shortly)
   c) Manner in which the amount was spent during the financial year is detailed in the accompanying statement.

CSR EXPENDITURE FOR THE YEAR 2016-2017

(₹ in lakh)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programme (1) Local Area or other (2) Specify the state and district where projects or programmes were undertaken		Amount outlay (Budget) project or programme-wise	Amount spent on the projects or programme Sub-heads: (1) Direct expenditure on projects or programme (2) Overheads		Cumulative expenditure upto the reporting period	Amount spent: (1) Direct or (2) Through implementing agency (*Details Given Below)	
(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)	
1. Promoting Health										
1.1	NLCI - Arogya Camps	Health care/ Preventive Health care	(1)	Local	25.000	(1)	21.697	22.514	(1)	8.544
			(2)	Cuddalore, Tamil Nadu		(2)	0.816		(2)	13.153
1.2	Poshak - Nutritious Food Supplements	Health care/ Preventive Health care	(1)	Local	16.000	(1)	13.798	13.798	(1)	7.358
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	6.440
1.3	Health care and Sanitation	Health care/ Preventive Health care	(1)	Local	859.100	(1)	857.794	860.928	(1)	857.794
			(2)	Cuddalore, Tamil Nadu and Bikaner, Rajasthan		(2)	3.135		(2)	0.00
1.4	Promoting Yoga	Health care/ Preventive Health care	(1)	Local	38.000	(1)	25.719	28.082	(1)	25.719
			(2)	Cuddalore, Tamil Nadu		(2)	2.363		(2)	0.00
1.5	Distribution of Drinking water and Buttermilk	Safe Drinking water	(1)	Local	15.000	(1)	16.892	17.251	(1)	16.892
			(2)	Cuddalore, Tamil Nadu		(2)	0.359		(2)	0.00
2. Promoting Education and Enhancing Vocation Skills										
2.1	Formal Education	Promoting Education	(1)	Local	795.900	(1)	840.464	844.026	(1)	840.464
			(2)	Cuddalore, Tamil Nadu and Bikaner, Rajasthan		(2)	3.562		(2)	0.00
2.2	Vetripadi - Coaching classes to the deprived and under privileged students	Promoting Education	(1)	Local	9.000	(1)	8.443	8.443	(1)	0.00
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	8.443

CSR EXPENDITURE FOR THE YEAR 2016-2017

(₹ in lakh)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programme (1) Local Area or other (2) Specify the state and district where projects or programmes were undertaken		Amount outlay (Budget) project or programme-wise	Amount spent on the projects or programme Sub-heads: (1) Direct expenditure on projects or programme (2) Overheads		Cumulative expenditure upto the reporting period	Amount spent: (1) Direct or (2) Through implementing agency (*Details Given Below)	
(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)	
2.3	Scholarships to SC/ST/OBC students for higher Education and wards of contract workmen	Promoting Education	(1)	Local	250.000	(1)	234.158	234.158	(1)	234.158
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00
2.4	SHRAVANEE Education to the hearing and speech impaired	Special Education	(1)	Local	2.000	(1)	1.700	1.700	(1)	1.700
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00
2.5	Skill/ Entrepreneurial Development Training	Vocational Skills	(1)	Local	15.000	(1)	8.582	8.582	(1)	8.582
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00
3. Promoting Gender Equality and Empowering Women										
3.1	Skill/ Entrepreneurial Development training to women	Women Empowerment	(1)	Local	25.000	(1)	17.326	17.326	(1)	17.326
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00
4. Promoting Environmental Sustainability										
4.1	Plantation of trees and conservation of natural resources	Environmental Sustainability	(1)	Local	20.000	(1)	17.729	17.729	(1)	17.729
			(2)	Cuddalore, Tamil Nadu and Bikaner, Rajasthan		(2)	0.00		(2)	0.00
5. Promoting Rural Sports										
5.1	Sports Development	Promoting Sports	(1)	Local	15.000	(1)	13.422	13.422	(1)	13.422
			(2)	Cuddalore, Tamil Nadu and Bikaner, Rajasthan		(2)	0.00		(2)	0.00

CSR EXPENDITURE FOR THE YEAR 2016-2017

(₹ in lakh)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programme (1) Local Area or other (2) Specify the state and district where projects or programmes were undertaken		Amount outlay (Budget) project or programme-wise	Amount spent on the projects or programme Sub-heads: (1) Direct expenditure on projects or programme (2) Overheads		Cumulative expenditure upto the reporting period	Amount spent: (1) Direct or (2) Through implementing agency (*Details Given Below)	
(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)	
6. Rural Development Projects										
6.1	Water Resources Augmentation Desilting- and other improvement works for Sengal Odai and Middle Paravanar	Rural Development Projects	(1)	Local	1,275.000	(1)	698.721	698.721	(1)	698.721
			(2)	Cuddalore, Tamil Nadu and Bikaner, Rajasthan		(2)	0.00		(2)	0.00
6.2	Roads and Access including Laying BT Road from Pudukooraipettai village to Ulundurpet Highway	Rural Development Projects	(1)	Local	310.000	(1)	219.237	219.237	(1)	219.237
			(2)	Cuddalore, Tamil Nadu, Bikaner Rajasthan		(2)	0.00		(2)	0.00
6.3	Community assets	Rural Development Projects	(1)	Local	666.000	(1)	697.856	710.690	(1)	697.856
			(2)	Cuddalore, Tamil Nadu, Bikaner Rajasthan		(2)	12.834		(2)	0.00
7. Protection of National Heritage, Art & Culture										
7.1	Socio cultural events	Heritage , Art & Culture	(1)	Local	10.000	(1)	2.000	2.000	(1)	2.000
			(2)	Bikaner, Rajasthan		(2)	0.00		(2)	0.00
					4,346.000	(1)	**3,695.539**	**3,718.608**	(1)	**3,667.503**
									(2)	**28.036**
						(2)	**23.068**			**23.068**
					TOTAL		**3,718.608**	**3,718.608**		**3,718.608**

Details of Implementing Agency

Sl. No	Name of Project/ Programme/ Activity	Implementing Agency	Amount spent through Implementing Agency (₹in lakh)
1	NLCI - Arogya Camps project	Pondicherry Institute of Medical Sciences, Puducherry	13.153
2	Poshak project	Sri Lalithambigai Mahalir Thondu Niruvanam, A-Block, NLC Rehabilitation Centre, Neyveli	6.440
3	Vetripadi Project	Neyveli Tamil Sangam, Neyveli	8.443
		TOTAL	**28.036**

6. In case the Company has failed to spend the two per cent 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.

The two CSR activities viz., "Desilting of Sengal Odai & Paravanar" and "Laying BT Road from Pudukooraipettai Village to Ulundurpet Highway" awarded in 2016-17 were carried out and could not be completed within this financial year due to required work front not made available by the District authorities of Govt. of Tamil Nadu. However, these two activities are being continued using this ₹6.27 crore to complete at the earliest in 2017-18.

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 and Managing Director)

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

Annexure-2

A. Conservation of Energy

i. The steps taken or impact on conservation of energy

1. Energy Conservation Committees formed in 14 Industrial/Service Units identify and implement the energy conservation measures periodically and wherever possible, energy conservation is being achieved through regular maintenance, replacements, using energy efficient equipment and through innovative ideas using in-house expertise.
2. Recommendations on Energy Audit conducted in Thermal Power Station-I, Thermal Power Station-I Expansion and Thermal Power Station-II were implemented.
3. Idle running hours in crushers in Thermal Power Station-I is minimised thereby considerable energy conservation is registered.
4. Lighting audit has been carried out internally and replacing of conventional lighting with LED lights is taken up as an energy conservation measure in various units.
5. R&D Project
   - A collaborative study for “Dynamic loading of the conveyor motors based on the actual load in the conveyor” was carried out in Mine-II by CARD in collaboration with NIT-Trichy.
   - A collaborative pilot study with International Advanced Research Centre (ARCI), Chennai has been taken for 5 KW Power generation from the by-product of Hydrogen through Polymer Electrolyte Membrane (PEM) Fuel cell.
6. Capacitor banks are being introduced in a phased manner in motors of conveyors, Special Mining Equipment and transformers to improve power factor thereby reducing reactive power energy losses.
7. To inculcate the culture of energy conservation, National Energy Conservation Week was observed from 14.12.2016 to 21.12.2016. Eight training programmes were organised during the observance to promote energy conservation engaging PCRA as knowledge partner. Apart from employees, school and college students were also benefitted.
8. During the Financial Year 2016-17, by adopting energy conservation measures about 25.09 Million Units of energy was conserved.

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.

1. 10 MW Solar Power Plant at Neyveli was installed and synchronised with the Grid.
2. Wind Turbine Generators with an aggregate capacity of 51 MW have been commissioned.
3. Solar panels have been installed in the Library, TPS-IE & Mine-II (Expn).
4. Solar heaters have been installed in the General Hospital and Guest House.
5. Installation of 130 MW Solar Power Plant is in progress in Neyveli Township.
6. Installation of 500 MW Solar Power Plants in various parts of Tamil Nadu is in progress.
7. Proposal for installing Solar Roof PV Panels with a proposed Capacity between 800-1000 KW on Non-Residential Buildings in Neyveli Township is under active consideration.

iii. The capital investment on energy conservation equipment

During the Financial Year 2016-17, for implementing various Energy Conservation measures, the company has invested ₹1.19 crore in the Industrial and Service Units.

B. Technology Absorption

(i) The efforts made towards technology absorption

a) A project "Studies on Synthesis of Zeolites from Lignite Fly Ash and its efficiency in Cooling Water Treatment" has been undertaken. A bench scale production facility was developed at Center for Applied Research and Development (CARD) for the production of zeolite tablets. The calcium reduction efficiency of the zeolite bed at bench scale has improved and further studies are in progress.

b) The project on "Enhancement of Life of De-watering pipes lines in coal mines by prevention of erosion & corrosion with Nano crystalline surface engineering treatments" stated in previous report has been completed. The unique "polyurea" coatings were developed and the same used in Mines. It is estimated that the coating will enhance the life of dewatering pipelines in Mines around 10 to 12 years from the present life of 1 to 2 years.

c) Under the project "Delineating of buried sub-surface objects, hard bands in open-cast mines" Ground Penetrating Radar (GPR) 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. GPR Field investigation for an area of around 6 lakh sq. meters has been completed in Mine I, Mine-IA & Mine-II during the period.

d) NLC India Ltd and Kobe Steel Limited (KSL), Japan had earlier proposed to carry out a pilot plant testing on suitability of Neyveli lignite for upgradation and for use as fuel in ultra super-critical boilers. An MoU was entered between KSL and NLCIL to undertake a R&D feasibility study for setting up a UBC based pilot power generation facility in Neyveli. The feasibility study has recommended that the project is not economically viable and hence the R&D Project was not pursued further.

e) In 2015-16, it was reported that it is proposed to conduct a feasibility study on Matmor Process and the report has since been submitted by Environmental Clean Technologies, (ECT) Australia. ECT have also submitted a Master Project Agreement for setting up a pilot plant with participation from National Mineral Development Corporation (NMDC) and the proposal is under consideration.

f) Online web based weather monitoring system has been installed at CARD.

g) The following new proposals have been initiated in the renewable energy areas and MoU has been signed with the reputed institutions:

- "Solar Drying of Lignite" with Institute of Energy Studies, Anna University, Chennai.
- "Development of alternative materials for pebbles using waste materials" with Department of Civil Engineering, Indian Institute of Technology/Madras
- "4x5kw Micro hydro power generation" with Energy Management Centre, an autonomous body under the Department of Power, Govt. of Kerala .
- "Studies on Application of Humic Acid on Aquaculture Production" with the Centre for Advanced Study in Marine Biology (CASMB), Annamalai University, Parangipettai.
- "Study on Development of Solar based Cold Storage at CARD" with the Department of Mechanical engineering, IIT Madras.

(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 NRDC.

b) Under the "Delineation of buried sub surface objects" project the buried objects, are identified in advance by using Ground Penetrating Radar (GPR) at Mines and the same is being continuously monitored.

c) The pilot plant for separation of iron, sand and carbon from bottom slag is in operation. It is observed from the study that about 40% (2% increase over previous year) recovery of Magnetic Iron, 54 % of Sand, and 3% of Carbon can be recovered by processing the bottom ash.

d) Dynamic loading of conveyors: It is the energy saving Project for the existing conveyor system on real time basis. This project is commissioned in one of the conveyor systems in Mine-II and it is in operation. As on 31.03.2017 energy saving achieved is 27464 units.

(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 ₹13.35 crore

(v) Foreign Exchange earnings and Outgo

Foreign Exchange inflow	:	NIL
Foreign Exchange outflow	:	₹93.74 crore.

for and on behalf of the Board of Directors

Place : Chennai
Date : 12-8-2017

Dr.SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Annexure-3

Management Discussion and Analysis Report

Industry structure and Development

Power

The IMF World Economic Outlook states that the emerging market and developing economies have become increasingly important in the global economy in recent years. It further states that these account for more than 75 percent of global growth in output and consumption, almost double the share of just two decades ago. Our Country being a developing country is also witnessing surge in economic growth in the recent years, thanks to the sustained efforts of the Government. The Government of India has taken a number of initiatives, specifically the 'Make in India' initiative aimed to transform India as a global manufacturing hub. According to IMF World Economic Outlook Update (January 2016), the Indian economy is expected to grow at 7 to 7.75 per cent during FY 2016-17, and the Economic Survey 2016-17 is expecting the GDP growth in the range of 6.75% to 7.50%.

For a sustained economic growth, it is imperative to increase the availability of electric power to meet the increased demand and all efforts of the Government of India are in this direction. "Power for All" is also one of the initiatives of Ministry of Power, wherein a road map has been prepared providing targets for infrastructure addition and capacity development in generation, transmission, distribution, energy efficiency, renewable energy to achieve the objectives of supplying quality, reliable and affordable power to all categories of consumers through the 24x7 "Power for All Programme" for the period FY 2017 to FY 2019.

Demand and Production

The All India installed capacity as on 31.03.2017, as per the data of Ministry of Power, the thermal accounts for 218.33 GW, Renewable Energy Sources (RES) at 57.26 GW, Hydro with 44.48 GW and the Nuclear with 6.78 GW. During the XII Plan period, Upto March, 2017, the capacity addition was 99.21 GW against the target of 88.54 GW. The share of power from RES has increased substantially in the recent years with a capacity addition of 14.30 GW of renewable energy made during the last two and half years.

The Government of India in order to promote the adoption of RES is offering various incentives such as generation based incentives, capital and interest subsidies, viability gap funding etc. The Renewable Purchase Obligations (RPO) stipulated by the Government, is also the major driving force in India to promote the renewable energy sector.

The Central Electricity Authority (CEA) has reported that India's per capita power consumption is among the lowest in the world. The 18th Electricity Power Survey (EPS) projected a per capita electricity consumption of 1500 kWh by 2020-21 which is currently in the order of 1075 kWh.

The energy generation from conventional sources during the year 2016-17 was 1159.836 BU (provisional), with a growth of 4.70% over the previous year (Source MoP), with an average PLF of 60.01%, meeting the demand of 1142.092 BU leaving a deficit of 7.459 BU. The progress achieved in this sector could very well be recognised with the deficit coming down over the years, particularly, when compared to the last year when the deficit was at 23.56 BU.

Coal and Lignite

The world economy is expected to grow at a faster rate, almost double over the next 20 years, largely driven by the emerging economies, with China and India accounting for the most. This requires higher energy consumption with fossil fuel remaining the dominant source of energy powering the global economy, though the renewable energy has become the fastest growing fuel source. Further in order to optimise the use of coal, the Government of India has given guidelines for adopting super critical/ ultra-super critical technology, which are more efficient and consumption of fuel is less when compared to other technologies.

Coal

Coal Reserves

India is the third largest coal resource in the world after China and the USA. In India, the coal deposits are mainly found in the States of Jharkhand (with the maximum share of 26.24% in the overall resources of the Country), Odisha (with a resource of 24.61%), Chhattisgarh, West Bengal, Madhya Pradesh, Telangana and Maharashtra. As on 01.04.2017, the total estimated reserves of coal is 314.15 Billion Tonnes and out of which the proved category accounts for 143.06 Billion Tonnes.

The details of State-wise resources of coal as on 01.04.2017 are as under:

(in Million Tonne)

Sl.No.	State	Proved	Indicated	Inferred	Total	% of total
1	Andhra Pradesh	0.00	1149.05	431.65	1580.70	0.50
2	Arunachal Pradesh(T)	31.23	40.11	18.89	90.23	0.03
3	Assam	464.78	57.21	3.02	525.01	0.17
4	Bihar	0.00	0.00	1353.5	1353.50	0.43
5	Chhattisgarh	19997.11	34462.15	2201.9	56661.16	18.04
6	Jharkhand	44340.59	31876.40	6222.53	82439.52	26.24
7	Madhya Pradesh	11268.69	12759.67	3644.84	27673.20	8.81
8	Maharashtra	7038.20	3157.75	1063.21	11259.16	3.58
9	Meghalaya (T)	89.04	16.51	470.93	576.48	0.18
10	Nagaland (T)	8.76	0.00	401.69	410.45	0.13
11	Odisha	34809.86	34059.77	8415.21	77284.84	24.61
12	Sikkim	0.00	58.25	42.98	101.23	0.03
13	Uttar Pradesh	884.04	177.76	0	1061.80	0.34
14	West Bengal	13723.15	12954.46	4989.61	31667.22	10.08
15	Telangana	10402.26	8542.20	2519.85	21464.31	6.83
	Total	**143057.71**	**139311.29**	**31779.81**	**314148.81**	**100.00**

Source: Indian Coal and Lignite Resource Inventory – 2017 by GSI.

Demand and Production

As per the report of Ministry of Coal, there has been a continuous increase in the overall consumption of coal over the years and that the demand for coal for the year 2016-17 was estimated at 884.87 MT against which the production target was kept at 724.71 MT, the gap of 160.16 MT projected to be met through imports. The production of coal during the year 2016-17 upto December 2016 was 453.10 MT with an anticipated production during January-March 2017 at 271.61 MT in comparison with the actual production of 639.23 MT of coal during the year 2015-16.

Lignite

Lignite Reserves

In India lignite deposits are confined to the States of Tamil Nadu, Gujarat, Rajasthan, Puducherry, Jammu & Kashmir and Kerala where the coal is almost completely absent.

The details of State-wise resources of lignite as on 01.04.2017 are as under:

(Resource in Million tonnes)

Sl.No.	State	Measured (Proved) (MT)	Indicated (MT)	Inferred (MT)	Total (MT)	% to Total
1	Pondicherry	0.00	405.61	11.00	416.61	0.93
2	Tamil Nadu	4093.53	22632.87	9055.98	35782.38	80.05
3	Rajasthan	1168.53	2670.84	1896.60	5735.97	12.84
4	Gujarat	1278.65	283.70	1159.70	2722.05	6.09
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	West Bengal	0.00	1.13	2.80	3.93	0.01
	Grand Total	**6540.71**	**26014.40**	**12143.03**	**44698.14**	**100.00**

Demand and Production

As per the Report of the Working Group on Coal & Lignite for formulation of XII Five Year Plan, the projected demand of lignite at the terminal year of XIII Plan (2021-22) is 108.62 MT and projected lignite production during the same period is 104.55 MT.

The lignite production achieved during the year 2016-17 was 45.32 MT in comparison with production of 43.93 MT during 2015-16. Major part of the lignite produced in the country is used for power generation and the demand for lignite is mainly dependent on existing and proposed thermal power stations.

Underground Coal Gasification (UCG)

Ministry of Coal, Govt. of India vide Gazette notification dated 25.11.2016 has reserved the following lignite blocks in favour of NLC India Limited for the purpose of Underground Coal Gasification (UCG).

Block	Area	Geo. Reserve
Dip side Tadkeshwar & Dungra, Surat District, Gujarat	36.39 km^2	215.60MT
Dip side Valia & Rajpardi, Bharuch District, Gujarat	90.28 Km^2	500 MT (Prognostigated)

Your Company is taking action for vetting the above blocks by an International Expert agency. After carrying out the suitability study of the above blocks, the blocks will be taken up for implementing the UCG projects.

SWOT ANALYSIS

Strength

- Availability of lignite and water for power generation.
- Expertise in operation & maintenance in open-cast mining, power generation.
- Harmonious industrial relations.
- Pioneering position in open-cast lignite mining with SME technology and lignite fired power station.
- Highest domestic credit rating.

Weakness

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

Opportunities

- Government of India's commitment to improve the quality of life of its citizens through higher electricity consumption.
- GOI aim to provide each household access to electricity, round the clock and improve the quality of life of people through 24x7 power supply.
- Rise in the per capita consumption of power.
- Launch of 100 smart cities mission by GOI.
- Invest in promoting Green Energy
- Trading of Power in the Market.

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, geo-technical and other conditions.
- Delay in commissioning of new projects.
- Huge Surrender of Power by the beneficiaries and consequently under utilisation of Thermal Capacity.
- Challenge posed by Renewable energy to Thermal Generation.

Segment-wise performance

Covered in the main report.

Outlook

Your Company is presently operating four lignite mines, three at Neyveli in the State of Tamil Nadu and one at Barsingsar in the State of Rajasthan with a total installed capacity of 30.60 MTPA. Besides, Bithnok lignite mines (2.25 MTPA), Hadla lignite mines (1.9 MTPA), Barsingsar Expansion (0.40 MTPA) and Expansion of Mine-IA (4.0 MTPA) are also under implementation. In addition to the above, a proposal is underway to set up Mine-III of 11.50 MTPA and South of Vellar cum Palayankottai Mine projects of 11.50 MTPA as the fuel linkages to the Second Expansion Project of TPS-II (phase 1 & 2). With all the above Projects, the lignite mining capacity of your Company at the end of the year 2025 would increase to 62.15 MTPA.

Regarding coal mining, as stated earlier Talabira-II & III coal mine project of capacity 20.0 MTPA in the State of Odisha has been allocated in favour of your Company while the Pachwara South Coal Block with a capacity of 11.0 MTPA has been allotted to NUPPL, the Subsidiary Company. The above two projects aggregates to a coal mining capacity of 31.0 MTPA at the end of the year 2025.

In the power sector, your Company is presently operating five Thermal Power Stations, four at Neyveli and one at Barsingsar with a total installed capacity of 3240 MW and taking into account the wind power of 51 MW (total capacity 51 MW, commissioned in July 2017) under construction & solar power generation of 10 MW, the total installed capacity would be 3301 MW. Your Company is presently implementing 1000 MW Neyveli New Thermal Power Project as a replacement to the existing TPS-I of 600 MW capacity, 250 MW Barsingsar Expansion TPS, 250 MW Bithnok TPS besides Solar Power Project of 130 MW in Neyveli and 500 MW in different parts of Tamil Nadu. With all these projects presently under implementation, the total power generating capacity would reach to 5431 MW. Subsequently on commissioning of the power projects under implementation and on phasing out of TPS-I of 600 MW, the generating capacity of NLCIL would reach 4831 MW.

Other power generation capacity building plans of your Company over a period of next 10 years include setting up of lignite based power project TPS-II Second Expn., of 1320 MW in Phase-I & 1320 MW in Phase-II at Neyveli, coal based power generating power project of 4000 MW capacity in Odisha in two phases, acquisition of power assets of 3000 MW and solar & wind based power generation projects aggregating to 3560 MW. All these projects would increase the power generating capacity of your Company to 18031 MW by the end of the year 2025. Taking into account the generation capacity of your Subsidiaries viz., NTPL's thermal power plant (1000 MW) in Tuticorin, Tamil Nadu & NUPPL's Ghatampur Thermal Power project (1980 MW) in Ghatampur, UP, the total power generating capacity of NLCIL and its subsidiaries would be 21011MW.

Risks and Concerns

- Resistance to acquisition of land for mining and power projects and demand for employment by project affected persons.
- Stringent Environment norms - as per the notification issued by the MoEF & CC in Dec 2015, all the existing Thermal Power Plants are required to comply with the new emission and water consumption norms by 07.12.2017 and the new Stations commissioned on or after 01.01.2017 from the date of their commissioning. The Company has taken necessary action to comply with the new norms, for existing as well as projects under construction. The Thermal Power Generators have addressed CEA / MoP for extending the time

period for installation of FGD System Power Plants and the authorities in a recent meeting have decided that the concerns expressed by them would be examined plant-wise

- Combustion Nature of Coal/lignite - Coal / lignite is susceptible to spontaneous combustion and beyond a time limit known as incubation period. This occasionally causes fire. However, adequate safeguards are in place to avoid such incidence of fire, which includes spraying of water, compacting while stocking and distancing the heaps etc
- Financial health of major Contractors / Vendors and suppliers.
- Stringent norms prescribed by regulatory authority affecting power tariff.
- Non-approval of costs incurred during renovation leading to non-recovery of the cost.
- Pressure to regularise contract workers leading to higher manpower costs.
- Fewer responses to tenders for large contracts impacting competitiveness.
- Force majeure events, such as floods, earthquakes, cyclones etc.
- Competition consequent to deregulation in Indian power sector.
- Delay in implementation of projects.
- Restricted availability of Water for power plants.
- Surrendering of power by beneficiaries.

Internal control systems and their adequacy

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

Environmental protection and conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

Covered in the main report.

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

Covered in the main report.

Corporate Social Responsibility

Covered in the main report.

Cautionary Statement

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

for and on behalf of the Board of Directors

Place : Chennai
Date : 12-8-2017

Dr.SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Annexure-4

Report on Corporate Governance

Mandatory Requirements

Company's Philosophy on Code of Governance

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

Board of Directors

Composition

As on 31st March, 2017, the Board of Directors of your Company comprised an Executive Chairman, five Executive Directors and two Non-executive Directors and five Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2017 and other details are furnished below:

Sl. No.	Name (Sarvashri/Ms.)	Designation	Other Directorships held as on 31.03.2017	Other Committee* Memberships held as on 31.03.2017	
				As Member	As Chairman
	Executive Directors				
1	Dr. Sarat Kumar Acharya	Chairman and Managing Director	2	-	-
2	Rakesh Kumar	Director (Finance)	2	-	2
3	Subir Das	Director(Mines)	1	-	-
4	V.Thangapandian	Director(Power)	2	2	-
5	P.Selvakumar	Director (Planning & Projects)	1	1	-
6	R.Vikraman	Director(Human Resource)	-	-	-
	Non-executive Directors				
7	R.P.Gupta	Joint Secretary, Ministry of Coal-Part-time official Director	2	-	-
8	Vikram Kapur	Principal Secretary to Govt. of Tamil Nadu, Energy Department-Part-time official Director	5	-	-
	Independent Directors				
9	Chandra Prakash Singh	Part-time Non-official Director	-	-	-
10	Azad Singh Toor	Part-time Non-official Director	-	-	-
11	K.Madhavan Nair	Part-time Non-official Director	-	-	-
12	Nalini Padmanabhan	Part-time Non-official Director	2	-	-
13	Monika Arora	Part-time Non-official Director	3	-	-

* Audit Committee and Stakeholders Relationship Committee

Dates of Board Meetings & Directors' Attendance

During the financial year 2016-17, 10 meetings of the Board of Directors were held on the following dates:

21st April, 2016, 26th May, 2016, 9th July, 2016, 12th September, 2016, 4th November, 2016, 8th December, 2016, 25th January, 2017, 31st January,2017, 9th February, 2017 & 20th March, 2017.

The details of attendance of Directors at the Board Meetings held during the financial year 2016-17, are as under;

Name (Sarvashri/Ms.)	No.of meetings attended out of 10 held	Remarks
Dr. Sarat Kumar Acharya	10	
Rakesh Kumar	10	
Subir Das	7	
V.Thangapandian	10	
P.Selvakumar	9	
R.Vikraman	4	Appointed w.e.f.09.12.2016
R.P.Gupta	7	Appointed w.e.f.30.08.2016
Vikram Kapur	-	Appointed w.e.f.29.03.2017
Chandra Prakash Singh	5	
Azad Singh Toor	10	
K.Madhavan Nair	10	
Nalini Padmanabhan	2	Appointed w.e.f.02.02.2017
Monika Arora	-	Appointed w.e.f.02.03.2017
Sujata Prasad	2	Relinquished w.e.f.20.06.2016
N.S.Palaniappan	-	Relinquished w.e.f.06.07.2016
Dr.Rajeev Ranjan	4	Appointed w.e.f.16.08.2016 and relinquished w.e.f.06.03.2017

Annual General Meeting

Dr. Sarat Kumar Acharya, CMD, Shri.Rakesh Kumar, Shri.Subir Das, Shri.V.Thangapandian, Shri.P.Selvakumar, Shri.Azad Singh Toor, Directors attended the last AGM held on15th September, 2016.

Disclosures- Relationship between Directors inter-se

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31.03.2017.

Details of Shares held by Non-executive Directors

As per the declarations received, none of the Non-executive Directors are holding any equity shares in the Company.

Web-link of Familiarisation Programme imparted to Independent Directors

Familiarisation programmes to Independent Directors is available at

https://www.nlcindia.com/investor/familiarisation_programme_indpnt_dir.pdf.

Audit Committee

(i) Terms of reference

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

(ii) Composition, Names of Members and Chairperson

The Composition of the Committee as on 31.03.2017 comprised three Independent Directors and an Executive Director. Shri.K.Madhavan Nair, Independent Director is the Chairman and Shri.Azad Singh Toor, Shri.Chandra Prakash Singh, Independent Directors and Shri.Subir Das, Executive Director are Members.

(iii) Meetings and Attendance

During the financial year 2016-17, six meetings of the Audit Committee were held on the following dates:

21st April, 2016, 26th May, 2016,12th September, 2016, 8th December, 2016, 9th February, 2017 and 20th March, 2017.

The details of number of meetings and attendance of members for the Audit Committee meetings held during the year 2016-17 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
K.Madhavan Nair	6	6
Azad Singh Toor	6	6
Subir Das	6	4
Chandra Prakash Singh	4	3

Nomination and Remuneration Committee

(i) Terms of reference

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

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

The Company being a Government Company, the powers relating to appointment, evaluation of Directors vests with the Govt. of India and hence performance evaluation of Independent Directors has not been carried out. The requirement to carry out such evaluation is exempted under the purview of the Companies Act, 2013.

(ii) Composition, Name of Members and Chairperson

The composition of the Committee, as on 31.03.2017 comprised two Independent Directors. Shri. Azad Singh Toor, Director as its Chairman, Shri.Chandra Prakash Singh, Director, as its Member and Director (Human Resource) and Director (Finance) as permanent invitees.

The requirement that the Committee to comprise of at least three Non-executive directors, was not complied with during the periods from 06.07.2016 to 07.12.2016 and 06.03.2017 to 31.03.2017.

(iii) Meeting and Attendance

No meeting was held during the year.

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

Remuneration of Directors

No remuneration is being paid to Part-time Official Directors. Part-time Non-official Directors(Independent Directors) are being paid sitting fee @ ₹20,000/- for attending the meetings of the Board and ₹15,000/- for the meetings of the Sub-committees thereof. Hence, no separate criteria is adopted for the payments as stated above.

Remuneration Details

The details of remuneration paid to the following Executive Directors during the year 2016-17 are as under:

Sl. No.	Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits * (₹)
1.	Dr. Sarat Kumar Acharya	32,22,596	10,68,001
2.	Rakesh Kumar	30,70,876	8,44,530
3.	Subir Das	36,78,229	9,38,017
4.	V.Thangapandian	26,58,674	7,81,786
5.	P.Selvakumar	35,65,888	8,25,377
6.	R.Vikraman	8,01,272	2,27,609

* Includes amount paid towards Performance Related Pay, if any.

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 2016-17, no bonus/ commission was paid and no Stock Options were issued to the Directors.

The details of sitting fees paid to Independent Directors during the year 2016-17 are as under:

Sl. No.	Name of the Director (Sarvashri /Ms)	Sitting fee paid for (₹)	
		Board Meetings	Committee Meetings
1.	Chandra Prakash Singh	1,00,000	75,000
2.	Azad Singh Toor	2,00,000	2,25,000
3.	K.Madhavan Nair	2,00,000	90,000
4.	Nalini Padmanabhan	40,000	-
5.	Monika Arora	-	-

Stakeholders Relationship Committee

The composition of the Committee as on 31.03.2017 comprised Shri.Azad Singh Toor, Director as its Chairperson, Shri.Rakesh Kumar and Shri.V.Thangapandian, Directors as its Members. This Committee look into the redressal of Stakeholders/Investors grievance and review the action taken by the Company.

During the financial year 2016-17, four meetings of the Stakeholders Relationship Committee were held on the following dates:

26th May, 2016,12th September, 2016, 4th November, 2016, 9th February, 2017.

The details of number of meetings and attendance of members for the Stakeholders Relationship Committee meetings held during the year 2016-17 are as under:

Sl. No.	Name of the Director (Ms/Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
1.	Sujata Prasad	1	0
2.	Azad Singh Toor	3	3
3.	Rakesh Kumar	4	4
4.	V.Thangapandian	4	4

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

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

During the year 2016-17, 131 complaints were received from the shareholders/investors, generally pertaining to non-receipt of dividend and Annual Report. As per the report received from the Share Transfer Agent, there were no complaints pending for redressal as on 31.03.2017.

Corporate Social Responsibility Committee

(i) Terms of reference : The terms of reference conform to the requirements of the provisions of Companies Act, 2013.

(ii) Composition, Names of Members and Chairperson: The Composition of the Committee as on 31.03.2017 comprised two Independent Directors and four Executive Directors. Shri. Azad Singh Toor, Director as its Chairperson, Shri.Chandra Prakash Singh, Shri.Rakesh Kumar, Shri.Subir Das, Shri.V.Thangapandian and Shri.R.Vikraman Directors as its Members.

(iii) During the financial year 2016-17, four meetings of the Corporate Social Responsibility Committee were held on the following dates:

9th July, 2016, 8th December, 2016, 25th January, 2017, 20th March, 2017.

The details of number of meetings and attendance of members for the Corporate Social Responsibility Committee meetings held during the year 2016-17 are as under:

Sl. No.	Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
1.	Azad Singh Toor	4	4
2.	Chandra Prakash Singh	4	2
3.	Rakesh Kumar	4	4
4.	Subir Das	4	4
5.	V.Thangapandian	4	4
6.	R.Vikraman	2	2

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 2013-14	24.09.2014 15.00 Hrs	"Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai-600 018.
AGM 2014-15	16.09.2015 15.00 Hrs	"Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai-600 018.
AGM 2015-16	15.09.2016 14.30 Hrs	"Kamaraj Arangam", 492, Anna Salai, Teynampet, Chennai - 600 006.

Special Resolutions

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

Postal Ballot

During the year 2016-17, 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) Change of name of the Company from "Neyveli Lignite Corporation Limited" to "NLC India Limited" and consequent alteration to Memorandum of Association and Articles of Association of the Company. (2) Amendment to Object clause of Memorandum of Association of the Company and (3) Alteration of Articles of Association of the Company.

The Postal Ballot Notice dated 4th March, 2016 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 4th March, 2016, 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 Change of name of the Company from "Neyveli Lignite Corporation Limited" to "NLC India Limited" and consequent alteration to Memorandum of Association and Articles of Association of the Company.

Resolution No.1	Approval for change of name of the Company from "Neyveli Lignite Corporation Limited" to "NLC India Limited" and consequent alteration to Memorandum of Association and Articles of Association of the Company.						
	Special Resolution						
	Postal Ballot		E-Votes		Total votes polled		% to total votes polled
	Votes/Shares	Count (Nos.)	Votes/ Shares	Count (Nos.)	Votes/Shares	Count (Nos.)	
Total Votes received	1,537,046,040	1046	82,455,945	173	1,619,501,985	1219	100.00
Less : Invalid votes	24,361	125	0	0	24,361	125	0.00
Net Valid votes	1,537,021,679	921	82,455,945	173	1,619,477,624	1094	100.00
Votes favouring the resolution - (A)	1,510,120,454	730	67,524,461	139	1,577,644,915	869	97.42
Votes against the resolution - (B)	26,901,225	191	14,931,484	34	41,832,709	225	2.58
Total Votes received - (A) + (B)	1,537,021,679	921	82,455,945	173	1,619,477,624	1094	100.00

2. Amendment to Object clause of Memorandum of Association of the Company

Resolution No. 2	Amendment to Object clause of Memorandum of Association of the Company						
	Special Resolution						
	Postal Ballot		E-Votes		Total votes polled		% to total votes polled
	Votes/Shares	Count (Nos.)	Votes/ Shares	Count (Nos.)	Votes/Shares	Count (Nos.)	
Total Votes received	1,537,046,040	1046	82,455,945	173	1,619,501,985	1219	100.00
Less : Invalid votes	42,249	208	25	1	42,274	209	0.00
Net Valid votes	1,537,003,791	838	82,455,920	172	1,619,459,711	1010	100.00
Votes favouring the resolution - (A)	1,510,106,220	667	67,525,219	146	1,577,631,439	813	97.42
Votes against the resolution - (B)	26,897,571	171	14,930,701	26	41,828,272	197	2.58
Total Votes received - (A) + (B)	1,537,003,791	838	82,455,920	172	1,619,459,711	1010	100.00

3. Alteration of Articles of Association of the Company

Resolution No.3	Alteration of Articles of Association of the Company						
	Special Resolution						
	Postal Ballot		E-Votes		Total votes polled		% to total votes polled
	Votes/Shares	Count (Nos.)	Votes/ Shares	Count (Nos.)	Votes/Shares	Count (Nos.)	
Total Votes received	1,537,046,040	1046	82,455,945	173	1,619,501,985	1219	100.00
Less : Invalid votes	42,461	209	25	1	42,486	210	0.00
Net Valid votes	1,537,003,579	837	82,455,920	172	1,619,459,499	1009	100.00
Votes favouring the resolution - (A)	1,510,105,978	667	67,524,897	142	1,577,630,875	809	97.42
Votes against the resolution - (B)	26,897,601	170	14,931,023	30	41,828,624	200	2.58
Total Votes received - (A) + (B)	1,537,003,579	837	82,455,920	172	1,619,459,499	1009	100.00

The Special Resolutions as mentioned in the notice of the postal ballot dated 4th March,2016 had been passed with the requisite majority on 13th April,2016.

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

Means of Communication

The quarterly and yearly financial results are furnished immediately to the Stock Exchanges where the Company's equity shares are listed. The quarterly/annual financial results are generally published in Business Line and Dinamani (Tamil). The financial results are also made available in the Company's website-www.nlcindia.com and in the website of NSE & BSE. The Company's official news releases, all the events/information as per the provisions of SEBI Listing regulations are being displayed on the web-site of the Company.

General Shareholder Information

AGM : Date, day, time and venue : 27th September 2017-Wednesday-14.30 Hours
Kamaraj Arangam, 492, Anna Salai, Teynampet,
Chennai - 600 006.

Financial Calendar for the year 2017-18

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

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 2017-18.

Stock Code

Name and Address of the Stock Exchanges	Stock Code
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.	513683
National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block-G, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.	NLCINDIA

Stock Market Data

The monthly high and low market price of the Company's shares during each month in 2016-17 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 2016	72.90	68.70	72.90	68.75	26,100.54	24,523.20	7,992.00	7,516.85
May 2016	73.35	67.50	73.30	67.40	26,837.20	25,057.93	8,213.60	7,678.35
June 2016	73.80	68.05	73.80	68.00	27,105.41	25,911.33	8,308.15	7,927.05
July 2016	82.70	72.00	82.50	71.65	28,240.20	27,034.14	8,674.70	8,287.55
August 2016	80.00	73.75	80.50	73.75	28,532.25	27,627.97	8,819.20	8,518.15
September 2016	78.70	71.00	78.90	70.00	29,077.28	27,716.78	8,968.70	8,555.20
October 2016	83.35	71.70	83.40	71.55	28,477.65	27,488.30	8,806.95	8,506.15
November 2016	86.35	73.10	86.45	73.15	28,029.80	25,717.93	8,669.60	7,916.40
December 2016	81.90	73.05	81.70	73.20	26,803.76	25,753.74	8,274.95	7,893.80
January 2017	100.10	76.00	100.30	75.55	27,980.39	26,477.06	8,672.70	8,133.80
February 2017	99.90	90.20	99.95	90.80	29,065.31	27,590.10	8,982.15	8,537.50
March 2017	123.00	92.50	122.90	92.50	29,824.62	28,716.21	9,218.40	8,860.10

Depository Registrar and Share Transfer Agent

Integrated Registry Management Services Private Limited 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: csdstd@integratedindia.in.

Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2017 is as under:

Category	No.of Shares	% to total
President of India	1365392374	89.32
Financial Institution-State Government	59701260	3.91
Financial Institutions/Banks	62075577	4.06
Insurance Companies	14652348	0.96
Mutual Funds/UTI	203193	0.02
NBFC registered with RBI	40167	0.00
Bodies Corporate	2858298	0.19
Foreign Institutional Investors	182490	0.01
Foreign Portfolio Investors – Corporate 1 & 2	341937	0.02
Foreign Portfolio Investors-Corporate-3	42481	0.00
NRI	1092779	0.07
Public	21746655	1.42
Clearing Members	133174	0.01
Others	105694	0.01
Total	**1528568427**	**100.00**

Distribution of Shareholding of the Company as on 31st March, 2017 is as under:

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of shareholding
1 - 500	78686	92.66	9961428	0.65
501 - 1000	3444	4.06	2847482	0.19
1001 - 2000	1433	1.69	2211264	0.14
2001 - 3000	467	0.55	1217563	0.08
3001- 4000	208	0.24	748169	0.05
4001- 5000	202	0.24	962110	0.06
5001 -10000	248	0.29	1810580	0.12
10000 and above	228	0.27	1508809831	98.71
Total	**84916**	**100.00**	**1528568427**	**100.00**

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 2017, equity shares numbering to 152,59,48,649 (99.83%) have been dematerialised by the shareholders. The Company's equity shares are actively traded on the Stock Exchanges.

Share Transfer System

Integrated Registry Management Services Private Limited, Chennai (DR&STA) attend to transfers/ transmission requests lodged with the Company. 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 Officials of the Company which meets depending upon the requirements. As reported by the DR&STA, all share transfers received upto 31st March 2017 have been processed.

Transfer of Shares to IEPF Authority

Pursuant to notification of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend have remained unpaid or unclaimed for seven consecutive years or more shall be transferred to IEPF Authority. The Company has also uploaded full details of such shareholders and shares due for transfer to the IEPF Authority on its website at www.nlcindia.com

The shareholders who have not claimed their dividend, can write to the Company Secretary at the Registered office/ Corporate Office mentioned above or email at investors@nlcindia.com or to our Registrar and Share Transfer Agent and the said claim will be entertained until further notification/circular from IEPF Authority

Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company and hence there would not be any impact on the equity.

Commodity price risk/foreign exchange risk and hedging activities

For FY 2016-17, Commodity Price Risk and Commodity Hedging Activity : Not applicable.

Plant locations

Mine-I (including Expansion) Mine-IA, Mine-II (including Expansion), TPS-I, TPS-I Expansion, TPS-II and TPS-II Expansion are located in Neyveli in Cuddalore District in the State of Tamil Nadu. Barsingsar Mine and Thermal

Power Plant are located in Bikaner District in the State of Rajasthan. 10 MW Solar Power Plant and 51 MW wind power project located at Neyveli, Cuddalore District and Kazhuneerkulam, Tirunelveli District respectively in the State of Tamilnadu. Neyveli New Thermal Power Station presently is under construction in Neyveli. 130 MW Solar Power Plant at Neyveli in Tamil Nadu is being set up. Talabira-II & III Coal Blocks at Sambalpur in the State of Odisha is under development. A Thermal Power Plant of the Subsidiary Company (NTPL) is at Tuticorin, in the State of Tamil Nadu. A Thermal Power Plant is under construction 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.

Address for correspondence

Shareholders/Investors may send their correspondence to the Company Secretary either to the Registered Office at First Floor, No.8,Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600 031 (Tel. No.044-28364613-16) or to the Corporate Office, Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu (Tel.No.04142-252205). Shareholders may also send their communication electronically to investors@nlcindia.com, the exclusive e-mail-id provided.

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

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

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

Other Disclosures

(i) The policies on related party transactions and 'material subsidiaries' are available at https://www.nlcindia.com/investor/RPT_new.pdf & https://www.nlcindia.com/investor/SUBSIDIARY-POLICY.pdf

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

(ii) During the year 2015-16, the stock exchanges had imposed a fine of ₹50,000/- for not appointing a woman Director on the Board of the Company within the stipulated period. The Company being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India. The matter relating to the above imposition of fine has been referred to the Ministry of Coal. No other penalties/strictures have been imposed on the Company by the Stock Exchanges or by SEBI on any matters relating to capital markets during the last 3 years.

(iii) **Dividend Distribution Policy**

Policy Framework

The policy is framed broadly in line with the provisions of Companies Act, 2013 and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Dept. of Investment and Public Asset Management (DIPAM), Ministry of Finance, Dept. of Public Enterprises, SEBI and other guidelines, to the extent applicable.

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

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

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

The detailed Dividend Distribution Policy is available at the following weblink https://www.nlcindia.com/investor/dividenddistributionpolicy_15042017.pdf

(iv) The Company has formulated Whistle Blower Policy. It is affirmed that no personnel had been denied access to the Audit Committee.

(v) Disclosure of commodity price risks and commodity hedging activities:

For FY 2016-17, Commodity Price Risk and Commodity Hedging Activity : Not applicable. As per CERC Norms and Regulations, Foreign Exchange variation is a pass-through item in the Tariff fixation and hence, hedging of Foreign Exchange Risk is not done.

(vi) Details of administrative, office and financial expenses for the year under review and for the previous year are available in the annual accounts. No Presidential Directive was received during the year and also in the last three years.

As regards adopting discretionary requirements, the following are stated

The Board

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

Shareholder Rights

The Company's financial results are published in English National newspaper 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 Regulations, the results of the Company are also furnished immediately to the Stock Exchanges and also uploaded in the Company's website www.nlcindia.com for the information of shareholders and other investors.

All significant events and information about the Company are uploaded in the Company's web-site and also in the website of NSE & BSE.

Modified opinion(s) in audit report

It is always the Company's endeavour to present unqualified financial statements. The Audit Report for the year 2016-17 does not contain any audit qualifications.

Separate posts of Chairman and CEO

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

Reporting of Internal Auditor

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

Compliance

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

Declaration - Code of Conduct

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

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

for and on behalf of the Board of Directors

Place : Chennai
Date : 12-8-2017

Dr.SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Annexure-5

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

M/s. CHANDRAN & RAMAN
Chartered Accountants,
Paragon No. 2, Dr. Radhakrishnan Salai,
2nd Street, Mylapore,
Chennai – 600 004.

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
M/s. NLC India Limited
(Formerly Neyveli Lignite Corporation Limited)

We have examined the compliance of conditions of Corporate Governance by NLC India Limited (Formerly Neyveli Lignite Corporation Limited) for the year ended 31st March 2017 as per Regulations 17-27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises ('DPE Guidelines').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Listing Regulation and DPE Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in above mentioned Listing Regulations, as applicable and in DPE Guidelines on Corporate Governance except for the following:

a. The Company had not complied with the requirement as to having not less than 50% of the Board of Directors of the Company comprising of Independent Directors as prescribed under the Listing Regulations and DPE Guidelines.

b. For a part of the year, the requirement of the Listing Regulations and DPE Guidelines as to the composition of Board of Directors with majority of directors being non-executive directors was not complied with.

c. For a part of the year, the requirement of the Listing Regulations and DPE Guidelines as to the composition of 3 non-executive directors being part of the Nomination & Remuneration Committee was not complied as committee comprised of only 2 non-executive directors.

d. For a part of the year, the composition of the Stakeholders Relationship Committee as to having a non-executive director being the Chairman of the committee as prescribed under the Listing Regulations have not been complied with.

e. For a part of the year, the requirement as to having atleast one Woman Director being the part of the Board of Directors as prescribed under the Listing Regulations has not been complied.

We state that as required by the Listing Regulations, the Chairman of the Audit Committee was not present at the 60th Annual General Meeting of the Company held on 15th September, 2016 to address the queries of the stakeholders. However, as per the DPE guidelines on Corporate Governance, the Chairman of the Audit Committee had nominated one of the Member of Audit Committee to attend the said Annual General Meeting.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR P.B. VIJAYARAGHAVAN & CO.,,
Chartered Accountants
Firm Regn. No. 004721S
P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No. 00571S
S. Pattabiraman
Partner
M No. 014309

Place: Chennai
Date: 30.05.2017

Annexure - 6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March,2017
[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	:	NLC India Limited
iv)	Category / Sub-Category of the Company	:	Government Company
v)	Address of the Registered office and contact details	:	First Floor, No.8,Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600 031 Tel. No :044-28364613-16 Fax.No.:044-28364619
vi)	Whether listed Company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Integrated Registry Management Services Private Limited, II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017. Tel.No.:044-28140801-03 Fax No.:044-28142479 E-mail id:csdstd@integratedindia.in

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	95.31

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 Tamil Nadu Power Limited Regd. Office: First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600 031.	U40102TN2005GOI058050	Subsidiary Company	89	Section 2 (87) of the Companies Act,2013
2.	Neyveli Uttar Pradesh Power Limited, B-III, 204, 2nd Floor, Eldego Elegance Apartment, Gomti Nagar, Lucknow, Uttar Pradesh.	U40300UP2012GOI053569	Subsidiary Company	51	Section 2 (87) of the Companies Act,2013
3.	MNH Shakti Limited, Anand Vihar, PO. Jagruti Vihar, Burla, Sambalpur, Orissa.	U10100OR2008GOI010171	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 01.04.2016)				No.of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual	0	0	0	0	0	0	0	0	0
(b) Central Govt	1509938640	0	1509938640	90	1365392374	0	1365392374	89.32	-0.68
(c) State Govt(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**	**1365392374**	**0**	**1365392374**	**89.32**	**-0.68**
(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**	**1365392374**	**0**	**1365392374**	**89.32**	**-0.68**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1431616	48300	1479916	0.09	154893	48300	203193	0.01	-0.08
b) Banks / FI	62145879	2500	62148379	3.70	62073077	2500	62075577	4.06	0.36
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	59701260	0	59701260	3.56	59701260	0	59701260	3.91	0.35
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	15976902	0	15976902	0.95	14652348	0	14652348	0.96	0.01
g) FIIs	978643	0	978643	0.06	182490	0	182490	0.01	-0.05
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)- Foreign Portfolio Investors	1717833	0	1717833	0.10	384418	0	384418	0.03	-0.07
Sub-total (B)(1):-	**141952133**	**50800**	**142002933**	**8.46**	**137148486**	**50800**	**137199286**	**8.98**	**0.52**

(i) Category-wise shareholding

Category of Shareholders	No.of Shares held at the beginning of the year (As on 01.04.2016)				No.of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2435582	2500	2438082	0.15	2895965	2500	2898465	0.19	0.04
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	17184935	2257085	19442020	1.16	15817373	2237978	18055351	1.18	0.02
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2530077	66400	2596477	0.15	3624904	66400	3691304	0.24	0.09
c) Others (specify)									
Clearing Members	67920	0	67920	0.00	133174	0	133174	0.01	0.01
Trusts	69983	0	69983	0.00	94465	0	94465	0.00	0
NRI	878043	262100	1140143	0.07	830679	262100	1092779	0.07	0.00
Limited Liability Partnership	12302	0	12302	0.00	10129	0	10129	0	0.00
Unclaimed Securities Suspense Account	1100	0	1100	0	1100	0	1100	0	0.00
Sub-total (B)(2):-	23179942	2588085	25768027	1.54	23407789	2568978	25976767	1.70	0.16
Total Public Shareholding (B)=(B)(1)+ (B)(2)	165132075	2638885	167770960	10.00	160556275	2619778	163176053	10.68	0.68
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**1675070715**	**2638885**	**1677709600**	**100.00**	**1525948649**	**2619778**	**1528568427**	**100**	**0**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			
		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	1365392374	89.32	0	-0.68

(iii) Change in Promoters' Shareholding (please specify, if there is no change)					
Sl. No.		Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of shares	% of total shares of the Company
1.	At the beginning of the year	1509938640	90.00	--	--
2	Date wise Increase / Decrease in Promoters Share holding during the year. Buyback of shares by President of India –dt.27.03.2017	-144546266			
3	At the end of the year (As on 31.03.2017)	1365392374	89.32	1365392374	89.32

(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 01.04.2016)		Date	Increase/ Decrease in share holding 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 2016-17						
	At the end of the year	61317053	4.01				61317053	4.01
2	**State Industries Promotion Corporation of Tamil Nadu Limited**							
	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 2016-17						
	At the end of the year	26865567	1.76				26865567	1.76
3	**Tamil Nadu 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 2016-17						
	At the end of the year	14925315	0.98		0		14925315	0.98
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 2016-17						
	At the end of the year	7152585	0.47				7152585	0.47
5	**The Tamil Nadu 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 2016-17						
	At the end of the year	5970126	0.39				5970126	0.39

1	2	3	4	5	6	7	8	9
6	**Tamil Nadu 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 2016-17						
	At the end of the year	5970126	0.39				5970126	0.39
7	**Tamil Nadu Power Finance and Infrastructure Development Corporation Limited**							
	At the beginning of the year	5970126	0.36		0		5970126	0.39
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2016-17						
	At the end of the year	5970126	0.39				5970126	0.39
8	**General Insurance Corporation of India**							
	At the beginning of the year	4358593	0.26		0			
	Date wise Increase / Decrease in Share holding during the year			27.03.2017	-347810	Buy back	4010783	0.26
	At the end of the year	4010783	0.26				4010783	0.26
9	**United India Insurance Company Limited**							
	At the beginning of the year	3281007	0.19					
	Date wise Increase / Decrease in Share holding during the year			08.04.2016	-53799	Transfer	3227208	0.21
				15.04.2016	-74523	Transfer	3152685	0.21
				22.04.2016	-115485	Transfer	3037200	0.20
				29.04.2016	-116641	Transfer	2920559	0.19
				06.05.2016	-37755	Transfer	2882804	0.19
				03.02.2017	-134462	Transfer	2748342	0.18
				10.02.2017	-75000	Transfer	2673342	0.18
	At the end of the year	2673342	0.18				2673342	0.18
10	**The Oriental Insurance Company Limited**							
	At the beginning of the year	929305	0.06					
	Date wise Increase / Decrease in Share holding during the year			10.02.2017	-40000	Transfer	889305	0.06
				17.02.2017	-13667	Transfer	875638	0.06
				24.02.2017	-22500	Transfer	853138	0.06
				03.03.2017	-32500	Transfer	820638	0.05
				10.03.2017	-5000	Transfer	815638	0.05
	At the end of the year	815638	0.05				815638	0.05

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 01.04.2016)		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	0	0	0	0
	Date wise Increase /Decrease in Share holding during the year	Not applicable			
	At the End of the year (As on 31.03.2017)	0	0	0	0

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 01.04.2016)				
i) Principal Amount	3020,00,00,000.00	519,98,34,564.00	-	3539,98,34,564.00
ii) Interest due but not paid	0.00	0.00	-	0.00
iii) Interest accrued but not due	9,87,02,466.00	97,49,690.00	-	10,84,52,156.00
Total (i+ii+iii)	**3029,87,02,466.00**	**520,95,84,254.00**	**-**	**3550,82,86,720.00**
Change in Indebtedness during the financial year				
• Addition	2286,00,00,000.00	-	-	0
• Reduction	359,87,02,466.00	23,78,55,637.50		0
Net Change	1926,12,97,534.00	23,78,55,637.50		0
Indebtedness at the end of the financial year (as on 31.03.2017)				
i) Principal Amount	4956,00,00,000.00	457,05,46,445.00	-	5413,05,46,445.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	987,02,466.00	85,69,775.00	0	1072,72,241.00
Total (i+ii+iii)	**4965,87,02,466.00**	**457,91,16,220.00**	**0**	**5423,78,18,686.00**

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)						
		Dr.Sarat Kumar Acharya CMD	Rakesh Kumar Director (Finance/CFO)	Subir Das Director (Mines)	V.Thangapandian Director (Power)	P.Selvakumar Director (P&P)	R.Vikraman Director (HR) (From 9.12.2016)	Total
1	Gross salary; (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,47,847	31,20,876	38,08,364	26,87,841	36,15,888	8,01,272	1,74,82,088
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,24,733	2,94,115	3,34,015	1,91,705	3,11,009	57,187	15,12,764
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0	0	0
2.	Stock Option	0	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0	0
4	Commission - As % of Profit	0	0	0	0	0	0	0
	- Others, specify	0	0	0	0	0	0	0
5	Others, please specify viz., PF Contribution, Pension etc.,	5,18,017	5,00,415	4,73,867	5,60,914	4,64,368	1,70,422	26,88,003
	Total (A)	42,90,597	39,15,406	46,16,246	34,40,460	43,91,265	10,28,881	2,16,82,855
	Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA

B. Remuneration to other Directors						**(Amount in ₹)**
Particulars of Remuneration	**Name of Directors (S/Shri / Ms.)**					**Total Amount**
Independent Directors	**Chandra Prakash Singh**	**Azad Singh Toor**	**K.Madhavan Nair**	**Nalini Padmanabhan**	**Monika Arora**	
• Fee for attending Board/ Committee Meetings	1,75,000.00	4,25,000.00	2,90,000.00	40,000.00	0	9,30,000.00
• Commission	0	0	0	0	0	0
• Others, please specify	0	0	0	0	0	0
Total (1)	1,75,000.00	4,25,000.00	2,90,000.00	40,000.00	0	9,30,000.00
Other Non-Executive Directors						
• Fee for attending Board/ Committee Meetings	NA	NA	NA	NA	NA	0
• Commission	NA	NA	NA	NA	NA	0
• Others, please specify	NA	NA	NA	NA	NA	0
Total(2)	NA	NA	NA	NA	NA	0
Total(B)=(1+2)	NA	NA	NA	NA	NA	0
Total Managerial Remuneration	1,75,000.00	4,25,000.00	2,90,000.00	40,000.00	0	9,30,000.00
Overall Ceiling as per the Act	NA	NA	NA	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	18,89,618
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,51,651
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission - As % of Profit	0
	- Others, specify	0
5.	Others, please specify viz., PF Contribution, Pension etc.,	3,96,104
	Total (A)	24,37,373

VII. Penalties / Punishment/ Compounding of Offences : NIL

for and on behalf of the Board of Directors

Place : Chennai
Date : 12-8-2017

Dr.SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Annexure-7

R. BALASUBRAMANIAM
B.A., B.L., F.C.S.
Company Law Consultant
Email ID: balu_comsec@yahoo.com
Contact No: 044 - 26269826

Door No. 27, Flat No. A2,
"J" Block, Second Street,
Anna Nagar East,
Chennai – 600102.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To,

The Members,
NLC India Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NLC India Limited (CIN: L93090TN1956GOI003507) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided 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, 2017 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, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

 (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

b) Coal Mines Regulations, 1957.

c) DGMS Guidelines on Periodic Medical Examination for Mines.

d) Mines Vocational Training Rules, 1966.

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

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

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

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

I 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. (Standards)

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

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

1. The Board of Directors of the Company did not comprise with the required number of Independent Directors as prescribed under the Act, Listing Regulations & DPE Guidelines.

2. For a part of the year, the composition of the Board of Directors and Nomination & Remuneration Committee did not comply with the requirements as prescribed under the Act, Listing Regulations & DPE Guidelines.

3. Further, for a part of the year, the composition of the Stakeholders Relationship Committee and the requirement to have at least one woman Director on its Board as prescribed under the Act and Listing Regulations have 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.

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

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 Committee of the Board, as the case may be.

As per Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board was required to carry out evaluation of every director's performance. Further Regulation 17(10) of SEBI (LODR), 2015 and the Code for Independent Directors pursuant to Section 149(8) of the Companies, 2013 requires the performance evaluation of Independent Directors to decide their continuance or otherwise. Further the Ministry of Corporate Affairs has vide its notification dated 5th June, 2015 notified the exemptions to Government Companies which, inter-alia, provides that Sub-sections (2), (3) and (4) of Sec.178 of the Act regarding appointment, performance evaluation and remuneration shall not apply to Directors of the Government Companies. The appointment of Functional Directors, Part-time Official Directors as well as Part-time Non-official Directors (Independent Directors) on the Board of NLCIL is made by the Government of India (GOI). Further the terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors and CMD by the Administrative Ministry. Upon request and representation as received from CPSEs, the Department of Public Enterprises has also written to Department of Economic Affairs and SEBI to align the Listing Regulations with the Companies Act, 2013 based on the exemptions under the aforesaid act, as provided to the Government Companies.

I further report that 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.

I further report that during the period under review the Company has:

(i) Changed its name from "Neyveli Lignite Corporation Limited" to "NLC India Limited", pursuant to resolution passed by the Members vide Postal Ballot on 13th April,2016 with effect from 19th July, 2016.

(ii) Bought back 14,91,41,173 Equity shares of ₹10/- each for an aggregate consideration of ₹1476,49,76,127/-, pursuant to Section 68 of the Companies Act, 2013 and complied with the provisions of Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Chennai
Date : 9th May, 2017

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

Reply to the Observations of Secretarial Auditor

Secretarial Auditor's Observations (as per Sl.No of the report)	Reply to the observations of Secretarial Auditor
1. The Board of Directors of the Company did not comprise with the required number of Independent Directors as prescribed under the Act, Listing Regulations & DPE Guidelines.	The Company is a Government Company and as per the Articles of Association of the Company, the power to appoint Directors including woman Director on the Board of the Company, vests with the President of India. The Ministry of Coal (MOC), the Administrative Ministry was apprised of the requirements and requested for taking necessary action.
2. For a part of the year, the composition of the Board of Directors and Nomination & Remuneration Committee did not comply with the requirements as prescribed under the Act, Listing Regulations & DPE Guidelines.	As stated above, the power to appoint Directors including woman Director on the Board vests with the President of India. Further it is stated that the composition of the Nomination & Remuneration Committee and Stakeholder's Relationship Committee was fully complying with the prescribed requirements excepting for a part of the year due to the relinquishment of a Non- executive Director who was the Member of the Committee, from the Board. The Committees have since been reconstituted as per the requirements.
3. Further, for a part of the year, the composition of the Stakeholders Relationship Committee and the requirement to have at least one woman Director on its Board as prescribed under the Act and Listing Regulations have not been complied with.	

for and on behalf of the Board of Directors

Place : Chennai
Date : 12-8-2017

Dr.SARAT KUMAR ACHARYA
CHAIRMAN AND 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 NLC India Limited for the year ended 31 March, 2017

The preparation of financial statements of NLC India Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2017.

I, on 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 NLC India Limited for the year ended 31 March 2017. 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 behalf of the
Comptroller & Auditor General of India

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

Place : Chennai
Date : 10.08.2017

Comments of the Comptroller and Auditor General of India under Section 143(6)(b) read with Section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statements of NLC India Limited for the year ended 31 March, 2017

The preparation of consolidated financial statements of NLC India Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2017.

I, on 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 NLC India Limited for the year ended 31 March, 2017. We conducted a supplementary audit of the financial statements of NLC India Limited, NLC Tamilnadu Power Limited and did not conduct supplementary audit of the financial statements of Neyveli Uttar Pradesh Power Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to MNH Shakti Limited being private entity. Accordingly, C&AG has neither appointed the Statutory Auditor nor conducted the supplementary audit of this Company. 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 behalf of the
Comptroller & Auditor General of India

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

Place : Chennai
Date : 10.08.2017

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

M/s. CHANDRAN & RAMAN,
Chartered Accountants,
Paragon No. 2, Dr. Radhakrishnan Salai,
2nd Street, Mylapore,
Chennai – 600 004.

Independent Auditors' Report

To
The Members of M/s. NLC INDIA LIMITED
(Formerly Neyveli Lignite Corporation Limited)

Report on the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of M/s. NLC INDIA LIMITED (formerly Neyveli Lignite Corporation Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS 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. 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 (financial position) of the Company as at 31st March, 2017, and its profit, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

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

a) Note No: 49 to the financial statements regarding implementation of Ind AS 114 Regulatory Deferral Accounts, wherein the resulting adjustments of giving effect to CERC Orders has been recognised in the retained earnings for the years prior to transition date i.e., 01.04.2015. The adjustments relating to the FY 2015-16 & FY 2016-17 are recognised in the Statement of Profit & Loss under Net Movement in Regulatory Deferral Account Balances.

b) Note No: 46 to the financial statements regarding the change in accounting policy during the year whereby the expenditure incurred on operation and maintenance (excluding interest and depreciation) of Lignite Handling System is being treated as a part of Lignite Cost as against the earlier practice of treating the said expenditure as a cost attributable to thermal stations.

Our opinion is not modified in respect of these matters.

Other Matter

We did not audit the financial statements of ONE (1) branch included in the standalone Ind AS financial statements of the company whose financial statement reflects a total assets of ₹2,403.24 crore as at 31st March 2017 and total revenue of ₹593.39 crore for the year ended on that date, as considered in the standalone Ind AS 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, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure-I a statement on the matters specified in 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.

    c) The report on accounts of the branch office of the company audited U/s.143(8) of the Act by the 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    e) In our opinion, the aforesaid standalone Ind AS 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. 463(E) dated 05.06.2015, sub-section (2) of Section 164 of the Companies Act, 2013 is not applicable to Government Companies.

g) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure–II.

h) 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 standalone Ind AS financial statements – Refer Note 20 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.

   iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. As stated in Note No. 54 to the financial statements and as represented to us by the Management, the Company has received amounts aggregating ₹6,64,000 from transactions made in Specified Bank Notes.

3. As required by section 143(5) of the Companies Act, 2013, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India is given in Annexure–III.

FOR P.B. VIJAYARAGHAVAN & CO.,,	**FOR CHANDRAN & RAMAN**
Chartered Accountants	Chartered Accountants
Firm Regn. No. 004721S	Firm Regn. No 00571S
P.B. Srinivasan	**S. Pattabiraman**
Partner	**Partner**
M No. 203774	**M No. 014309**

Date: 30.05.2017
Place: Chennai

Annexure-I to Independent Auditors' Report

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of section 143

1. Fixed Assets

a. The Company is maintaining 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. For the cycle 2011-12 to 2015-16, physical verification of all the fixed assets has been carried out during the financial years 2015-16 & 2016-17. Pending reconciliation of discrepancies observed on physical verification conducted a sum of ₹1.38 crore has been provided for. Material discrepancies, if any, will be adjusted as and when determined.

c. According to the information and explanations given to us, the company is in possession of title deeds/assignment deeds/GO's in respect of immoveable properties, except as detailed below. However, due to the enormous volume of the documents held by the company for acquisition of land, all the title deeds could not be fully verified.

(₹ in crore)

Nature of Immoveable Property	Total No of cases	Gross Block as on 31.03.2017	Net Block as on 31.03.2017	Remarks, if any
Building – Leasehold	1	2.10	1.31	Registration of Lease Deed pending

2. Inventory

The inventory has been physically verified during the year by the management. No material discrepancies were noticed.

3. Transactions with parties covered by register referred to in section 189

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

a. In our opinion, the terms and conditions of grant of the loans are not prejudicial to the interest of the Company.

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

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

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

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

5. Public Deposits

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

6. Maintenance of Cost Records

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

7. Statutory dues

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

Based on information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues were outstanding as at 31st March 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income Tax, 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 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	2685.00	983.00	-	CESTAT
Finance Act, 1994	Service Tax	89.56	6.72	April 2009 to June 2012	CESTAT
		10.18	-		CEC(A)
		51.34	3.85	July 2012 to March 2014	CEC(A)
		1.11	0.08	April 2012 to June 2012	CEC(A)
		852.59	63.94	July 2012 to March 2015	CESTAT
		366.59	27.94	July 2012 to March 2014	CESTAT
		492.56	36.94	April 2013 to Sep 2013	CESTAT
		205.62	-	June 2008 to March 2012	CESTAT
		72.57	-	April 2015 to March 2016	CESTAT
Income Tax Act	Income Tax	17351.42	10542.43	AY 2013-14	CIT(A)
		13455.23	-	AY 2014-15	CIT(A)
The Central Excise Act, 1944	Excise Duty	29.03	2.18	Nov. 2011 to Sep. 2012	CEC(A)

8. Repayment of Loans

The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders during the relevant financial year.

9. Raising of monies through Public Offer and/or Term Loans

According to the information and explanations given to us, the monies raised by ways of issue of debt instruments and term loans were applied for the purposes for which those were raised.

10. Frauds

According to the information and explanations given to us no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration

According to the information and explanations provided to us, the total Managerial remuneration paid/provided by the Company is within the overall maximum limit as specified section 197 read with Schedule-V to the Companies Act, 2013 and accordingly requirements as to obtaining requisite approval this section does not arise.

12. Compliance with Net Owned Funds Ratio & unencumbered term deposits

The Company is not a Nidhi Company and hence the provisions para 3(xii) of the order referred to in Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act does not apply to the Company.

13. Transaction with Related Parties

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

14. Preferential Allotment or Private Placement

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. Non-cash transactions

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

16. Registration with Reserve Bank of India

The Company is not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934.

FOR P.B. VIJAYARAGHAVAN & CO.,,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

Annexure-II to Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s. NLC INDIA LIMITED (formerly Neyveli Lignite Corporation Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

We did not audit the Internal Financial Control over Financial Reporting of ONE (1) branch included in the standalone Ind AS financial statements of the Company. The adequacy of internal financial controls system over financial reporting and the operating effectiveness of such internal financial controls over financial reporting conducted by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor. Our opinion is not modified in respect of this matter.

FOR P.B. VIJAYARAGHAVAN & CO.,,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

Annexure-III to Independent Auditors' Report

Comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India

1. The Company has been acquiring land through Government of Tamil Nadu. As per the legal opinion obtained by the Company as regards the clear title the position is as under –

Period during which land was acquired	Statute under which the land was acquired	Mode of acquisition	Nature of ownership
From incorporation to 1977	The Land Acquisition Act, 1894	Assignment Deeds	Conditional Ownership
1978 to 1996	The Land Acquisition Act, 1894	Government Notifications	Absolute owner of the land
1997 to 2001	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Conditional Ownership
2001 to 31.03.2017	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Absolute owner of the land

2. During the year under audit, there were no cases of waiver/write off of debts/loans/interest etc.

3. There are no cases of inventories lying with third parties or assets received as gifts/grants from the Government or other authorities.

FOR P.B. VIJAYARAGHAVAN & CO.,,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

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

M/s. CHANDRAN & RAMAN,
Chartered Accountants,
Paragon No. 2, Dr. Radhakrishnan Salai,
2nd Street, Mylapore,
Chennai – 600 004.

Independent Auditors' Report

To

The Board of Directors of NLC India Limited (Formerly Neyveli Lignite Corporation Limited)

Report on the Comparative Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying special purpose standalone Ind AS financial statements of NLC India Limited (Formerly Neyveli Lignite Corporation Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the Opening Balance Sheet as at 1st April, 2015, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Comparative standalone Ind AS Financial Statements").

Management's Responsibility for the Comparative Standalone Ind AS 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 Comparative Standalone Ind AS Financial Statements in accordance with the basis of accounting described in Note 2.

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 Comparative Standalone Ind AS Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these Comparative Standalone Ind AS Financial Statements based on our audit.

We conducted our audit of the Comparative Standalone Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 controls 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 the effectiveness of the Company's internal financial 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 Comparative Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Comparative Standalone Ind AS Financial Statements for the year ended 31st March, 2016 (including opening balance sheet as at 1st April 2015), are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to these financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to these Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting. The Comparative Standalone Ind AS Financial Statements are prepared to assist NLC India Limited to meet the requirements of preparation of first set of complete standalone Ind AS financial statements. As a result, the Comparative Standalone Ind AS Financial Statements may not be suitable for another purpose.

Emphasis of Matter

We draw attention to Note 2 to the Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting and further states that the comparative financial information has not been included in these financial statements. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the Company's state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and the changes in equity.

Our opinion is not modified in respect of this matter.

Other Matter

NLC India Limited has prepared a separate set of financial statements for the year ended March 31, 2016 and March 31, 2015 in accordance with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 on which we issued a separate auditors' report to the shareholders of NLC India Limited dated 26th May 2016 and 29th May, 2015 respectively.

Our opinion is not modified in respect of this matter.

FOR P.B. VIJAYARAGHAVAN & CO.,,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

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

M/s. CHANDRAN & RAMAN,
Chartered Accountants,
Paragon No. 2, Dr. Radhakrishnan Salai,
2nd Street, Mylapore,
Chennai – 600 004.

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of NLC India Limited (Formerly Neyveli Lignite Corporation Limited) for the year ended 31st March 2017 in accordance with directions / sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions /sub-directions issued to us.

FOR P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No. 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

Significant Accounting Policies

I. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. 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. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalised as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS 101, the company has availed the exemption where in the carrying value of the PPE as per Previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Administration and general overhead expenses attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of property, plant and equipment 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.

Machinery Spares

Initial spares purchased along with property, plant and equipment are capitalised and depreciated along with the asset.

Spares purchased subsequent to commissioning of the asset which meets the requirements set out in Ind AS 16 and costing INR 0.50 crore and above are treated as Property, Plant & Equipment.

Land for mining

Land for mining in Tamil Nadu is acquired in accordance with and subject to the provisions of Land Acquisition Act 1894 and Tamil Nadu 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. Land is capitalised with reference to the date of taking over the physical possession of land at the value of consideration paid.

Construction projects

Capitalisation and Depreciation

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 revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

c. Wind turbine Generators (WTG)

Each WTG are capitalised on the date on which it is connected to grid based on the commissioning certificate issued by TANGEDCO. Depreciation charge commence from the date of capitalisation.

d. Solar Power

Solar Power Plants are capitalised on the date on which it is connected to grid.

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

Other assets are capitalised when they are available for use.

Depreciation

Depreciation is provided on cost of the property, plant and equipment less their estimated residual values over their estimated useful lives, and is recognised in the Statement of Profit and Loss. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land taken on lease is amortised over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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	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.
(b) LEP Assets	At residuary life not exceeding 15 years
ii. Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013.
iii. Buildings : Non-residential Buildings Plant & Machinery : CME other than dozers and pipe layers, Workshop machinery, pumps GWC &SWC pipes and Civil construction machinery.	At higher of technically assessed rates/life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. Specialised Mining Equipment : Commissioned on or after 31.08.2007	At technically assessed rates/life as approved by Ministry of Corporate Affairs in August 2007.
v. Other Assets and Specialised Mining Equipment: Commissioned before 31.08.2007	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset
vii. Spares treated as PPE	Residual life of the parent asset
viii. Asset costing less than ₹5,000	Fully depreciated when the asset is ready to use

The Company depreciates Property, Plant and Equipment based on rates provided under Schedule-II of the Companies Act, 2013 or based on management estimate of useful lives which it deems fit to represent the useful life of each Property, Plant and Equipment.

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Company.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use.

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.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is be included in the Statement of Profit and Loss.

II. Intangible Assets

Recognition and measurement

The Company recognises an intangible asset and measures at cost if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

Research and development Cost - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognised as an intangible asset when the Company can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets - Other Intangible Assets including Computer software that are acquired by the Company for an amount more than ₹10 lakh and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and Subsequent Expenditure (Project development expenditure)	Over the residual life of the parent asset
Software costing more than INR 10 lakh	5 years

Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss.

III. Inventories

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

Stock Items	Basis
Lignite	At absorption cost excluding share of common charges and social overhead.
Stores and spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	NIL
Goods in Transit including goods received but pending inspection / acceptance	Cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IV. Mine closure expenditure

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

V. Prepaid expenses

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

VI. Financial Instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised at its fair value plus or minus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's financial assets consist of staff advances, investment in bonds, trade receivables, etc.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount presented in the balance sheet when, and only when the Company:

- currently has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

VII. Impairment

Financial assets (including receivables)

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

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit & Loss

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

VIII. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Company opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz, in respect of financial assets and financial liabilities as stated in note (v) or (vi) above.

IX. Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility studies, documentation of data, other development expenditure, expenditure on exploration works, technical knowhow 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 Govt. of India the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

X. Government/Other Grants

Related to assets

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income.

Related to income

Grants related to income are those which are not related to assets.

Grants are recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or over the period during which the conditions related to the grant is fulfilled.

XI. Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprises of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as the related service are provided.

Contributions towards Gratuity, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the Guidelines issued by Department of Public Enterprises. Contribution towards Provident Fund and Gratuity is recognised as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

Contribution towards Post-Retirement Medical Benefit Scheme comprising of fixed amount of annual assistance (PRMA) in respect of employees retired prior to 1st January 2007 and Premium towards Post-Retirement Medical Insurance (PRMI) are treated as Defined Contribution Plans.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognised immediately in profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits like Voluntary Retirement Service are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

XII. Allocation of common charges/social overhead expenses

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

XIII. Prior period items, Accounting estimates and effect of change in Accounting Policy.

Prior period errors of material nature, are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. Transactions arising out of those specified above exceeding INR 1 crore in each case are considered as material for this purpose.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XIV. Events occurring after the balance sheet date

Events occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10. For this purpose, events having an effect of INR 1 crore and above in value in each case is considered as significant and dealt accordingly.

XV. Revenue

Sale of power generated by Thermal Power Stations

Sale of power is accounted for by following the 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.

Sale of Un-requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries is net off any gain arising from such sale.

Sale of Power through Renewable Energy Sources

Revenue from sale of solar energy and wind energy are recognised in accordance with the price agreed under the Power Purchase Agreement and in accordance with orders passed by the Tamil Nadu Electricity Regulatory Commission. Revenue is recognised based on the units actual units of power transmitted.

Sale of Lignite

Sale of Lignite, by e-auction sales has been reckoned to the extent of amount received. Sale of Lignite other than by e-auction is recognised in accordance with the agreement entered into with the respective parties.

Others

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.

Claims due from beneficiaries which do not fall within the tariff rate fixation norms are recognised as income in the year incurring of the expenditure and final adjustments, if any, will be accounted on receipt of order from CERC.

Cash discounts for prompt payments are accounted as and when the related dues are settled and presented net of revenue.

Dividends

Dividend income is recognised when the shareholder’s right to receive payment is established.

XVI. Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in profit and loss in the period in which they arise.

The Company has availed the exemption provided under Ind AS from recognising in the Statement of Profit and Loss the exchange difference arising on translation of long term foreign currency monetary items recognised in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalise the same.

XVII. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

XVIII. Borrowing cost

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

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed.

All other borrowing costs are expensed in the year in which they occur.

XIX. Leases

Finance lease

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and the lease rentals are recognized as expenses in the Statement of Profit and Loss on a straight line basis.

XX. Provisions and Contingent Liability

Recognition and measurement

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XXI. Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments and do not include investments or deposits for other purposes.

XXII. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXIII. Regulatory Deferral Accounts

The tariffs for the sale of power are approved by the Central Electricity Regulatory Commission constituted under the Electricity Act, 2003. In cases where the rates are not yet approved, the Company recognises revenue based on provisional tariff rates. The expense/ income that will be recovered/ refunded from/ to the beneficiaries are recognised as ‘Regulatory Deferral Account Balances’. Regulatory Deferral Account Balances are also recognised in respect of items within the tariff fixation norms, which are subject to approval by CERC at the end of Tariff Period. Regulatory Deferral Account Balances are presented as separate line items in the Balance Sheet.

The movement in the regulatory deferral account balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.

★★★

BALANCE SHEET AS AT MARCH 31, 2017

(₹in crore)

Particulars	Notes	As at March 31,2017	As at March 31,2016	As at April 1, 2015
ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipment	1	**9,622.39**	9,654.11	6,427.37
(b) Intangible Asset	2	**2.64**	0.12	0.29
(c) Capital Work-In-Progress	3	**4,962.70**	2,253.03	4,304.81
(d) Asset under Development	4	**151.96**	204.44	99.23
(e) Financial Assets	5			
i) Investments	a	**2,421.37**	1,949.12	1,830.86
ii) Loans	b	**99.42**	82.91	104.49
(f) Other non-current assets	6	**1,289.45**	702.92	372.37
		18,549.93	14,846.65	13,139.42
2. Current Assets				
(a) Inventories	7	**1,813.24**	1,294.64	907.40
(b) Financial Assets	8			
i) Investments	a	**-**	-	103.20
ii) Trade receivables	b	**5,066.00**	3,010.88	2,257.36
iii) Cash and cash equivalents	c	**38.58**	2,780.68	2,947.18
iv) Other bank balances	d	**435.12**	377.29	318.29
v) Loans	e	**638.49**	575.72	1,083.37
vi) Other financial assets	f	**54.78**	185.93	191.35
(c) Other Current Assets	9	**662.55**	464.11	347.45
		8,708.76	8,689.25	8,155.60
3. Regulatory Deferral Account Debit Balances	10	**250.69**	151.31	76.56
Total Assets and Regulatory Deferral Account Debit Balances		**27,509.38**	23,687.21	21,371.58
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	**1,528.57**	1,677.71	1,677.71
(b) Other Equity	12			
i) Retained earnings	a	**8,477.79**	9,221.02	9,730.50
ii) Other reserves	b	**2,192.27**	2,026.77	1,841.97
		12,198.63	12,925.50	13,250.18
Liabilities				
1. Non-Current Liabilities				
(a) Financial liabilities	13			
(i) Borrowings	a	**5,040.62**	3,165.65	2,792.46
(b) Deferred tax liabilities (Net)	14	**1,538.38**	1,733.43	1,010.10
(c) Other non-current liabilities	15	**632.85**	719.39	397.78
		7,211.85	5,618.47	4,200.34
2. Current Liabilities				
(a) Financial liabilities	16			
(i) Borrowings	a	**130.81**	14.61	-
(ii) Trade payables	b	**707.44**	970.61	631.41
(iii) Other financial liabilities	c	**1,798.44**	385.18	382.67
(b) Other current liabilities	17	**1,403.00**	753.88	832.23
(c) Provisions	18	**249.66**	182.35	219.23
		4,289.35	2,306.63	2,065.54
3. Regulatory Deferral Account Credit Balances	19	**3,809.55**	2,836.61	1,855.52
Total Equity and Liabilities and Regulatory Deferral Account Credit Balances		**27,509.38**	23,687.21	21,371.58

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	**RAKESH KUMAR**	**SARAT KUMAR ACHARYA**
COMPANY SECRETARY	CFO /DIRECTOR (FINANCE)	CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No.: 004721S
P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S
S. Pattabiraman
Partner
M No. 014309

Place : Chennai
Date : 30.05.2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹in crore)

Sl. No	Particulars	Notes	For the Year ended March 31, 2017	For the Year ended March 31, 2016
I	Revenue from Operations	22	**8,672.84**	6,652.05
II	Other Income	23	**674.41**	525.15
III	**Total Income (I+II)**		**9,347.25**	7,177.20
IV	**Expenses**			
	Changes in Inventories	24	**(436.71)**	(368.48)
	Employee benefit expenses	25	**2,294.54**	2,252.13
	Finance costs	26	**169.06**	188.36
	Depreciation and Amortisation expenses	27	**682.91**	641.49
	Other expenses	28	**3,445.85**	2,617.65
	Less: expenses capitalised	29	**16.05**	38.40
	Total Expenses (IV)		**6,139.60**	5,292.75
V	Profit / (loss) before Regulatory, exceptional items and tax (III-IV)		**3,207.65**	1,884.45
VI	Exceptional Items	30	**(180.08)**	(28.38)
VII	Profit / (loss) after exceptional item and before tax (V+VI)		**3,027.56**	1,856.07
VIII	Tax expense:			
	(1) Current tax			
	- Current Year Tax		**337.96**	408.15
	- MAT Credit		**(337.96)**	(408.15)
	- Previous year		**(19.77)**	(1.58)
	(2) Deferred tax		**(195.04)**	723.31
IX	Profit / (loss) for the period before regulatory deferral account balances (VII - VIII)		**3,242.37**	1,134.34
X	Net Movement in regulatory deferral account balances income/ (expenses)	31	**(873.56)**	(906.34)
XI	Profit / (loss) for the period (IX+X)		**2,368.81**	228.00
XII	Other Comprehensive Income			
	A (i) Items not reclassified to profit or loss:	32		
	1. Re-measurements of defined benefit plans		**(26.61)**	12.62
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising profit (loss) and other comprehensive income)		**2,342.20**	240.62
XIV	Earnings per equity share (before adjustment of net regulatory deferral balances):			
	(1) Basic (in ₹)	33	**19.35**	6.76
	(2) Diluted (in ₹)		**19.35**	6.76
XV	Earnings per equity share (after adjustment of net regulatory deferral balances):			
	(1) Basic (in ₹)	33	**14.14**	1.36
	(2) Diluted (in ₹)		**14.14**	1.36

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

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO /DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

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

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

P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S

S. Pattabiraman
Partner
M No. 014309

Place : Chennai
Date : 30.05.2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹in crore)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
A. Cash Flow From Operating Activities				
Net Profit Before Tax		**3,027.56**		1,856.07
Adjustments for non-cash items:				
Less:				
Profit on Disposal of Asset	**0.78**		2.00	
Interest Income	**231.19**		417.99	
	231.97		419.99	
Add:				
Depreciation	**682.91**		641.49	
Buyback Expenses	**3.11**		0.00	
Other non-cash charges	**40.27**		(31.30)	
Interest expense	**169.06**		188.36	
	895.35	**663.38**	798.55	378.56
Operating Profit before working capital changes		**3,690.94**		2,234.63
Adjustments for :				
Trade receivables		**(2,055.12)**		(760.21)
Loans & advances		**(86.83)**		521.64
Inventories & other current assets		**(589.74)**		(445.37)
Trade payables & other current liabilities		**369.75**		289.79
Cash flow generated from operations		**1329.00**		1840.48
Direct Taxes paid		**(503.91)**		(525.66)
Cash flow before extra-ordinary items		**825.09**		1,314.82
Grants received		**1.22**		(1.16)
Net Cash from operating activities		**826.31**		1,313.66
B. Cash-flow from investing activities				
Purchase of property, plant and equipment / preliminary expenses		**(3,480.97)**		(1,463.77)
Sale of property, plant and equipment / Projects				
From continuing operations		**9.44**		4.58
Sale/Purchase of Investments		**(472.25)**		(118.26)
Interest Received		**362.34**		423.41
Net Cash used in investing activities		**(3,581.44)**		(1,154.04)
C. Cash flow from financing activities				
Short Term Borrowings (Net)		**116.20**		14.61
Long Term Borrowings (Net)		**3,288.35**		375.64
Interest paid		**(320.98)**		(270.95)
Buyback of Equity Shares including Buyback Expenses		**(1,479.61)**		0.00
Dividend (including Dividend Tax)		**(1,590.94)**		(445.42)
Net Cash used/received in financing activities		**13.03**		(326.12)
Net increase, decrease(-) Cash and Cash equivalents		**(2,742.10)**		(166.50)
Cash and cash equivalents as at the beginning of the year		**2,780.68**		2,947.18
Cash and cash equivalents as at the end of the year		**38.58**		2,780.68
NOTE : (-) INDICATES CASH OUTFLOW.				
DETAILS OF CASH AND CASH EQUIVALENTS	**As at 31st March, 2017**		As at 31st March, 2016	
Cash in hand		**0.01**		0.00
Cash at bank in current accounts		**12.06**		10.02
Cash at bank in deposit accounts		**26.51**		2,770.66
TOTAL		**38.58**		2,780.68

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

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

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

P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S

S. Pattabiraman
Partner
M No. 014309

Place : Chennai
Date : 30.05.2017

Notes to Financial Statements - Movement in Equity For the Year ended March 31, 2017

A. Equity Share Capital

	As at 01.04.2015		Movement during the year		As at 31.03.2016	
Equity Share Capital	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)
	1,677,709,600	1,677.71	-	-	1,677,709,600	1,677.71

	As at 01.04.2016		Movement during the year		As at 31.03.2017	
Equity Share Capital	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)
	1,677,709,600	1,677.71	(149,141,173)	(149.14)	1,528,568,427	1,528.57

B. Other Equity

(₹in crore)

Particulars	Retained Earnings and Other Reserves							Items of other comprehensive income OCI	Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Remeasure-ment of defined benefit plan	
As at 01.04.2015	296.11	60.00	1,337.00	105.00	-	43.86	9,730.50	-	**11,572.47**
Total Comprehensive Income for the year									
Profit or loss	-	-	-	-	-	-	228.00	-	**228.00**
Other comprehensive income	-	-	-	-	-	-	-	12.62	**12.62**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**228.00**	**12.62**	**240.62**
Transactions with owners, recorded directly in equity									
Dividend	-	-	-	-	-	-	(202.88)	-	**(202.88)**
Appropriations	15.00	10.00	120.00	15.00	-	12.18	(534.60)	-	**(362.42)**
Any other changes (Remeasurement Loss)	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	**-**
Balance at 31st March 2016	**311.11**	**70.00**	**1,457.00**	**120.00**	**-**	**56.04**	**9,221.02**	**12.62**	**11,247.79**
As at 01.04.2016	311.11	70.00	1,457.00	120.00	-	56.04	9,221.02	12.62	**11,247.79**
Total Comprehensive Income for the year									
Profit or loss	-	-	-	-	-	-	2,368.81	-	**2,368.81**
Other comprehensive income	-	-	-	-	-	-	-	(26.61)	**(26.61)**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**2,368.81**	**(26.61)**	**2,342.20**
Dividend	-	-	-	-	-	-	(242.30)	-	**(242.30)**
Appropriations	11.12	10.00	-	15.00	149.14	6.84	(2,869.74)	-	**(2,677.63)**
Any other changes (Remeasurement Loss)	-	-	-	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	-	-	-	**-**
Balance at 31st March 2017	**322.23**	**80.00**	**1,457.00**	**135.00**	**149.14**	**62.88**	**8,477.79**	**(13.99)**	**10,670.06**

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai

Date : 30.05.2017

This is Standalone Statement of changes in equity referred to in our report of even date.

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No.: 004721S
P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S
S. Pattabiraman
Partner
M No. 014309

Place : Chennai

Date : 30.05.2017

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

(Expressed in INR crore, unless otherwise stated)

Reporting entity

NLC India Limited (formerly "Neyveli Lignite Corporation Limited") ("NLC" or "the Company"), is a Government Company registered under the erstwhile Companies Act, 1956 with its registered office located at First Floor, No. 8, Mayor Sathyamurthy Road, FSD, Egmore Complex of FCI, Chetpet, Chennai - 600031 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLC is engaged in the business of mining of lignite and generation of power by using lignite as well as Renewable Energy Sources.

Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the Electricity Act, 2003.

The financial statements have been prepared on a historical cost basis, except otherwise stated.

The Company has adopted the Ind AS in preparation of the financial statements from the financial year 2016-17 (as notified by the Ministry of Corporate Affairs vide Notification No. G.S.R. 111(E) dated 16th February 2015 as amended from time to time). Accordingly the comparative financial information for the year ended 31st March 2016 are reinstated in accordance with Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 34.

The financial statements are presented in Indian Rupees ('INR') which is also the Company's functional currency. All amounts are rounded to the nearest crore, except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognised in the financial year in which the results are known or materialised.

Notes to Standalone Financial Statements - Assets

NON-CURRENT ASSETS
Property, Plant and Equipment
1. Tangible Assets

(₹in crore)

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2016	Additions Transfers	Disposals/ Trans./Adjt.	**As at 31.03.2017**	As at 01.04.2016	Withdrawals/ Trans./Adjt.	For the Year	**As at 31.03.2017**	**As at 31.03.2017**	As at 01.04.2016
1	Land *	553.73	111.12	0.00	**664.85**	0.00	0.00	0.00	**0.00**	**664.85**	553.73
	Roads	42.50	51.93	1.45	**92.98**	10.71	0.05	13.16	**23.82**	**69.16**	31.79
	Buildings ++	356.09	36.09	4.06	**388.12**	12.26	2.62	13.37	**23.01**	**365.11**	343.83
	Electrical Installations	163.32	12.56	0.08	**175.80**	26.03	0.07	25.01	**50.97**	**124.83**	137.29
	Water Supply & Drainage	77.24	14.33	0.15	**91.42**	10.56	0.15	11.32	**21.73**	**69.69**	66.68
	Plant & Machinery **	8,273.38	419.07	85.81	**8,606.64**	526.18	79.19	563.82	**1,010.81**	**7,595.83**	7,747.20
	Furniture & Equipment	30.46	12.85	2.52	**40.79**	4.27	2.20	4.29	**6.36**	**34.43**	26.19
	Vehicles	38.70	1.59	1.58	**38.71**	3.35	1.44	7.80	**9.71**	**29.00**	35.35
	Assets Costing ₹5000 and below	0.37	0.27	0.07	**0.57**	0.37	0.07	0.27	**0.57**	**0.00**	0.00
	Mine Development @										
	Mine-I	206.97	0.00	0.00	**206.97**	24.04	0.00	24.68 @	**48.72**	**158.25**	182.93
	Mine-IA	91.74	0.00	0.00	**91.74**	2.82	0.00	2.78 @	**5.60**	**86.14**	88.92
	Mine-II	345.48	3.02	0.00	**348.50**	13.29	0.00	14.83 @	**28.12**	**320.38**	332.19
	Barsingsar Mine	110.85	0.00	0.00	**110.85**	2.84	0.00	3.28 @	**6.12**	**104.73**	108.01
	Total	**10,290.83**	**662.83**	**95.72**	**10,857.94#**	**636.72**	**85.79**	**684.61**	**1,235.54**	**9,622.39**	**9,654.11**
	Previous Year	**6,427.37**	**3,875.81**	**12.35**	**10,290.83**	**0.00**	**9.66**	**646.38**	**636.72**	**9,654.11**	

As per Ind AS 16 Property Plant and Equipment has been considered at its net book value as on the of transition to IndAS.

* In respect of land acquired by the Company during the periods 1956 to 1977 and 1997 to 2001, ownership is subject to certain restrictions imposed through the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively.

++ Includes leasehold buildings of value ₹2.10 crore for which lease agreement is yet to be executed.

** Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects and Machinery spares. This also includes assets under LEP, for which residual value considered for restating in books for further depreciation under the LEP period.

Includes Assets non commissioned amounting to ₹71.76 crore (Previous year ₹ NIL).

@ Represents provisions for amortisation

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 commissioned on or after 31-08-2007 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.

2. Intangible Assets

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2016	Additions Transfers	Disposals/ Trans./ Adjt.	**As at 31.03.2017**	As at 01.04.2016	Withdrawals/ Trans./Adjt.	For the Year	**As at 31.03.2017**	**As at 31.03.2017**	As at 01.04.2016
2	Software	0.29	2.61	0.00	**2.90**	0.17	0.00	0.09	0.26	2.64	0.12
	Total	**0.29**	**2.61**	**0.00**	**2.90**	**0.17**	**0.00**	**0.09**	**0.26**	**2.64**	**0.12**
	Previous Year	**0.29**	**0.00**	**0.00**	**0.29**	**0.00**	**0.00**	**0.17**	**0.17**	**0.12**	

There is no impairment loss identified for the assets.

Notes to Standalone Financial Statements - Assets

NON-CURRENT ASSETS
Property, Plant and Equipment
1. Tangible Assets

(₹in crore)

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2015	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2016	As at 01.04.2015	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2016	As at 31.03.2016	As at 01.04.2015
1	Land *	525.59	28.14	0.00	553.73	-	0.00	0.00	0.00	553.73	525.59
	Roads	29.42	13.08	0.00	42.50	-	0.00	10.71	10.71	31.79	29.42
	Buildings ++	280.18	76.02	0.11	356.09	-	0.10	12.36	12.26	343.83	280.18
	Electrical Installations	160.28	3.08	0.04	163.32	-	0.03	26.06	26.03	137.29	160.28
	Water Supply & Drainage	60.76	16.48	0.00	77.24	-	0.00	10.56	10.56	66.68	60.76
	Plant & Machinery **	4,557.67	3,719.86	4.15	8,273.38	-	3.88	530.06	526.18	7,747.20	4,557.67
	Furniture & Equipment	26.53	4.31	0.38	30.46	-	0.28	4.55	4.27	26.19	26.53
	Vehicles	35.68	8.68	5.66	38.70	-	5.36	8.71	3.35	35.35	35.68
	Assets Costing ₹5000 and below	0.00	0.38	0.01	0.37	-	0.01	0.38	0.37	0.00	0.00
	Mine Development @										
	Mine-I	208.97	0.00	2.00	206.97	-	0.00	24.04 @	24.04	182.93	208.97
	Mine-IA	91.74	0.00	0.00	91.74	-	0.00	2.82 @	2.82	88.92	91.74
	Mine-II	339.70	5.78	0.00	345.48	-	0.00	13.29 @	13.29	332.19	339.70
	Barsingsar Mine	110.85	0.00	0.00	110.85	-	0.00	2.84 @	2.84	108.01	110.85
	Total	**6,427.37**	**3,875.81**	**12.35**	**10,290.83#**	**-**	**9.66**	**646.38**	**636.72**	**9,654.11**	**6,427.37**
	Previous Year	**6,469.99**	**419.25**	**18.53**	**6,870.71**	**-**	**16.51**	**461.86**	**445.35**	**6,425.37**	

As per Ind AS 16 Property Plant and Equipment has been considered at its net book value as on the of transition to IndAS.

* In respect of land acquired by the Company during the periods 1956 to 1977 and 1997 to 2001, ownership is subject to certain restrictions imposed through the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively.

++ Includes leasehold buildings of value ₹2.10 crore for which lease agreement is yet to be executed. Normal depreciation rate adopted in view of lower amortisation rate and includes ₹26.25 crore pending registration of sale deed.

** Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects and Machinery spares. This also includes assets under LEP, for which residual value considered for restating in books for further depreciation under the LEP period.

\# Includes Assets non commissioned amounting to ₹ NIL (Previous year ₹ 0.23 crore).

@ Represents provisions for amortisation

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 commissioned on or after 31-08-2007 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.

2. Intangible Assets

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2015	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2016	As at 01.04.2015	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2016	As at 31.03.2016	As at 01.04.2015
2	Software	0.29	0.00	0.00	0.29	0.00	0.00	0.17	0.17	0.12	0.29
	Total	**0.29**	**0.00**	**0.00**	**0.29**	**0.00**	**0.00**	**0.17**	**0.17**	**0.12**	**0.29**
	Previous Year	**0.62**	**0.00**	**0.00**	**0.62**	**0.00**	**0.00**	**0.33**	**0.33**	**0.29**	

There is no impairment loss identified for the assets.

Notes to Financial Statements

Other Assets

Note No.	Particulars						(₹in crore)
3	**Capital work-in-progress**	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
	Plan Expenditure						
	i) TPS II Expansion						
	Supply and Erection	**19.83**		27.04		2,073.74	
	Capital Goods in Stock	**3.72**		4.20		5.19	
	Expenditure during Construction	**0.00**		3.93		402.66	
	Interest during Construction	**0.00**	**23.56**	0.00	35.17	781.23	3,262.82
	ii) Barsingsar Mines and Thermal Power Station						
	Supply and Erection	**0.00**		0.00		0.74	
	Capital Goods in Stock	**0.00**		0.00		0.47	
	Revenue Expenditure	**0.00**		0.00		0.00	
	Interest	**0.00**	**0.00**	0.00	0.00	0.00	1.21
	iii) Mine II Expansion						
	Supply and Erection	**0.00**		0.00		4.59	
	Capital Goods in Stock	**1.10**		1.10		1.01	
	Expenditure during Construction	**0.00**		0.00		35.50	
	Interest	**0.00**				0.00	
	Revenue Expenditure	**5.85**	**6.95**	29.86	30.96	0.00	41.10
	iv) Neyveli New Thermal Plant						
	Supply and Erection	**3779.83**		1,625.59		427.97	
	Expenditure during Construction	**88.03**		35.29		8.63	
	Interest during Construction	**253.89**	**4121.75**	102.40	1,763.28	33.13	469.73
	v) Wind Power Project						
	Supply and Erection	**36.08**		122.75		130.56	
	Expenditure during Construction	**1.16**	**37.24**	1.47	124.22	0.80	131.36
	vi) Solar Power Project						
	Supply and Erection	**391.22**		0.00		44.43	
	Expenditure during Construction	**1.70**		0.00		0.06	
	Interest	**0.15**	**393.07**	0.00	0.00	0.00	44.49
	vii) Bithnok Project						
	Supply and Erection	**23.97**		0.00		0.00	
	Revenue Expenditure	**7.66**	**31.63**	0.00	0.00	0.00	0.00
	viii) Barsingsar Extn. & Hadla Mines						
	Supply and Erection	**7.59**		0.00		0.00	
	Revenue Expenditure	**5.12**		0.00		0.00	
	Interest	**0.00**	**12.71**	0.00	0.00	0.00	0.00
	Non-Plan Expenditure						
	Supply and Erection	**308.15**		268.88		319.91	
	Capital Goods in Stock	**26.90**		29.66		33.88	
	Capital Goods in Transit	**0.74**	**335.79**	0.86	299.40	0.31	354.10
	Total		**4,962.70**		2,253.03		4,304.81

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
4	**Assets under Development**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Preliminary Project Expenditure	**181.85**	235.74	132.56
	Less: provisions	**29.89**	31.30	33.33
		151.96	204.44	99.23
5	**Financial Assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a. Investments			
	In equity shares fully paid up 194,73,57,380 shares (previous year 1,74,64,30,000) @ ₹10 per share of NLC Tamilnadu Power Ltd.	**1,947.36**	1,746.43	1,508.02
	Pending allotment of 12,01,50,000 equity Shares @ ₹10 per share in NLC Tamilnadu Power Ltd.	**-**	-	120.15
	In equity shares fully paid up 1,27,65,000 @ ₹10 per share of MNH Shakti (15% Stake)	**12.77**	12.77	12.77
	In equity shares fully paid up 46,12,44,000 shares (previous year 18,99,24,000) @ ₹10 per share of NUPPL Ltd.	**461.24**	189.92	47.48
	Pending allotment of 14,24,43,000 equity Shares @ ₹10 per share in NUPPL Ltd.	**-**	-	142.44
		2,421.37	1,949.12	1,830.86
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	b. Loans			
	Loans and Advances-Staff (Secured)	**72.99**	73.54	86.00
	Loans and Advances-Staff (Unsecured considered good)	**26.43**	9.37	18.49
		99.42	82.91	104.49
6	**Other non-current assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Unsecured considered good			
	Capital Advances	**528.14**	287.28	372.37
	MAT Credit entitlement	**746.11**	408.15	-
	Others	**15.20**	7.49	-
		1,289.45	702.92	372.37
7	**Current Assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Inventories			
	Raw Materials- Lignite	**1,220.77**	784.06	415.58
	Stores and Spares	**561.02**	462.25	461.24
	Goods-in-transit	**32.84**	50.42	32.34
	Less: Provision for stores and materials	**(6.12)**	(5.45)	(3.79)
	Solid/Hollow/Fly Ash Bricks	**4.73**	3.36	2.03
		1,813.24	1,294.64	907.40

Notes to Financial Statements

Note No.	Particulars			(₹.in crore)
8	**Financial Assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a. Investments			
	8.5% tax free SLR Power Bonds issued by State Governments	**-**	-	103.20
		-	-	103.20
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	b. Trade receivables			
	Unsecured			
	a. Considered Good			
	- More than six months	**464.39**	242.83	298.61
	- Others	**4,601.61**	2,768.05	1,958.75
	b. Considered Doubtful	**8.77**	8.77	2.08
		5,074.77	3,019.65	2,259.44
	Less: Provision for Doubtful Debts	**8.77**	8.77	2.08
		5,066.00	3,010.88	2,257.36
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	c. Cash and cash equivalents			
	Balances with Scheduled Banks in Current A/c	**12.06**	10.02	67.40
	Cash on hand #	**0.01**	-	0.01
	Fixed Deposits			
	i. Short term Deposit	**10.00**	2,755.73	2,840.40
	ii. Short term Deposits for lien for guarantee	**16.51**	14.93	39.37
		38.58	2,780.68	2,947.18
	# Stamps on hand as on 31.03.2017 - ₹84,810/-			
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	d. Other bank balances			
	Unpaid Dividend A/c	**3.38**	1.63	1.39
	Fixed Deposits			
	i. Staff Security Deposit	**0.01**	0.01	0.01
	ii. Endowment fund in the name of NLC schools	**0.35**	0.32	0.44
	iii. Mine Closure Deposit*	**368.48**	319.29	272.59
	iv. PRMA Fixed Deposit	**62.90**	56.04	43.86
		435.12	377.29	318.29
	* In the name of " Coal Controller Escrow Account NLC Ltd. Mine"			
	e. Loans	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a) Secured			
	Staff Advances	**12.61**	11.30	10.14
	b) Unsecured			
	i. Considered good	**625.87**	564.42	1,073.23
	ii. Considered doubtful	**2.21**	2.27	2.25
	Less: Provision for doubtful advances	**2.21**	2.27	2.25
		638.49	575.72	1,083.37
	(i) Due by Officers	**0.04**	0.05	0.05
	(ii) Maximum amount due at any time during the year	**0.05**	0.05	0.05
	(i) Due by Directors	**0.08**	0.08	0.09
	(ii) Maximum amount due at any time during the year	**0.08**	0.09	0.09
	(i) Due from Subsidiary Companies - (include NTPL Bridge Loan current year ₹180 crore previous year ₹320.00 crore) & (Loan and Advances of ₹340 crore to NTPL & ₹60.00 crore to NUPPL, Previous year was ₹ Nil).	**586.03**	326.22	984.86
	(ii) Maximum amount due at any time during the year	**728.35**	989.65	1084.52
	f. Other financial assets	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Interest accrued	**54.78**	185.93	191.35
		54.78	185.93	191.35

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
9	**Other current assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Disposable/Dismantled assets, Spares	**0.62**	0.46	0.44
	Prepaid expenses	**16.60**	3.96	6.49
	Advance Income tax	**645.29**	459.57	340.48
	Deposit with Central Excise, Port Trust and Customs authorities	**0.04**	0.12	0.04
		662.55	464.11	347.45
10	**Regulatory Deferral Account Debit Balances**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Deferred foreign currency fluctuation	**58.27**	102.04	51.85
	Wage Revisions	**60.99**	-	-
	CERC order	**0.38**	-	-
	OB removal	**11.91**	-	-
	Others	**119.14**	49.27	24.71
		250.69	151.31	76.56
	Equity and Liabilities			
11	**Equity Share Capital**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Authorised, Issued, Subscribed and Paid-Up Share Capital			
	Authorised:			
	2,00,00,00,000 Equity Shares of ₹10/- each	**2,000.00**	2,000.00	2,000.00
	Issued:			
	1,52,85,68,427 Equity shares (previous year 1,67,77,09,600) of ₹10 each fully paid	**1,528.57**	1,677.71	1,677.71
	1,36,53,92,374 Equity Shares (previous year 1,50,99,38,640) being 89.32 % are held by the President of India.			
	During the current year 149141173 Number of Shares @ ₹99/- Per Share have been bought back.			
		1,528.57	1,677.71	1,677.71
12	**Other Equity**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a) Retained Earnings	**8,477.79**	9,221.02	9,730.50
	b) Other Reserves			
	KfW Interest Differential Reserve	**322.23**	311.11	296.11
	General Reserve	**1,457.00**	1,457.00	1,337.00
	Contingency Reserve	**80.00**	70.00	60.00
	Bond redemption Reserve	**135.00**	120.00	105.00
	Capital Redemption Reserve	**149.14**	-	-
	PRMA Reserve Fund	**62.88**	56.04	43.86
	Other Comprehensive Income			
	Remeasurement of actuarial gains/ losses and interest cost	**(13.99)**	12.62	-
		10,670.06	11,247.79	11,572.47

KfW Interest Differential Reserve
The Company sets aside a reserve equivalent to the amount in INR of 6% p.a. of the soft loan amount outstanding annually, to be utilised for covering the exchange rate risk under this loan and for any charges imposed by the guarantor in line with the agreement entered into with KfW.

Contingency reserve
Apportionment of profits amounting to ₹10 crore every year to secure contingency payments in the future periods.

Bond redemption reserve
Apportionment of profits over the period of the bond to secure repayment to the creditors of the Company.

Capital redemption reserve
Towards nominal value of shares bought back

PRMA Reserve Fund
Reserve towards post retirement medical assistance provided to retired employees and their spouse.

Notes to Financial Statements

(₹in crore)

Other Equity - Retained Earnings

Note No.	Particulars	As at April 1, 2015
12a	**Retained Earnings as at 1st April, 2015 (IGAAP)**	**11,349.63**
	Ind AS adjustments (as at April 1, 2015)	
	Retained Earnings:	
	Reversal of proposed dividend since it is a non-adjusting event	202.88
	Reinstatement of prior period adjustment passed in 2015-16	(0.05)
	Reinstatement of Closing stock of lignite for 2014-15	8.77
	Rate Regulated deferral balances upto 2014-15	(1,830.73)
	Retained Earnings as at 1st April, 2015 (Ind AS)	**9,730.50**
	Particulars	**As at March 31, 2016**
	Retained Earnings - Balance before Ind AS adjustments as at 31st March, 2016 (IGAAP)	**11,776.78**
	Ind AS adjustments (as at April 1, 2015)	
	Reversal of proposed dividend since it is a non-adjusting event	202.88
	Reinstatement of prior period adjustment passed in 2015-16	(0.05)
	Reinstatement of Closing stock of lignite for 2014-15	8.77
	Rate Regulated deferral balances upto 2014-15	(1,830.73)
	Ind AS adjustments (for the period April 1, 2015 to March 31, 2016)	
	Reversal of proposed dividend since it is a non-adjusting event (2015 - 16)	242.30
	Reversal of prior period adjustment - 2015 - 16 adjusted in the previous year	0.05
	Reinstatement of Closing stock of lignite for 2014-15	(8.77)
	Reinstatement of prior period adjustment passed in 2016-17	1.15
	Remeasurement of actuarial gains and interest cost	(12.62)
	Accounting for dividend paid during the year	(202.88)
	Reinstatement of Closing stock of lignite for 2015-16	16.00
	Movement of regulatory balances	(906.34)
	Depreciation increase due to reclassification to regulatory balances	(43.41)
	Power revision reclassified from sales to regulatory balances	(24.56)
	Others (misc. expenses)	2.45
	Total Ind AS adjustments (for the period April 1, 2015 to March 31, 2016)	**(2,555.76)**
	Retained Earnings as at March 31, 2016 (Ind AS)	**9,221.02**
	Particulars	**As at March 31, 2017**
	Retained Earnings - Balance as at 31 March 2016	**9,221.02**
	Profit for the FY 2016-17 (as per Ind AS)	**2,342.20**
	Capital Reserve	**0.12**
	Retained Earning Available for Appropriation	**11,563.34**
	Appropriations :	
	Transfer to/from Interest differential fund reserve	**(11.12)**
	Transfer to Bond redemption reserve	**(15.00)**
	Transfer to General reserve	**-**
	Transfer to Contingency reserve	**(10.00)**
	Transfer to PRMA reserve fund	**(6.84)**
	Transfer to Capital redemption reserve	**(149.14)**
	buy back premium	**(1,327.36)**
	Interim dividend	**(1,121.97)**
	Tax on Interim dividend	**(228.42)**
	Retained Earning Available before Ind AS adjustments	**8,693.48**
	Ind AS adjustments (for the period April 1, 2016 to March 31, 2017)	
	Remeasurement of actuarial loss and interest cost	**26.61**
	Accounting for dividend paid during the year	**(242.30)**
	Regulatory deferral adjustments	**-**
	Depreciation expense reclassified to regulatory balances	**-**
	Others	**-**
	Total Ind AS adjustments (for the period April 1, 2016 to March 31, 2017)	**(215.69)**
	Retained Earnings as at March 31, 2017 (Ind AS)	**8,477.79**

Notes to Financial Statements

(₹in crore)

	13	Financial Liabilities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	a.	**Borrowings**			
		A) Secured Loans			
		(i) Neyveli Bonds - 2009	**600.00**	600.00	600.00
		(ii) Term Loans from Banks	**1,006.00**	875.00	1,225.00
		(iii) Power Finance Corporation Ltd	**3,000.00**	1,195.00	500.00
		B) Unsecured Loans			
		Foreign Currency loan from KfW-Germany##			
		8.56 Million Euro (8.77 Million Euro) - I	**56.21**	64.24	60.71
		57.45 Million Euro (58.85 Million Euro) - II	**378.41**	431.41	406.75
		## Guaranteed by the Government of India			
			5,040.62	3,165.65	2,792.46

a. Neyveli Bonds ₹600 crore,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).

b. Rupee Term Loan outstanding amounting to ₹1400 crore from SBI (₹467 crore), HDFC Bank (₹466.50 crore) and ICICI Bank (₹466.50 crore).The loan shall be completely repaid by August 2019. This loan is secured by

   i. First pari-passu charge on the borrower's immovable assets of Mine-II Expansion, TS-II Expansion, Barsingsar Mines and TS.

   ii. First pari-passu charge by way of hypothecation on the Borrower's movable assets both present and future pertaining to Mine-II Expansion, TS-II Expansion, Barsingsar Mines and TS.

c. RTL of ₹3000 crore from M/s. Power Finance Corporation for NNTPS project secured by pari-passu charge on project fixed asset, repayable in 20 equal bi-annual instalments commencing after moratorium period of 6 months from the date of achievement of COD of Unit-II. The Scheduled Commercial Operation Date (SCOD) is 31.12.2018. Accordingly, the repayment of loan shall start from 30.06.2019.

d. To meet the fund requirement of Neyveli Solar Power Project (130 MW), borrowing arrangement has been done with HDFC Bank for an amount of ₹481 crore. Full amount was drawn on 29.03.2017 and the same has been grouped under Term Loans from Banks.

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

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

Notes to Financial Statements

Deferred tax liabilities (Net) **(₹in crore)**

Note No.	Particulars			
14	**Deferred Tax Liabilities**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Depreciation	**1,957.12**	1,905.15	1,081.56
	Deferred Tax Assets			
	Provisions, Carry forward losses etc	**418.74**	171.72	71.46
	Deferred Tax Liabilities (Net)	**1,538.38**	1,733.43	1,010.10
15	**Other non-current liabilities**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Capital purchase, Capital works-in-progress and other liabilities	**501.87**	394.20	119.82
	Mine Closure Liability *	**129.33**	323.54	275.59
	Deferred income	**1.64**	1.65	2.37
		632.85	719.39	397.78
	* Pursuant to GOI guidelines on Mine closure, total Mine closure cost was approved by Ministry of Coal at a rate of ₹6 lakh per hectare for all the open cast Mines. The annual contribution, compounded @ 5% p.a. is deposited in an Escrow account in the name of Coal Controller Escrow account NLC Ltd. Mine..., as stipulated by the Coal Controller.			
	CURRENT LIABILITIES			
16	**Financial Liabilities**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a. Borrowings			
	Secured loan - Cash credit facility from bank*	**130.81**	14.61	-
		130.81	14.61	-
	* Secured by hypothecation of stock of Stores, Spares, Raw materials.			
	b. Trade payables	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Sundry Creditors	**537.09**	619.13	298.24
	Others	**170.35**	351.48	333.17
		707.44	970.61	631.41
	Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹8.84 crore (previous year ₹10.23 crore)			
	c. Other financial liabilities	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Current maturities of Long Term Debt			
	i. Loan from Banks	**350.00**	350.00	350.00
	ii. Foreign Currency loan from KfW	**22.44**	24.33	21.88
	iii. Secured Loan -Working Capital Loan *	**1,415.28**	-	-
	Interest Accrued but not due on borrowing			
	i. Neyveli Bonds	**9.87**	9.87	9.87
	ii. KfW-Germany	**0.86**	0.98	0.92
		1,798.44	385.18	382.67
	* Working capital loan is secured by hypothecation of movable Current Assets.			

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
17	**Other current liabilities**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Unclaimed dividend	**3.38**	1.63	1.39
	Unutilised revenue grant	**6.08**	4.70	4.96
	Staff security deposit	**0.01**	0.01	0.01
	Other liabilities*			
	- Employees	**296.93**	199.23	279.73
	- Statutory	**500.33**	163.42	155.25
	- Others	**596.27**	384.89	390.89
		1,403.00	753.88	832.23
	* Other liabilities include LD, EMD from contractors, credit balance from vendors, deposits for lignite supply, caution deposits etc. which are to be settled / adjusted against services / goods received from the vendors.			
18	**Provisions**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Short term benefit of leave salary	**143.94**	122.17	125.41
	Post Retirement medical benefit	**19.29**	16.02	21.12
	Provision for loss on assets	**1.38**	1.29	1.29
	Contingencies	**44.39**	42.47	40.36
	Provision for gratuity	**40.67**	-	31.05
	Other provisions	**-**	0.40	-
		249.66	182.35	219.23
19	**Regulatory Deferral Account Credit Balances**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Deferred foreign currency fluctuation	**22.37**	34.02	24.79
	CERC Order	**3,787.18**	2,802.59	1,830.73
		3,809.55	2,836.61	1,855.52

Notes to Financial Statements

Note No.	Particulars		(₹in crore)
20	**Contingencies and Commitments**	**As at 31.03.2017**	As at 31.03.2016
	A. Contingencies		
	1. Claims against the Corporation not acknowledged as debts:		
	(i) From Employees /Others	**NQ**	NQ
	(ii) Additional amount payable for the land acquired after 01-01-2014 towards compensation payable under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement of Act 2013	**NQ**	NQ
	(iii) From Statutory Authorities/Central Govt/ Govt Departments	**1,327.51**	1,410.89
	(iv) From Statutory Authorities/State Govt/ Govt Departments	**1,319.64**	1,063.07
	(v) From CPSEs	**-**	-
	(vi) From Others	**1,875.85**	1,811.26
	a) Includes tax payable under Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003 of ₹1220.90 crore (previous year ₹852.76 crore) and ₹90.10 crore (previous year ₹85.43 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 ₹4.26 crore towards Land tax case pending with Taxation Board, Ajmer		
	c) The Central Govt. in consultation with Bureau of Energy Efficiency has exempted TPS-I from Perform, Achieve and Trade (PAT) mechanism of The Energy Conservation Act, 2001 for exceeding energy efficiency targets subject to decommissioning of TPS-I by 31.03.2017 and investment of ₹109.05 crore in establishment of renewable energy generating capacity.The investment in the renewable energy generating capacity has been achieved. Central Electricity Authority (CEA) and Ministry of Coal Govt of India has recommended for continuing the operation of TPS-I till March, 2019.		
	2. Guarantees issued by Company	**422.05**	5.27
	B. Commitment		
	(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	**5,574.89**	4,129.63
		10,519.94	8,420.12
21	a.) Advances, Sundry Debtors and Sundry Creditors have been linked with corresponding credits/debit to the extent practicable. Balances due in respect of advances and amount due to creditors are subject to confirmation. However, Power dues and lignite sales dues are reconciled with debtors periodically.		

Notes to Financial Statements

Note No.	Particulars		(₹in crore)
22	**Income**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Power	**8,266.18**	6,234.41
	Lignite	**371.84**	401.24
	Miscellaneous	**34.84**	28.57
		8,672.87	6,664.22
	Less: Transfer to Capital Expenditure Accounts	**0.03**	12.17
		8,672.84	6,652.05
23	**Other Income**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	(a) Interest on		
	(i) Bank Deposit	**150.99**	325.32
	(ii) Employees Loans	**15.83**	13.28
	(iii) Long term investments	**-**	6.58
	(iv) Mine closure Deposit	**23.41**	22.62
	(v) Others	**40.96**	50.19
	(b) Recoveries Towards		
	(i) Rent	**14.66**	15.59
	(ii) Others	**0.70**	0.53
	(c) Profit on Sale of assets	**0.78**	2.00
	(d) Reversal of Mine closure Liability	**244.33**	-
	(e) Provision written back	**0.16**	4.92
	(f) Surcharge *	**62.10**	13.94
	(g) Miscellaneous	**126.46**	94.43
		680.38	549.40
	(Add) / Less: Transfer to Capital Expenditure Accounts	**(9.34)**	9.46
	Less: Transfer to Mine Closure Liability	**15.31**	14.79
		674.41	525.15

* As per the accounting policy of the Company, surcharge recoverable from beneficiaries on the belated settlement of the power bill, amounting to ₹6.87 crore for the year (previous year ₹28.32 crore) has not been reckoned as income since there is uncertainty in realisation. The same will be accounted on the certainty of realisation of the amounts.

Expenses

Note No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
24	**Changes in inventories of raw material**		
	OPENING STOCK		
	Raw Material		
	Lignite	784.06	415.58
	CLOSING STOCK		
	Raw Material		
	Lignite	1,220.77	784.06
	Increase (-) /Decrease in Stock	**(436.71)**	(368.48)

Notes to Financial Statements

Note No.	Particulars	(₹in crore)	
25	**Employee benefit expenses**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Salaries, Wages and Incentives	**1,938.31**	1,861.66
	Contribution to Provident and other funds	**308.35**	307.00
	Gratuity	**13.69**	5.32
	Welfare expenses	**134.54**	111.39
		2,394.90	2,285.37
	Less: Transfer to Capital Expenditure Accounts	**22.19**	33.24
	Less: Expenditure Transferred to Asset	**78.17**	-
		2,294.54	2,252.13
26	**Finance costs**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Interest Expenses		
	KfW -Foreign currency loan	**3.73**	3.33
	NLC Bonds	**52.98**	52.98
	Loan from Banks	**99.90**	139.53
	Loan from Power Finance Corporation	**151.79**	69.27
	Others-Working Capital Loans	**6.21**	0.04
	Exchange rate variation	**-**	(0.01)
	Guarantee Fees on KfW loan	**6.24**	5.87
		320.85	271.01
	Less: Transfer to Capital Expenditure Accounts	**151.79**	82.65
		169.06	188.36
27	**Depreciation and amortisation expense**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Fixed Assets	**640.28**	602.41
	Mine Development and other Amortisations	**45.57**	42.99
		685.85	645.40
	Less: Transfer to Capital Expenditure Accounts	**2.78**	3.01
	Transfer from Grants	**0.16**	0.90
		682.91	641.49

Notes to Financial Statements

Note No.	Particulars		(₹in crore)
28	**Other Expenses**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Consumption of stores and spares	**619.74**	535.49
	Fuel	**59.92**	89.59
	Mine closure	**34.82**	33.16
	Excise duty	**91.36**	82.77
	Rent	**1.40**	0.90
	Rates and taxes		
	Electricity tax	**0.60**	0.95
	Clean energy cess	**1,103.02**	648.05
	Others	**3.05**	3.07
	Wealth Tax	**-**	0.08
	Repairs and Maintenance		
	Plant and Machinery	**205.76**	180.21
	Buildings	**21.35**	16.04
	Others	**328.98**	327.62
	Overburden removal expenditure	**332.94**	157.02
	Insurance	**7.68**	7.63
	Payments to auditors		
	Audit fees	**0.41**	0.26
	Tax audit fees	**0.01**	0.11
	Other certification fees	**0.05**	0.34
	Reimbursement of expenses	**0.25**	0.21
	Travelling expenses	**19.82**	18.14
	Training expenses	**10.18**	9.52
	Family Welfare expenses	**9.72**	5.72
	Selling expenses - Discounts & Commissions	**20.25**	20.54
	Afforestation expenses	**14.69**	13.53
	Royalty	**478.38**	289.94
	Central Industrial Security Force expenses	**117.54**	93.17
	Corporate Social Responsibility (Refer Note -41)	**37.19**	81.93
	Miscellaneous expenses	**55.64**	59.05
	Buy back expenses	**3.11**	-
	Loss on disposal of assets	**0.79**	0.03
	Fixed assets written off/discarded	**0.32**	0.06
	Provision for contingencies	**1.91**	2.11
	Provision for stores & materials	**0.70**	1.66
	Provision for doubtful debts/advances	**-**	6.65
	Provision for loss on assets	**0.10**	-
	Provision for Preliminary expenses	**0.34**	1.81
		3,582.01	2,687.36
	Less: Transfer to Capital Expenditure Accounts	**128.76**	52.67
	Less: Transfer from Grant	**-**	(0.22)
	Less: Transfer to CSR Expenditure	**7.40**	17.26
		3,445.85	2,617.65

Notes to Financial Statements

Note No.	Particulars	(₹in crore)	
29	**Expenses capitalised**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Lignite Consumption during construction	**1.87**	23.27
	Power Consumption during construction	**2.57**	1.54
	Service Charges	**3.24**	11.29
	Land Acquisition Expenses	**8.37**	2.30
		16.05	38.40
30	**Exceptional Items**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Employee remuneration -VRS compensation	**(60.01)**	(28.38)
	Other Expenses - DMF & NMET	**(120.08)**	-
		(180.08)	(28.38)
31	**Net Movement in regulatory deferral account balances income/ (expenses) net**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Income		
	a) Unbilled Power sales /CERC Orders	**69.87**	24.56
	b) Wage Revision	**60.99**	-
	c) Deferred foreign currency	**11.65**	40.96
	d) Others	**12.29**	-
	Expenses		
	a) Deferred foreign currency	**43.77**	-
	b) CERC Order impact	**984.59**	971.86
	Net Movement	**(873.56)**	(906.34)
32	**Other Comprehensive Income**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Remeasurement of actuarial gains and interest cost	**(26.61)**	12.62
		(26.61)	12.62
33	**Earning per share - Basic and Diluted (Before net regulatory deferral adjustments)**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Profit after tax (₹ in crore)	**3,242.37**	1,134.34
	Number of Shares As at 31st March 2017	**1,528,568,427**	1,677,709,600
	Weighted Average Number of Shares	**1,675,666,570**	1,677,709,600
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹) (as per no. of shares as on 31st March 2017)	**21.21**	6.76
	Earning per share-Basic and Diluted (as per weighted average no. of shares) (₹)	**19.35**	6.76
	Earning per share - Basic and Diluted (After net regulatory deferral adjustments) Standalone	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Profit after tax (₹ in crore)	**2,368.81**	228.00
	Number of Shares As at 31st March 2017	**1,528,568,427**	1,677,709,600
	Weighted Average Number of Shares	**1,675,666,570**	1,677,709,600
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹) (as per no. of shares as on 31st March 2017)	**15.50**	1.36
	Earning per share-Basic and Diluted (as per weighted average no. of shares) (₹)	**14.14**	1.36

The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.

Notes to Financial Statements

Note No.	
34	**First-time Adoption of Ind AS**

First-time Adoption of Ind AS

Immediately before adopting Ind AS, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP'), including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Reconciliation and description of the effect of the transition from Indian GAAP to Ind AS on equity is provided below.

These financial statements, for the year ended March 31, 2017, are the first set of financial statements the Company has prepared in accordance with Ind AS. These financial statements being the first Ind AS financial statements, are covered by Ind AS 101, First-time Adoption of Indian Accounting Standards ('Ind AS 101'). The Company has applied Ind AS 101 in making the transition to Ind AS, with April 1, 2015 as the date of transition to Ind AS.

Ind AS 101 requires that Ind AS effective for the first Ind AS financial statements be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some mandatory and optional exemptions to this general requirement in specific cases. Accordingly, the Company has applied certain mandatory and optional exemptions from full retrospective application of Ind AS. The exceptions and exemptions availed by the under Ind AS 101 are discussed below.

Property, Plant and Equipment – Deemed cost

Para D7AA of Ind AS 101 states 'Where there is no change in its functional currency on the date of transition to Ind ASs, a first-time adopter to Ind ASs may elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with paragraphD21 and D21A, of this Ind AS.

In accordance with the above mentioned requirement, the Company has availed the exemption and the carrying values of Property, Plant and Equipment under the previous GAAP have been taken as the deemed cost on transition to Ind AS.

Embedded Lease

Para D9 of Ind AS 101 states 'A first-time adopter may apply paragraphs 6-9 of the Appendix C of Ind AS 17 Determining whether an Arrangement at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.'

The Company has availed above exemption for TPS-I where in the entire power generated through the station after consumption is supplied to TANGEDCO is not an embedded lease arrangement as it is considered immaterial.

Long Term Foreign Currency Monetary Items

Para D13AA of Ind AS 101 states 'A first-time adopter may continue the policy adopted for accounting forex change differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.'

The Company has applied the above exemption on transition to Ind AS in respect of asset acquired before the date of transition to Ind AS.

Notes to Financial Statements

	Note No.	
	34	**Use of deemed cost for investments in subsidiaries, joint ventures and associates**

Para 31 of Ind AS 101 states‘ Similarly, if an entity uses a deemed cost in its opening Ind AS Balance Sheet for an investment in a subsidiary, joint venture or associate in its separate financial statements (see paragraph D15), the entity’s first Ind AS separate financial statements shall disclose: (a) the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount; (b) the aggregate deemed cost of those investments for which deemed cost is fair value; and (c) the aggregate adjustment to the carrying amounts reported under previous GAAP.’

The Company has elected to value its investments in subsidiaries and associate at previous GAAP carrying values on transition to Ind AS.

Borrowings

Ind AS 101 permits that if it is impracticable for an entity to apply retrospectively the effective interest method in Ind AS 109 ‘Financial Instruments’, the fair value of the financial liability at the date of transition to Ind ASs shall be the new amortised cost of that financial liability at the date of transition to Ind ASs.

The borrowings outstanding as at the transition date, consists of loans drawn more than fifteen years back, some with multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans was both fixed and floating in nature and withdrawal of the loans have been made in multiple installments with each drawl to be treated as a separate transaction for the purpose of computing the amortised cost. In case of some loans the drawl period stretches beyond 3-4 years and in case of loans with floating interest rate, the rates have been reset at frequent intervals and reset rates are also applicable for previous drawls from that date onwards. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has amortised the transaction costs as an adjustment of interest expense of the term of the related loan w.e.f. the transition date to Ind AS i.e. 1st April 2015.

Regulatory Deferral Accounts

Para D8B of Ind AS 101 states that some entities hold items of property, plant and equipment or intangible asset that are used, in operations subject to rate regulation. The carrying amount of such items might include amounts that were are determined under previous GAAP but do not qualify for capitalisation in accordance with Ind AS. If this is the case a first time adopter may elect to use the previous GAAP carrying amount of such an item at the date of transition to Ind AS as deemed cost.

Classification and measurement of financial assets

The Company has also elected the option under Ind AS 101 by not applying the requirement of Ind AS 109 in case of employee loans which requires that these shall be recognised initially at fair value and subsequently at amortized cost. As per the exemption, if an entity finds impracticable to apply retrospectively effective interest method, the fair value of the financial asset at the date of transition to Ind ASs shall be the new amortised cost of that financial asset at the date of transition to Ind AS.

Notes to Financial Statements

Reconciliation of equity as at 1st April 2015 and as at 31st March 2016 (₹in crore)

Note No.		Note	1st April, 2015 Previous GAAP*	1st April, 2015 Adjustments	1st April, 2015 Ind ASs	31st March 2016 Previous GAAP*	31st March 2016 Adjustments	31st March 2016 Ind ASs
34	**ASSETS**							
	Non-current assets							
	Property, Plant and Equipment		6,425.37	2.00	6,427.37	9,654.11	-	9,654.11
	Capital Work-In-Progress		4,306.86	(2.05)	4,304.81	2,253.03	-	2,253.03
	Intangible assets		0.29	-	0.29	0.12	-	0.12
	Asset under Development		99.23	-	99.23	204.44	-	204.44
	Financial Assets							
	Investments		1,830.86	-	1,830.86	1,949.12	-	1,949.12
	Loans		104.49	-	104.49	82.91	-	82.91
	Other non-current assets		372.37	-	372.37	702.92	-	702.92
	Current Assets							
	Inventories		898.63	8.77	907.40	1,277.49	17.15	1,294.64
	Financial Assets							
	Investments		103.20	-	103.20	-	-	-
	Trade receivables		2,282.07	(24.71)	2,257.36	3,060.15	(49.27)	3,010.88
	Cash and cash equivalents		2,947.18	-	2,947.18	2,780.68	-	2,780.68
	Other bank balances		318.29	-	318.29	377.29	-	377.29
	Loans		1,083.37	-	1,083.37	575.72	-	575.72
	Other Current Assets		538.80	-	538.80	650.04	-	650.04
	Regulatory Deferral Account debit balances		51.85	24.71	76.56	102.04	49.27	151.31
	Total Assets		**21,362.86**	**8.72**	**21,371.58**	**23,670.06**	**17.15**	**23,687.21**
	EQUITY & LIABILITIES							
	Equity							
	Equity Share Capital		1,677.71	-	1,677.71	1,677.71	-	1,677.71
	Other Equity							
	Retained earnings		11,349.63	(1,619.13)	9,730.50	11,776.78	(2,555.76)	9,221.02
	Other reserves		1,844.34	(2.37)	1,841.97	2,014.15	12.62	2,026.77
	Liabilities							
	Non-current liabilities							
	Financial liabilities							
	Borrowings		2,792.46	-	2,792.46	3,165.65	-	3,165.65
	Deferred tax liabilities (Net)		1,010.10	-	1,010.10	1,733.43	-	1,733.43
	Other non-current liabilities		395.41	2.37	397.78	719.39	-	719.39
	Current Liabilities							
	Financial liabilities							
	Borrowings		-	-	-	14.61	-	14.61
	Trade payables		631.41	-	631.41	970.61	-	970.61
	Other financial liabilities		382.67	-	382.67	385.18	-	385.18
	Other current liabilities		832.23	-	832.23	764.73	(10.85)	753.88
	Provisions		422.11	(202.88)	219.23	413.80	(231.45)	182.35
	Regulatory Deferral Account credit balances		24.79	1,830.73	1,855.52	34.02	2,802.59	2,836.61
	Total equity and liabilities		**21,362.86**	**8.72**	**21,371.58**	**23,670.06**	**17.15**	**23,687.21**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to Financial Statements

Reconciliation of Total Comprehensive Income for the year ended 31st March 2016 (₹in crore)

Note No.	Particulars	Previous GAAP*	Adjustments	Ind ASs
34	**INCOME**			
	Revenue	6,676.61	(24.56)	6,652.05
	Other income	525.15	-	525.15
	Total Income	7,201.76	(24.56)	7,177.20
	EXPENDITURE			
	Changes in inventories of raw material	(361.25)	(7.23)	(368.48)
	Employee benefit expenses	2,239.51	12.62	2,252.13
	Finance costs	188.36	-	188.36
	Depreciation and amortisation expense	599.23	42.26	641.49
	Other expenses	2,620.00	(2.35)	2,617.65
	Prior Period Adjustments(Net)	0.05	(0.05)	(0.00)
	Less: expenses capitalised	(38.40)	-	(38.40)
	Total Expenses	**5,247.50**	**45.25**	**5,292.75**
	Profit before exceptional items, tax and Rate Regulated Activities (RRA)	**1,954.26**	**(69.81)**	**1,884.45**
	Exceptional Items	28.38	-	28.38
	Tax expense			
	- Current Tax	(1.58)	-	(1.58)
	- Deferred Tax	723.31	-	723.31
	Profit before regulatory deferral account balance income / (expense)	**1,204.15**	**(69.81)**	**1,134.34**
	Net Movement in regulatory deferral account income / (expense)	-	(906.34)	(906.34)
	Profit after tax	**1,204.15**	**(976.15)**	**228.00**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss (net of tax)			
	- Net actuarial gains/(losses) on defined benefit plans	-	12.62	12.62
	Other comprehensive income for the year, net of income tax	-	12.62	12.62
	Total comprehensive income for the year	**1,204.15**	**(963.53)**	**240.62**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to Financial Statements

Reconciliation of total equity as at 31st March 2016 and 1st April 2015

(₹in crore)

	Note No.	Particulars	31st March 2016	1st April 2015
	34	Total equity (shareholder's funds) as per previous GAAP	15,468.64	14,871.68
		Adjustments		
		Reversal of proposed dividend since it is a non-adjusting event	202.88	202.88
		Reinstatement of prior period adjustment passed in 2015-16	(0.05)	(0.05)
		Reinstatement of Closing Stock of Lignite for 2014-15	8.77	8.77
		Rate Regulated deferral balances upto 2014-15	(1,830.73)	(1,830.73)
		Reclassification of capital reserve to other non-current liability	(2.37)	(2.37)
		Reversal of proposed dividend since it is a non-adjusting event (2015 - 16)	242.30	-
		Reversal of prior period adjustment - 2015 - 16 adjusted in the previous year	0.05	-
		Reinstatement of prior period adjustment passed in 2016-17	1.15	-
		Reinstatement of Closing Stock of Lignite for 2014-15	(8.77)	-
		Remeasurement of actuarial gains and interest cost	(12.62)	-
		Accounting for dividend paid during the year	(202.88)	-
		Reinstatement of Closing Stock of Lignite for 2015-16	16.00	-
		Rate Regulated deferral balances movement	(906.34)	-
		Rate Regulated deferral balances for 2015-16	(43.41)	-
		Power revision reclassified from sales to regulatory balances	(24.56)	-
		Others (misc. expenses)	2.45	-
		Remeasurement of actuarial gains and interest cost under OCI	12.62	-
		Reversal of reclassification of capital reserve to other non-current liability	2.37	-
		Total adjustments	**(2,543.14)**	**(1,621.50)**
		Total equity as per Ind AS	**12,925.50**	**13,250.18**

		Reconciliation of total comprehensive income for the year ended 31st March 2016	**31st March 2016**
		Profit after tax as per previous GAAP	1,204.15
		Adjustments	
		Reversal of movement in rate regulated debit balance for the year	(24.56)
		Reinstatement of Closing Stock of Lignite for 2015-16	16.00
		Reversal of reinstated of Closing Stock of Lignite for 2014-15	(8.77)
		Remeasurement of actuarial gains and interest cost	(12.62)
		Reinstatement of prior period adjustment passed in 2016-17	1.15
		Reversal of movement in rate regulated credit balance for the year (Depreciation)	(43.41)
		Others (misc. expenses)	2.35
		Reinstatement of prior period adjustment passed in 2015-16	0.05
		Movement of Regulatory deferral balance	(906.34)
		Total adjustments	**(976.15)**
		Profit after tax as per Ind AS	**228.00**
		Remeasurement of actuarial gains and interest cost	12.62
		Other comprehensive income (net of tax)	**12.62**
		Total comprehensive income as per Ind AS	**240.62**

Notes to Financial Statements

(a) Proposed Dividend

Under previous GAAP, the Company had recognised for proposed dividends relating to year ended 31st March 2015 and 31st March 2016 in that respective year, though the approval of that dividend took place after the reporting date. Under Ind AS, proposed dividends do not meet the definition of liability until they have been approved by shareholders at the Annual General Meeting. Therefore, the Group has not recognised a liability for dividend that has been proposed but will not be approved until after the reporting date. The effect of the adjustment increases the retained earnings by ₹202.88 crore with corresponding decrease in provisions as at 1st April 2015 and ₹242.30 crore as at 31st March 2016.

(b) Employee benefits

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised in other comprehensive income.

As a result, profit for the year ended 31st March 2016 increased by ₹12.62 crore (net of tax) with corresponding decrease in other comprehensive income during the year.

(c) Other comprehensive income

Under previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income consists of remeasurement of defined benefit plans. Hence, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(d) Other equity

Retained earnings as at 1st April 2015 has been adjusted consequent to the above Ind AS transition adjustments. Refer 'Reconciliation of total equity as at 31st March 2016 and 1st April 2015 given above for details.

(e) Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31st March 2016

(₹in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,451.21	(137.55)	1,313.66
Net cash flow from investing activities	(1,112.85)	(41.19)	(1,154.04)
Net cash flow from financing activities	(445.86)	119.74	(326.12)
Net increase/ (decrease) in cash and cash equivalents during the year	**(107.50)**	**(59.00)**	**(166.50)**
Cash and cash equivalents at the beginning of the year	3,265.47	(318.29)	2,947.18
Cash and cash equivalent at the end of the year	**3,157.97**	**(377.29)**	**2,780.68**

Notes to Financial Statements

Note No.	Particulars		(₹in crore)
35	**Effect of Foreign Exchange Fluctuation**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	a. The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	**(0.31)**	0.03
	b. The amount of exchange rate difference adjusted and debited /(credited) to the carrying amount of fixed assets & WIP	**(61.48)**	61.94
36	**Expenditure on Research & Development**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Capital expenditure	**2.26**	1.28
	Revenue expenditure	**11.09**	12.54
	Total	**13.35**	**13.82**

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

Movements in provisions

Provision	As at 31.03.2016	**Additions**	**Withdrawals**	**As at 31.03.2017**
Short term benefit of Leave Salary	122.17	21.77	-	**143.94**
Post Retirement Medical Benefit	16.02	3.27	-	**19.29**
Provision for loss on Assets	1.29	0.09	-	**1.38**
Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	**16.60**
Power Tariff adjustment - Deemed export benefit	24.90	1.92	-	**26.82**
Miscellaneous provision	0.97	-	-	**0.97**
Provision for Gratuity	-	40.66	-	**40.66**
Other Provisions	0.40	-	0.40	**-**
	182.35	**67.71**	**0.40**	**249.66**

Provision	As at 01.04.2015	**Additions**	**Withdrawals**	As at 31.03.2016
Short term benefit of Leave Salary	125.41	-	3.24	122.17
Post Retirement Medical Benefit	21.12	-	5.10	16.02
Provision for loss on Assets	1.29	-	-	1.29
Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	16.60
Power Tariff adjustment - Deemed export benefit	22.79	2.11	-	24.90
Miscellaneous provision	0.97	-	-	0.97
Provision for gratuity	31.05	-	31.05	-
Other provisions	-	0.40	-	0.40
	219.23	**2.51**	**3 9.39**	**182.35**

Notes to Financial Statements

Note No.	Particulars	(₹in crore)	
38	**Consumption of Raw Material and Spare Parts**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Value of Indigenous and Imported Spares consumed		
	a. INDIGENOUS		
	Spare parts	**505.72**	348.19
	Percentage	**93.70%**	94.68%
	b. IMPORTED		
	Spare parts	**34.01**	19.57
	Percentage	**6.30%**	5.32%
39	**C.I.F. Value of Imports**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Capital Goods	**5.01**	-
	Components and spares	**64.01**	17.86
40	**Expenditure in Foreign Currency**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Travelling expenses	**0.13**	0.35
	Professional and consultancy	**0.43**	-
	Interest charges	**0.17**	3.33
41	**CSR expenditure**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Medical-health & family welfare	**6.94**	5.08
	Safe drinking water supply	**0.00**	0.13
	Education & scholarship	**10.48**	25.65
	Formation of link road	**2.39**	0.47
	Promotion of sports	**0.33**	0.50
	Community development center	**0.11**	0.13
	Afforestation & environment sustainability	**0.14**	0.04
	Sanitation & other Basic Amenities	**1.44**	29.00
	Construction of school, library & hostel	**1.35**	1.09
	Vocational skill Centre development	**0.44**	0.45
	Irrigation facilities	**8.11**	2.90
	Electricity including solar & non conventional energy	**-**	0.02
	Relief on natural calamities	**0.06**	1.01
	Others	**4.18**	0.67
	Promoting old age home	**0.42**	-
	Protection of National heritage & culture	**-**	0.02
	Contribution to Armed Forces	**-**	0.05
	CSR Exp. - Service tax	**0.80**	1.31
	Basic salary transfer	**-**	13.42
		37.19	**81.93**

Notes to Financial Statements

Note No.	Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:
42	**a) List of related parties**

i) Key Management Personnel (KMP):

Shri. Sarat Kumar Acharya - Chairman and Managing Director

Directors

Shri. Rakesh Kumar	Shri. Vikram Kapur	
Shri. Subir Das	Shri. Azad Singh Toor	Shri. Rakesh Kumar - Chief Financial Officer
Shri. V. Thangapandian	Shri. K.Madhavan Nair	Shri. K. Viswanath - Company Secretary
Shri. P. Selvakumar	Shri. Chandra Prakash Singh	
Shri. R. Vikraman	Ms. Nalini Padmanabhan	
Shri. R.P. Gupta	Ms. Monika Arora	

ii) Subsidiaries and associate of entities:
- NLC Tamilnadu Power Limited (NTPL) - Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL) - Subsidiary
- MNH Shakti Limited (MNH) - Associate

iii) Post Employment Benefit Plans:
- NLC PF Trust

iv) Entities under the control of the same government:
The Company is a Public Sector Undertaking (PSU) where in majority of shares are held by the President of India. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available under Paragraph 25 & 26 of Ind AS 24 for government related entities and have made disclosures accordingly in the financial statements.

b) Transactions with the related parties are as follows: **(₹in crore)**

i) Key management personnel compensation	**For the Year ended 31.03.2017**	For the Year ended 31.03.2016
Short-term employee benefits	**2.01**	2.60
Post-employment benefits	**0.46**	0.19
Other long-term benefits	**0.18**	-
Termination benefits	**-**	-
Share-based payments	**-**	-

The aggregate value of transactions and outstanding balances related to key managerial personnel and entities over which they have control or significant influence were as follows:

ii) Transactions with Subsidiaries and associate:

Particulars	NTPL		NUPPL	
	2016 - 2017	2015 - 2016	**2016 - 2017**	2015 - 2016
i) Reimbursement of employee cost	**-**	-	**2.76**	9.32
ii) Loans issued	**520.00**	320.00	**60.00**	-
iii) Loans repaid	**320.00**	980.00	**-**	-
iv) Equity contributions	**200.93**	118.26	**271.32**	142.44
v) Interest on loans	**37.90**	38.34	**0.06**	-
iii) Transactions with Post employment benefit plans:			**2016-17**	**2015-16**
NLC PF Trust				
- Contributions made during the year			**294.29**	288.83

Notes to Financial Statements

Note No.	Particulars (₹in crore)
42	iv) Transactions with the related parties under the control of the same government:

Name of the Company	Nature of transaction	2016-17	2015-16
Bharat Heavy Electricals Limited	Purchase of Stores and spares	**19.13**	33.79
Bharat Heavy Electricals Limited	Package contracts	**711.75**	1,324.08
Bharat Heavy Electricals Limited	Purchase of Stores and spares	**40.17**	101.91
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	**142.54**	119.18
Indian Oil Corporation Limited	Purchase of furnace oil	**69.41**	69.86
National Buildings Construction Corporation Limited	Purchase/Construction of Asset	**14.14**	3.64
JDVVNL (Bithnok)	Const of 33kv power station	**0.00**	7.76
Steel Authority of India Limited	Purchase of Steel	**12.26**	20.76
Rashtriya Ispat Nigam Limited	Purchase of Steel	**0.00**	0.80
Balmer Lawrie & Co Limited	Purchase of Lubricants	**4.95**	7.30
MSTC Limited	E-auction agent Commission	**0.59**	0.34
Tamil Nadu Transmission Corporation Limited	Maintenance Contract	**0.89**	0.94
Power Grid Corporation of India Limited	Maintenance Contract	**0.09**	0.10

c.) Outstanding balances with related parties are as follows:

i) Key management personnel

Key Management Personnel	Transactions value for the year ended March 31		Balance outstanding as at March 31	
	2017	2016	**2017**	2016
Mr.Rakesh Kumar- Director/Finance Housing advance provided	-	-	**0.07**	0.08
Mr.Viswanath K.- Company Secretary Car advance provided	-	-	**0.04**	0.05

ii) Subsidiaries and associate:	**31st March 2017**	31st March 2016	1st April 2015
i) NTPL			
- Receivable towards Bridge Loan	**520.00**	320.00	980.52
ii) NUPPL			
- Receivable towards Loan	**60.00**	-	-

d) Terms and conditions of transactions with the related parties

(1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(2) The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the Companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these Companies.

(3) Outstanding balances (other than loan) of Subsidiaries and Associate at the year-end, are unsecured and interest free.

(4) For the year ended 31st March 2017 and 31st March 2016, the Company has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

43 **Employee benefits**

(i) Defined benefit plans

The defined benefit plan is administered by the LIC which is named as LIC Group Gratuity Fund ('Fund') that is legally separated from the Group. The board of the fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies
(e.g. investment, contribution and indexation policies) of the fund. Their defined benefit plans expose the group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Notes to Financial Statements

Note No.	
43	**A. Funding**

Defined benefit plan is fully funded by the group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Company has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

B. Movement in net defined benefit (asset) Liabilities

Gratuity **(₹in crore)**

	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2017	2016	**2017**	2016	**2017**	2016
Balance as at April 1	**813.81**	831.27	**820.52**	802.81	**(6.71)**	28.46
Included in profit and loss						
Current Service Cost	**17.77**	49.17	**-**	-	**17.77**	49.17
Past service cost and gain or loss on settlement	**-**	-	**-**	-	**-**	-
Interest cost (Income)	**54.55**	63.16	**58.26**	71.04	**(3.71)**	(7.88)
Included in OCI						
Remeasurement of loss (gain)						
Actuarial loss (gain) arising from Demographic assumptions	**-**		**-**		**-**	-
Financial assumptions	**42.71**	(37.62)	**-**		**42.71**	(37.62)
Experience adjustment	**(7.30)**		**-**		**(7.30)**	-
Return on plan asset excluding interest income	**-**		**8.80**	(0.83)	**(8.80)**	0.83
Change in the effect of the asset ceiling	**-**		**-**		**-**	-
Other						
Contributions Paid by the employer	**-**	-	**0.03**	39.67	**(0.03)**	(39.67)
Benefits paid	**(91.08)**	(92.17)	**(91.08)**	(92.17)	**-**	-
Balance at March 31	**830.46**	813.81	**796.52**	820.52	**33.93**	(6.72)

	March 31 2017	March 31, 2016
Represented by :		
Net defined benefit asset	**796.52**	820.52
Net defined benefit liability	**830.46**	813.81

Notes to Financial Statements

(₹in crore)

Note No. 43

i) Plan Asset

Plan assets comprises the followings:	March 31 2017	March 31, 2016
Equity Securities	**5%**	4.50%
Govt Bonds	**95%**	95.50%

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

	March 31 2017	March 31, 2016
Present value of funded obligation	**830.46**	813.81
Fair value of plan assets	**796.52**	820.52
Present value of net obligations	**33.93**	(6.72)
Unrecognised past service cost	**-**	-

ii) Actuarial Assumptions

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

	March 31 2017	March 31, 2016
Discount rate per annum	**7.10%**	8.00%
Expected return per annum on plan asset	**7.10%**	8.00%
Salary escalation per annum	**5.00%**	5.00%
Mortality	**IALM 2006-08 ULT**	LIC-1994-96
Attrition rate	**1 % to 3%**	1 % to 3%

iii) Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligation by the amounts shown below.

	March 31 2017		March 31, 2016	
	Increase	**Decrease**	Increase	Decrease
Discount rate (+/- 50 BP)	**806.262**	**855.896**	790.054	838.779
Salary escalation per annum (+/- 50 BP)	**835.273**	**825.369**	818.742	808.638
Mortality (+/- 10%)	**836.273**	**824.611**	819.870	807.717
Attrition rate (+/- 10%)	**830.791**	**830.122**	814.242	813.376

Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employee pension scheme is paid to the appropriate authorities.

Notes to Financial Statements

Note No.	Particulars (₹in crore)
43	Based on the actuarial valuation obtained in this respect, the following table sets out the status of the provident fund plan as at balance sheet date:

	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2017	2016	**2017**	2016	**2017**	2016
Balance as at April 1	**2,231.96**	2,201.70	**2,339.75**	2201.70	**(107.79)**	-
Current Service Cost	**282.92**	132.39	**-**	-	**282.92**	132.39
Interest cost (income)	**190.83**	190.88	**-**	-	**190.83**	190.88
Actuarial loss (gain)	**143.64**	(95.35)	**85.99**	1.87	**57.65**	(97.22)
Expected return on plan assets	**-**	-	**198.41**	199.23	**(198.41)**	(199.23)
Contributions Paid by the employer	**-**	154.22	**294.29**	288.83	**(294.29)**	(134.61)
Benefits paid	**(334.56)**	(351.88)	**(334.56)**	(351.88)	**-**	-
Balance at March 31	**2,514.78**	2,231.96	**2,583.87**	2,339.75	**(69.09)**	(107.79)

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

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act,1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹69.09 crore (Previous year ₹107.79 crore) determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Company.

i) Plan Asset

Plan assets comprises the followings

	March 31, 2017		March 31, 2016	
	(₹ in crore)	**% of total assets**	**(₹ in crore)**	**% of total assets**
Equity Securities	**52.11**	**2.02%**	28.19	1.20%
Fixed Income/Debt Securities	**2,531.76**	**97.98%**	2,311.56	98.80%
	2,583.87	**100.00%**	**2,339.75**	**100.00%**

ii) Actuarial Assumptions

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

	March 31, 2017	March 31, 2016
Discount rate per annum	**8.65%**	8.80%
Expected return per annum on plan asset	**8.48%**	9.049%
Superannuation age	**60 years**	60 years
Remaining work life	**Average of 9 years**	Average of 9 years
Mortality	**IALM 2006-08 ULT**	IALM 2006-08 ULT

Notes to Financial Statements

Note No.	Particulars
	C. Defined Contribution Plan
	Post Retirement Medical Assistance (PRMA)

The Company has a Post Retirement Medical Assistance scheme, under which annual cash assistance is provided to retired employees and their spouses for both inpatient and outpatient medical treatment availed in subject to Company's grade-wise policy applicable for employees. The Company contributes a fixed contribution of ₹15,000 per employee per annum towards PRMA and creates a provision for the same.

A trust has been constituted and is managed by the Company for its employees, for the sole purpose of providing post retirement medical assistance facility to them.

(₹in crore)

	March 31, 2017	March 31, 2016
Disclosure in respect of Defined contribution plan in respect of PRMA :		
i. Amount recognised in the profit and loss account as premium paid to the Insurance Company	**14.75**	14.68
ii. Liability provided for the fixed Medical Assistance	**9.34**	5.38

44 **Financial Instruments - Fair value disclosures**

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures required)

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. Hence levelling disclosure as per Ind AS 113 is not applicable.

(₹in crore)

March 31, 2017	**Carrying Amount**			
Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
A. Financial Assets				
Investments	2,421.37	-	-	2,421.37
Loans	737.91	-	-	737.91
Trade Receivables	5,066.00	-	-	5,066.00
Cash and Cash equivalents	38.58	-	-	38.58
Other Bank balances	435.12	-	-	435.12
Other financial assets	54.78	-	-	54.78
B. Financial Liabilities				
Borrowings	5,171.43	-	-	5,171.43
Trade Payable	707.44	-	-	707.44
Other financial liabilities	1,798.44	-	-	1,798.44

Notes to Financial Statements

Note No.	Particulars				(₹in crore)
44	**March 31, 2016**	**Carrying Amount**			
	Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
	A. Financial Assets				
	Investments	1,949.12	-	-	1,949.12
	Loans	658.63	-	-	658.63
	Trade Receivables	3,010.88	-	-	3,010.88
	Cash and Cash equivalents	2,780.68	-	-	2,780.68
	Other Bank balances	377.29	-	-	377.29
	Other financial assets	185.93	-	-	185.93
	B. Financial Liabilities				
	Borrowings	3,180.26	-	-	3,180.26
	Trade Payable	970.61	-	-	970.61
	Other financial liabilities	385.18	-	-	385.18
	March 31, 2015	**Carrying Amount**			
	Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
	A. Financial Assets				
	Investments	1,934.06	-	-	1,934.06
	Loans	1,187.86	-	-	1,187.86
	Trade Receivables	2,257.36	-	-	2,257.36
	Cash and Cash equivalents	2,947.18	-	-	2,947.18
	Other Bank balances	318.29	-	-	318.29
	Other financial assets	191.35	-	-	191.35
	B. Financial Liabilities				
	Borrowings	2,792.46	-	-	2,792.46
	Trade Payable	631.41	-	-	631.41
	Other financial liabilities	382.67	-	-	382.67

45 **Disclosure as per Ind AS 23 on 'Borrowing Costs'**

Borrowing costs capitalised during the year is ₹151.79 crore (previous year ₹82.65 crore).

46 **Lignite Handling System**

As per the recommendation of the committee formed for the undertaking a review for expenditure incurred towards operation and maintaining the Lignite Handling System (LHS), the Company has changed its accounting policy for the current financial year for treating the said expenditure (excluding interest and depreciation) as a part of the Mine operations as against the earlier practice wherein the said expenditure was considered as a cost attributable to Thermal Stations.

Notes to Financial Statements

Note No.	Particulars

47 **Disclosure as per Ind AS 17 'Leases'**

i) Leases as lessee

a) Operating lease

Expenses on operating leases of the premises for offices are included under 'Rent' in Note 28 – Other Expenses' includes ₹1.40 crore (previous year ₹0.90 crore). Such leases entered into by the Company are non cancellable.

(₹in crore)

Particulars	31st March 2017	31st March 2016	1st April 2015
Less than one year	**0.76**	1.23	-
Between one and five years	**0.23**	0.82	-
More than five years	**-**	-	-

48 **Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'**

(a) Subsidiaries

The Company's subsidiaries at 31st March 2017 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group			Ownership interest held by non-controlling interests			Principal activities
		31st March 2017	31st March 2016	1st April 2015	**31st March 2017**	31st March 2016	1st April 2015	
NLC Tamilnadu Power Limited (NTPL)	India	**89%**	89%	89%	**11%**	11%	11%	Generation of energy
Neyveli Uttar Pradesh Power Limited (NUPPL)	India	**51%**	51%	51%	**49%**	49%	49%	Generation of energy

(b) Associate

The Company's associate at 31st March 2017 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group			Principal activities
		31st March 2017	31st March 2016	1st April 2015	
MNH Shakti Limited	India	**15%**	15%	15%	Coal mining project

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

49 **Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'**

(i) Nature of rate regulated activities

The Company is engaged in the business of Lignite mining and Power generation which is a rate regulated activity.

The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

Notes to Financial Statements

Note No.	Particulars
49	**(ii) Regulatory Rate Setting process**

Central Electricity Regulatory Commission (CERC) approves the tariff of electricity as petitioned by considering the energy charges based on Lignite transfer price as per the guidelines of Ministry of Coal issued from time to time and capacity charges as per norms and parameters of CERC, for the relevant tariff period in accordance with CERC Regulations applicable from time to time.

The petitioned tariff is approved with or without modifications by the CERC in accordance with the relevant Regulations through a Provisional Tariff Order. At the end of each tariff period, the CERC determines the final tariff by Truing Up of actual amounts/permissible amounts and the estimated cost determined as per the Provisional tariff Order. Upon Truing up the net amounts payable/receivable from Electricity Distribution Companies is settled along with the applicable interest.

Upto FY 2015-16, the Company applied the principles of the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI) with effect from 1st April 2015 ('previous GAAP'). The Company recognised the exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations and MoC guidelines on Lignite Transfer price as Deferred foreign currency fluctuation asset/ liability.

(iii) Adoption of Ind AS 114

Ind AS 114, Regulatory Deferral Accounts permits an eligible entity to continue previous GAAP accounting policy for its regulatory deferral account balances.In addition to the above, the company had identified deferred foreign currency fluctuation balances as regulatory deferral balance in accordance with the previous GAAP and continue to recognise the same under Ind AS.

Ind AS 114 also requires an entity to identify and recognise all regulatory deferral account balances in respect of all rate regulated activities.

(iv) Recognition and Measurement

Pursuant to election of Ind AS 114, the company has given effect to all the CERC orders in its entirety irrespective of such orders being contested by the company in APTEL or any other higher Appellate forum. In respect of transactions and events prior to the date of transition to Ind AS, the adjustments are made in the Retained Earnings. In respect of transaction and events subsequent to the date of transition to Ind AS, the resultant adjustments are made in the Statement of Profit and Loss of the respective financial year.

(v) Risks associated with future recovery/reversal of regulatory deferral account balances:

(i) demand risk -Availability of alternative and cheaper sources of power may result in reduced demand.

(ii) regulatory risk - the regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in de-recognition of regulatory deferral asset/liability.

(iii) other risks - The Foreign Exchange Variation on actual repayment of loans are eligible for recovery from the customers and hence the risk is mitigated. In respect of disputed orders, the company has recognised Regulatory Deferral Liability which may require economic outflow of resources upon passing of orders by the appellate authorities.

Notes to Financial Statements

Note No.	Particulars
49	**(vi) Reconciliation of the carrying amounts:**

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

a) Regulatory deferral account debit balance

(₹in crore)

Particulars	March 31, 2017	March 31, 2016
A. Opening balance	**151.31**	76.56
B. Recognised during the current year	**99.38**	74.75
C. Amount recovered/reversed during the year	**-**	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss (B-C)	**99.38**	74.75
E. Closing balance (A+D)	**250.69**	151.31

b) Regulatory deferral account credit balance

Particulars	March 31, 2017	March 31, 2016
A. Opening balance	**2,836.61**	1,855.52
B. Recognised during the current year	**972.94**	981.09
C. Amount recovered/reversed during the year	**-**	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss (B-C)	**972.94**	981.09
E. Closing balance (A+D)	**3,809.55**	2,836.61

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

Particulars	March 31, 2017	March 31, 2016
Total amount recognised in the Statement of Profit & Loss during the year	**873.56**	906.34

The Company expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and expect to settle or otherwise upon passing of orders by appellate authorities

50 **Financial Instruments**

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

Loan from PFC - Debt service coverage ratio not less than 1.50

Neyveli Bond - Minimum asset coverage ratio of 1.25

The capital structure of the Company consists of net debt (borrowings as detailed in notes 13, 16 offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Notes to Financial Statements

Note No.	Particulars	(₹in crore)
50	Gearing Ratio:	

	March 31, 2017	March 31, 2016
Debt	**6,828.33**	3,539.98
Less: Cash and bank balances	**473.70**	3,157.97
Net debt	**6,354.63**	382.01
Total equity	**12,046.67**	12,721.06
Net debt to total equity ratio	**0.53**	0.03

51

Financial risk management

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic and foreign currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant.The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues.The provision matrix takes into account available external and internal credit risk factors such as credit defaults, credit ratings from international credit rating agencies and the Company's historical experience for customers.

Management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2017, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹2,199.10 crore of the trade receivables carrying amount (₹850.93 crore of the trade receivables as at March 31, 2016 and ₹623.68 crore of the trade receivables as at April 1, 2015).

Loans and advances

The Company has given loans & advances to its employees. The Company manages its credit risk in respect of Loan and advances to employee through settlement of dues against full & final payment to employees.

Notes to Financial Statements

Note No.	Particulars
51	**Cash and cash equivalents and deposits with banks**

The Company has banking operations with highly rated banks including scheduled banks which are owned by Government of India and Private Sector Banks.The risk of default with government controlled entities is considered to be insignificant.

(i) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (State government utilities) with strong capacity to meet the obligations and therefore the risk of default are not material. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss was considered necessary during the reporting period in respect of trade receivables.

(ii) Ageing analysis of trade receivables

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

The ageing analysis of the trade receivables is as below:

(₹in crore)

	Ageing as at		
Period	**31st March 2017**	31st March 2016	1st April 2015
Thermal debtors			
0-30 days past due	**3,844.61**	2,107.46	1,605.95
31-60 days past due	**432.99**	393.21	186.51
61-90 days past due	**68.51**	168.42	-
91-120 days past due	**58.49**	28.64	45.63
More than 120 days past due	**504.23**	225.80	226.41
Total	**4,908.83**	**2,923.53**	**2,064.50**
Mine and other debtors	**157.17**	87.35	192.86
Total debtors	**5,066.00**	**3,010.88**	**2,257.36**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to Financial Statements

Note No.	Particulars
51	The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹in crore)

Particulars	31st March 2017	31st March 2016	1st April 2015
Floating-rate borrowings			
Expiring within one year			
Power Finance Corporation	-	1,805.00	2,500.00
Working capital Loan (SBI)	1,453.91	265.39	280.00
Total	**1,453.91**	2,070.39	2,780.00

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:

(₹in crore)

31st March 2017	Contractual cash flows					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	11.22	11.22	22.44	67.32	344.86	457.06
Bonds 2009	-	-	600.00	-	-	600.00
PFC-NNTPS	-	-	-	900.00	2,100.00	3,000.00
RTL-SBI	58.37	58.37	116.75	58.39	-	291.88
RTL-HDFC	58.31	58.31	116.63	58.31	-	291.56
RTL-ICICI	58.32	58.32	116.63	58.30	-	291.56
RTL-HDFC Solar	-	-	48.10	288.60	144.30	481.00
TOTAL	**186.22**	**186.22**	**1,020.54**	**1,430.92**	**2,589.16**	**5,413.06**

Notes to Financial Statements

Note No.	Particulars						(₹in crore)
51	**31st March 2016**	**Contractual cash flows**					
	Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
	KfW Loan (Foreign Currency Loan)	12.16	12.16	24.33	72.99	398.34	519.98
	Bonds 2009	-	-	-	600.00	-	600.00
	PFC-NNTPS	-	-	-	358.50	836.50	1,195.00
	RTL-SBI	58.37	58.37	116.75	175.12	-	408.61
	RTL-HDFC	58.31	58.31	116.63	174.94	-	408.19
	RTL-ICICI	58.32	58.32	116.63	174.95	-	408.21
	TOTAL	**187.16**	**187.16**	**374.33**	**1,556.49**	**1,234.84**	**3,539.98**

1st April 2015	**Contractual cash flows**					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	10.94	10.94	21.87	65.61	379.98	489.34
Bonds 2009	-	-	-	600.00	-	600.00
RTL-I Canara Bank	125.00	125.00	250.00	625.00	-	1,125.00
RTL-II Canara Bank	50.00	50.00	100.00	250.00	-	450.00
PFC-NNTPS	-	-	-	100.00	400.00	500.00
TOTAL	**185.94**	**185.94**	**371.87**	**1,640.61**	**779.98**	**3,164.34**

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

31st March 2017	**Contractual cash flows**					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	1.67	1.63	3.13	8.39	19.23	34.05
Bonds 2009	-	49.98	49.98	-	-	99.96
PFC-NNTPS	119.85	119.85	239.70	593.26	545.32	1,617.98
RTL-SBI	9.34	7.01	7.01	-	-	23.36
RTL-HDFC	9.45	7.08	7.08	-	-	23.61
RTL-ICICI	9.50	7.13	7.13	-	-	23.76
RTL-HDFC Solar	18.11	18.11	33.50	78.78	59.76	208.26
TOTAL	**167.92**	**210.79**	**347.53**	**680.43**	**624.31**	**2,030.98**

Notes to Financial Statements

Note No.	Particulars						(₹in crore)
51	**31st March 2016**	**Contractual cash flows**					
	Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
	KfW Loan (Foreign Currency Loan)	1.90	1.86	3.58	9.65	23.73	40.72
	Bonds 2009	-	49.98	49.98	49.98	-	149.94
	PFC-NNTPS	53.48	53.48	106.96	294.12	320.86	828.90
	RTL-SBI	16.29	13.57	19.00	8.14	-	57.00
	RTL-HDFC	16.36	13.63	19.08	8.18	-	57.25
	RTL-ICICI	16.27	13.56	18.98	8.14	-	56.95
	TOTAL	**104.30**	**146.08**	**217.58**	**378.21**	**344.59**	**1,190.76**

1st April 2015	**Contractual cash flows**					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	1.79	1.75	3.38	9.16	24.03	40.11
Bonds 2009	-	49.98	49.98	99.96	-	199.92
RTL-I Canara Bank	51.30	44.89	70.54	64.13	-	230.86
RTL-II Canara Bank	20.70	18.11	28.46	25.88	-	93.15
PFC-NNTPS	24.95	24.95	49.90	145.96	190.87	436.63
TOTAL	**98.74**	**139.68**	**202.26**	**345.09**	**214.90**	**1,000.67**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. Upto March 31, 2016 the Company till the date of commercial operation capitalise the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by CERC as recovery from beneficiaries. If any exchange gain/loss arise after the date of commercial operation the same will also be recovered from beneficiaries as part of rate regulated asset. From April 01, 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from beneficiaries as a part of rate regulated asset.Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items.The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

Notes to Financial Statements

Note No.	Particulars
51	The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

(₹in crore)

Particulars	31st March 2017	31st March 2016	1st April 2015
Financial liabilities			
Borrowings - KfW (in Euro)	**457.06**	519.98	489.34

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against the Euro as at 31st March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

March 31, 2017	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW (in Euro)	45.71	(45.71)

March 31, 2016	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW (in Euro)	52.00	(52.00)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31st March 2017	31st March 2016	1st April 2015
Financial assets			
Fixed-rate instruments			
Employee Loans	**112.03**	94.21	114.63
Financial liabilities			
Variable-rate instruments			
Rupee term loans			
- From Banks	**1,356.00**	1,225.00	1,575.00
- Power Finance Corporation (PFC)	**3,000.00**	1,195.00	500.00
Fixed-rate instruments			
Rupee term loans			
- Working Capital Loan	**1,415.28**	-	-
Foreign Currency Loan			
- KfW	**457.06**	519.98	489.34

Notes to Financial Statements

Note No.	Particulars

51

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹in crore)

	Profit or loss	
	50 bp increase	**50 bp decrease**
31st March 2017		
Rupee term loans		
- From Banks	(6.78)	6.78
- Power Finance Corporation (PFC)	(15.00)	15.00
	(21.78)	**21.78**
31st March 2016		
- From Banks	(6.13)	6.13
- Power Finance Corporation (PFC)	(5.98)	5.98
	(12.10)	**12.10**

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

52

Disclosure as per Ind AS 108 'Operating segments'

A. Basis for segmentation

The Company has the following two strategic divisions, which are its reportable segments. These divisions are managed separately because they require different technology and operational methodologies. The following summary describes the operations of each reportable segment.

Reportable segments	Product / Service from which reportable segment derives revenues
Lignite mining	Mining of lignite
Power generation	Generation of power and sale to power utilities across the country

The Chairman and Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the consolidated financial statements.

Notes to Financial Statements

Note No.	Particulars (₹in crore)
52	**B. Information about reportable segments**

	Lignite Mining		Power Generation		Inter segment Adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
REVENUE	**31st March 2017**	31st March 2016	**31st March 2017**	31st March 2016	**31st March 2017**	31st March 2016	**31st March 2017**	31st March 2016
External Sales	**384.30**	408.18	**8288.53**	6243.87	**-**	-	**8672.83**	6652.05
Inter-segment sales	**6190.12**	4940.90	**576.01**	523.90	**6766.13**	5464.80		
Total Revenue	**6574.42**	5349.08	**8864.54**	6767.77	**6766.13**	5464.80	**8672.83**	6652.05
RESULT								
Segment Result	**1322.17**	1422.98	**745.95**	516.23			**2068.12**	1939.21
Other Income							**443.06**	102.24
Unallocated Corporate expenses							**239.23**	1292.97
Operating Profit							**2271.95**	748.48
Interest Expense							**169.06**	188.36
Interest Income							**231.19**	417.99
Exceptional Items							**(180.08)**	(28.38)
Income taxes							**(214.81)**	721.73
Profit from Ordinary activities							**2368.81**	228.00
Other Comprehensive Income							**(26.61)**	12.62
Total Comprehensive Income							**2342.20**	240.62
OTHER INFORMATION	**As at 31st March 2017**	As at 31st March 2016	**As at 31st March 2017**	As at 31st March 2016	**As at 31st March 2017**	As at 31st March 2016	**As at 31st March 2017**	As at 31st March 2016
Segment Assets	**6186.56**	5608.09	**11188.15**	8838.31			**17374.71**	14446.40
Unallocated Corporate assets(Including Capital Work-in Progress)							**10134.67**	9240.81
Total Assets							**27509.38**	23687.21
Segment liabilities	**1784.70**	1320.05	**1085.35**	529.21			**2870.04**	1849.26
Unallocated Corporate liabilities							**12440.71**	8912.45
Total liabilities							**15310.75**	10761.71
Capital Expenditure	**243.85**	416.82	**128.63**	(57.67)			**372.48**	359.15
Depreciation	**266.21**	295.33	**388.27**	316.77			**654.48**	612.10
Non-cash expenses other than depreciation	**0.39**	6.66	**2.02**	0.01			**2.41**	6.67

Note:
1. Since the business operation is within India the secondary disclosure does not arise
2. The inter-segment transfers are priced on cost plus profit basis.
3. Allocation of
   i) Storage charges on the basis of material consumption,
   i) 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.

Notes to Financial Statements

Note No.	Particulars (₹in crore)
52	**C. Information about major customers**

Revenue from one major customer under 'generation of energy' segment is ₹4,348.75 crore (31st March 2016: ₹2,756.00 crore) which is more than 10% of the Company's total revenues.

53 **Disclosure as per Ind AS 12 'Income taxes'**

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	March 31 2017	March 31 2016
Current tax expense		
Current year		
Adjustment for earlier years	**(19.77)**	(1.58)
Pertaining to regulatory deferral account balances		
Total current tax expense	**(19.77)**	(1.58)
Deferred tax expense		
Origination and reversal of temporary differences	**75.89**	813.33
Less: Deferred asset for deferred tax liability	**270.93**	90.02
Total deferred tax expense	**(195.04)**	723.31
Total income tax expense	**(214.81)**	721.73

ii) Income tax recognised in other comprehensive income

Particulars	31st March 2017			31st March 2016		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
	-	-	-	-	-	-

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

	March 31 2017	March 31 2016
Profit before tax	**2,127.38**	1,925.88
Tax using the Company tax rate of 34.608% (31st March 2017 - 34.608%)	**736.24**	666.51
Tax effect of:		
Non-deductible tax expenses	**294.01**	268.22
Foreign exchange differences	**-**	-
Tax deductions/allowances	**(1,221.98)**	(1,015.71)
Business Tax losses	**191.73**	80.98
Previous year tax liability	**(19.77)**	(1.58)
Minimum alternate tax adjustments	**-**	-
Total tax expense in the Statement of Profit and Loss	**(19.77)**	(1.58)

53 **(b) Tax losses carried forward**

Particulars	31st March 2017	Expiry date	31st March 2016	Expiry date
Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-

Notes to Financial Statements

Note No.	Particulars
53	**(c) Dividend distribution tax on proposed dividend not recognised at the end of the reporting period**

Since year end, the directors have recommended the payment of final dividend amounting to ₹201.33 crore (31st March 2016). The dividend distribution tax on this proposed dividend amounting to ₹40.97 crore (31st March 2016) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

(d) MAT Credit available to the Company in future but not recognised in the books:

Financial years	31st March 2017	Expiry date	31st March 2016	Expiry date
For the year 2016-17	-	-	-	-
For the year 2015-16	-	-	-	-

54 **Pursuant to MCA Notification No. GSR 308(E) dated 30th March 2017 the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 are as follows:**

(in ₹)

Particulars	Specified Bank Notes (SBN's)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,55,500	44,681	2,00,181
(+) Permitted receipts	-	16,95,89,496	16,95,89,496
(+) Receipts in SBN*	6,64,000	-	6,64,000
(-) Permitted payments	-	13,70,80,921	13,70,80,921
(-) Amount deposited in Banks	8,19,500	3,21,99,769	3,30,19,269
Closing cash in hand as on 30.12.2016	-	3,53,487	3,53,487

* The Receipts in SBN represent the receipts from 08.11.2016 to 30.12.2016 as given below :

1) Electricity and rent receipts which are normally collected by Bank has been received by us on behalf of bank as authorised by bank from 09.11.2016 to 11.11.2016 amounting to ₹5,45,000.
2) Bus fares collected from public by buses run by NLCIL amounting to ₹72,000.
3) Others amounting to ₹47,000.

55 **Capital Employed** **(₹ in crore)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital employed shall comprise of Net Worth, Long Term Borrowings excluding CWIP and Investment made	**12,501.17**	13,505.04	10,714.15

Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Group from 1st April, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on its financial statements.

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

M/s. CHANDRAN & RAMAN,
Chartered Accountants,
Paragon No. 2, Dr. Radhakrishnan Salai,
2nd Street, Mylapore,
Chennai – 600 004.

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF NLC INDIA LIMITED
(formerly Neyveli Lignite Corporation Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s. NLC INDIA LIMITED (formerly Neyveli Lignite Corporation Limited) (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 thereunder.

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 Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, 2017, and their consolidated profit, their consolidated cash flows and their consolidated statement of changes in equity 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: 52 to the financial statements regarding implementation of Ind AS 114 Regulatory Deferral Accounts, wherein the resulting adjustments of giving effect to CERC Orders has been recognised in the retained earnings for the years prior to transition date i.e, 01.04.2015. The adjustments relating to the FY 2015-16 & FY 2016-17 are recognised in the Statement of Profit & Loss under Net Movement in Regulatory Deferral Account Balances.

b) Note No: 50 to the financial statements regarding the change in accounting policy during the year whereby the expenditure incurred on operation and maintenance (excluding interest and depreciation) of Lignite Handling System is being treated as a part of Lignite Cost as against the earlier practice of treating the said expenditure as a cost attributable to thermal stations.

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 entity, whose financial statements reflect total assets of ₹9,089.60 crore as at 31st March, 2017, total revenues of ₹2,624.10 crore and net cash flows amounting to (₹393.94) crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹87.85 crore for the year ended 31st March, 2017, as considered in the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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, the Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity 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 Ind AS 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. 463(E) dated 05.06.2015, sub-section (2) of Section 164 of the Companies Act, 2013 is not applicable to Government Companies.

   (f) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure – I.

   (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 21 to the consolidated financial statements.

      ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. 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.

      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. As stated in Note No. 57 to the financial statements and as represented to us by the Management, the company has received amounts aggregating ₹.6,64,000 from transactions made in Specified Bank Notes.

3. As required by section 143(5) of the Companies Act, 2013, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India is given in Annexure – II.

FOR P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No. 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

Annexure-I to Independent Auditors' Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of M/S. NLC INDIA LIMITED (formerly Neyveli Lignite Corporation Limited) (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to TWO (2) subsidiary companies and ONE (1) jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

FOR P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No. 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

Annexure-II to Independent Auditors' Report

Comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India

1. In respect of the Group, the holding company has been acquiring land through Government of Tamil Nadu. As per the legal opinion obtained by the company as regards the clear title the position is as under :

Period during which land was acquired	Statute under which the land was acquired	Mode of acquisition	Nature of ownership
From incorporation to 1977	The Land Acquisition Act, 1894	Assignment Deeds	Conditional Ownership
1978 to 1996	The Land Acquisition Act, 1894	Government Notifications	Absolute owner of the land
1997 to 2001	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Conditional Ownership
2001 to 31.03.2017	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Absolute owner of the land

In the case of subsidiaries and jointly controlled entity, the companies have clear title over the land owned by it.

2. During the year under audit, there were no cases of waiver/write off of debts/loans/interest etc., in respect of the Group and of its associates and jointly controlled entity.

3. There are no cases of inventories lying with third parties or assets received as gifts/grants from the Government or other authorities in respect of the Group and of its associates and jointly controlled entity.

FOR P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No. 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

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

M/s. CHANDRAN & RAMAN,
Chartered Accountants,
Paragon No. 2, Dr. Radhakrishnan Salai,
2nd Street, Mylapore,
Chennai – 600 004.

INDEPENDENT AUDITORS' REPORT

To

The Board of Directors of NLC India Limited (Formerly Neyveli Lignite Corporation Limited)

Report on the Comparative Indian Accounting Standards (Ind AS) Consolidated Financial Statements

We have audited the accompanying special purpose Consolidated Ind AS financial statements of NLC India Limited (Formerly Neyveli Lignite Corporation Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the Opening Balance Sheet as at 1st April, 2015, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Comparative consolidated Ind AS Financial Statements").

Management's Responsibility for the Comparative Consolidated Ind AS 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 Comparative Consolidated Ind AS Financial Statements in accordance with the basis of accounting described in Note 2.

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 Comparative Consolidated Ind AS Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these Comparative Consolidated Ind AS Financial Statements based on our audit.

We conducted our audit of the Comparative Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 controls 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 the effectiveness of the Company's internal financial 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 Comparative Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Comparative Consolidated Ind AS Financial Statements for the year ended 31st March, 2016 (including opening balance sheet as at 1st April 2015), are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to these financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to these Comparative Consolidated Ind AS Financial Statements, which describes the basis of accounting. The Comparative Consolidated Ind AS Financial Statements are prepared to assist NLC India Limited to meet the requirements of preparation of first set of complete consolidated Ind AS financial statements. As a result, the Comparative Consolidated Ind AS Financial Statements may not be suitable for another purpose.

Emphasis of Matter

We draw attention to Note 2 to the Comparative Consolidated Ind AS Financial Statements, which describes the basis of accounting and further states that the comparative financial information has not been included in these financial statements. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the company's state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and the changes in equity.

Our opinion is not modified in respect of this matter.

Other Matter

NLC India Limited has prepared a separate set of financial statements for the year ended March 31, 2016 and March 31, 2015 in accordance with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 on which we issued a separate auditors' report to the shareholders of NLC India Limited dated 26th May 2016 and 29th May, 2015 respectively.

Our opinion is not modified in respect of this matter.

FOR P.B. VIJAYARAGHAVAN & CO.,
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M No. 203774

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn. No. 00571S

S. Pattabiraman
Partner
M No. 014309

Date: 30.05.2017
Place: Chennai

Significant Accounting Policies

I. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. 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. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalised as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS 101, the company has availed the exemption where in the carrying value of the PPE as per Previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Administration and general overhead expenses attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of property, plant and equipment 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.

Machinery Spares

Initial spares purchased along with property, plant and equipment are capitalised and depreciated along with the asset.

Spares purchased subsequent to commissioning of the asset which meets the requirements set out in Ind AS 16 and costing INR 0.50 crore and above are treated as Property, Plant & Equipment.

Land for mining

Land for mining in Tamil Nadu is acquired in accordance with and subject to the provisions of Land Acquisition Act 1894 and Tamil Nadu 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. Land is capitalised with reference to the date of taking over the physical possession of land at the value of consideration paid.

Construction projects

Capitalisation and Depreciation

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 revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

c) Wind Turbine Generators (WTG)

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

d) Solar Power

Solar Power Plants are capitalised on the date on which it is connected to grid.

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

Other assets are capitalised when they are available for use.

Depreciation

Depreciation is provided on cost of the property, plant and equipment less their estimated residual values over their estimated useful lives, and is recognised in the Statement of Profit or Loss. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land taken on lease is amortised over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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	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.
(b) LEP Assets	At residuary life not exceeding 15 years
ii. Residential Buildings - III Class	At useful life prescribed in Schedule II to the Companies Act, 2013.
iii. Buildings: Non-residential Buildings Plant & Machinery: CME other than dozers and pipe layers, Workshop machinery, pumps GWC & SWC pipes and Civil construction machinery.	At higher of technically assessed rates/life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. Specialised Mining Equipment : Commissioned on or after 31.08.2007	At technically assessed rates/life as approved by Ministry of Corporate Affairs in August 2007.
v. Other Assets and Specialised Mining Equipment: Commissioned before 31.08.2007	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset
vii. Spares treated as PPE	Residual life of the parent asset
viii. Asset costing less than ₹5,000	Fully depreciated when the asset is ready to use

The Company depreciates Property, Plant and Equipment based on rates provided under Schedule-II of the Companies Act, 2013 or based on management estimate of useful lives which it deem fit to represent the useful life of each Property, Plant and Equipment.

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Group.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use

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.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is be included in the statement of profit or loss.

II. Intangible Assets

Recognition and measurement

The Group recognises an intangible asset and measures at cost if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

Research and development Cost– Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognised as an intangible asset when the Group can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets - Other Intangible Assets including Computer software that are acquired by the Group for an amount more than ₹10 lakh and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and Subsequent Expenditure (Project development expenditure)	Over the residual life of the parent asset
Software costing more than INR 10 lakh	5 years

Gains or losses arising from derecognition of an intangible asset are recognised in the statement of profit and loss when the asset is derecognised.

III. Inventories

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

Stock Items	Basis
Lignite	At absorption cost excluding share of common charges and social overhead.
Stores and spares including light diesel oil, heavy furnace oil & coal	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	NIL
Goods in Transit including goods received but pending inspection/acceptance	Cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

IV. Mine closure expenditure

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

V. Prepaid expenses

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

VI. Financial Instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Group's financial assets consist of staff advances, investment in bonds, trade receivables, etc.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- the right to receive cash flows from the asset has been transferred; or

  the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount presented in the balance sheet when, and only when the Group:

- currently has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

VII. Impairment

Financial assets (including receivables)

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

Non-financial assets:

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit or Loss

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

VIII. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Group opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz, in respect of financial assets and financial liabilities as stated in note (vi) and (vii) above.

IX. Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility studies, documentation of data, other development expenditure, expenditure on exploration works, technical knowhow 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 Govt. of India the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure is charged to Statement of Profit and Loss in the respective years.

X. Government/Other Grants

Related to assets

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income.

Related to income

Grants related to income are those which are not related to assets.

Grants are recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or over the period during which the conditions related to the grant are fulfilled.

XI. Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprises of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as the related service are provided.

Contributions towards Gratuity, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the Guidelines issued by Department of Public Enterprises. Contribution towards Provident Fund and Gratuity is recognised as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

Contribution towards Post-Retirement Medical Benefit Scheme comprising of fixed amount of annual assistance (PRMA) in respect of employees retired prior to 1st January 2007 and Premium towards Post-Retirement Medical Insurance (PRMI) are treated as Defined Contribution Plans.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognized immediately in profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits like Voluntary Retirement Service are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

XII. Allocation of common charges/social overhead expenses

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

XIII. Prior period items, Accounting estimates and effect of change in Accounting Policy.

Prior period errors of material nature, are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. Transactions arising out of those specified above exceeding INR 1 crore in each case are considered as material for this purpose.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit or Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XIV. Events occurring after the balance sheet date

Events occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10. For this purpose, events having an effect of INR 1 crore and above in value in each case is considered as significant and dealt accordingly.

XV. Revenue

Sale of power generated by Thermal Power Stations

Sale of power is accounted for by following the 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.

Sale of Un-requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries is net off any gain arising from such sale.

Sale of Power through Renewable Energy Sources

Revenue from sale of solar energy and wind energy are recognised in accordance with the price agreed under the Power Purchase Agreement and in accordance with orders passed by the Tamil Nadu Electricity Regulatory Commission. Revenue is recognised based on the units actual units of power transmitted.

Sale of Lignite

Sale of Lignite, by e-auction sales has been reckoned to the extent of amount received. Sale of Lignite other than by e-auction is recognised in accordance with the agreement entered into with the respective parties.

Others

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.

Claims due from beneficiaries which do not fall within the tariff rate fixation norms are recognised as income in the year incurring of the expenditure and final adjustments, if any, will be accounted on receipt of order from CERC.

Cash discounts for prompt payments are accounted as and when the related dues are settled and presented net of revenue.

Dividends

Dividends income is recognised when the shareholder's right to receive payment is established.

XVI. Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in profit and loss in the period in which they arise.

The Company has availed the exemption provided under Ind AS from recognising in the Statement of Profit and Loss the exchange difference arising on translation of long term foreign currency monetary items recognised in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalise the same.

XVII. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

XVIII. Borrowing cost

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

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed.

All other borrowing costs are expensed in the year in which they occur.

XIX. Leases

Finance lease:

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and the lease rentals are recognized as expenses in the Statement of Profit or Loss on a straight line basis.

Long term lease agreement for a period of 30 years has been considered as operating lease and amortised over the leasehold period.

XX. Provisions and Contingent Liability

Recognition and measurement

A provision is recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XXI. Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments and do not include investments or deposits for other purposes.

XXII. Earnings per share

The Group's presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXIII. Regulatory Deferral Accounts

The tariffs for the sale of power are approved by the Central Electricity Regulatory Commission constituted under the Electricity Act, 2003. In cases where the rates are not yet approved, the Company recognises revenue based on provisional tariff rates. The expense/ income that will be recovered/ refunded from/ to the beneficiaries are recognised as 'Regulatory Deferral Account Balances'. Regulatory Deferral Account Balances are also recognised in respect of items within the tariff fixation norms, which are subject to approval by CERC at the end of Tariff Period. Regulatory Deferral Account Balances are presented as separate line items in the Balance Sheet.

The movement in the regulatory deferral account balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.

★★★

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹in crore)

Particulars	Notes	As at March 31,2017	As at March 31,2016	As at April 1, 2015
ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipment	1	16,028.62	16,326.99	6,652.73
(b) Intangible Asset	2	2.64	0.12	0.29
(c) Capital Work-In-Progress	3	5,074.99	2,333.92	10,864.76
(d) Asset under Development	4	143.65	207.60	114.16
(e) Financial Assets	5			
i) Investments	a	12.69	12.69	12.69
ii) Loans	b	99.42	82.91	104.49
(f) Other non-current assets	6	2,041.06	728.40	395.73
		23,403.08	**19,692.63**	**18,144.85**
2. Current Assets				
(a) Inventories	7	2,336.00	1,508.92	907.40
(b) Financial Assets	8			
i) Investments	a	-	-	103.20
ii) Trade receivables	b	6,109.36	3,737.84	2,257.36
iii) Cash and cash equivalents	c	79.93	3,237.74	3,254.24
iv) Other bank balances	d	435.12	377.29	318.29
v) Loans	e	146.77	326.62	163.85
vi) Other financial assets	f	54.85	186.02	191.41
(c) Other Current Assets	9	671.29	469.23	348.18
		9,833.32	**9,843.66**	**7,543.93**
3. Regulatory Deferral Account Debit Balances	10	250.69	151.31	76.56
Total Assets and Regulatory Deferral Account Debit Balances		**33,487.09**	**29,687.60**	**25,765.34**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	1,528.57	1,677.71	1,677.71
(b) Other Equity	12			
i) Retained earnings	a	8,405.64	9,077.45	9,729.35
ii) Other reserves	b	2,192.27	2,026.77	1,841.97
		12,126.48	**12,781.93**	**13,249.03**
c) Non Controlling Interest	13	674.08	640.42	367.87
Liabilities				
1. Non-Current Liabilities				
(a) Financial liabilities	14			
(i) Borrowings	a	8,536.56	7,050.11	6,010.76
(b) Deferred tax liabilities (Net)	15	1,501.11	1,648.74	1,010.10
(c) Other non-current liabilities	16	632.85	719.39	397.78
		10,670.51	**9,418.24**	**7,418.64**
2. Current Liabilities				
(a) Financial liabilities	17			
(i) Borrowings	a	130.81	14.61	-
(ii) Trade payables	b	1,257.70	1,173.83	634.50
(iii) Other financial liabilities	c	2,822.01	1,369.34	601.37
(b) Other current liabilities	18	1,745.09	1,269.23	1,417.90
(c) Provisions	19	250.87	183.38	220.51
		6,206.47	**4,010.40**	**2,874.28**
3. Regulatory Deferral Account Credit Balances	20	3,809.55	2,836.61	1,855.52
Total Equity and Liabilities and Regulatory Deferral Account Credit Balances		**33,487.09**	**29,687.60**	**25,765.34**

Notes to the Consolidated Financial Statements and the Significant Accounting Policies annexed form an Integral part of the Consolidated Balance Sheet.

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO /DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No.: 004721S
P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S
S. Pattabiraman
Partner
M No. 014309

Place : Chennai
Date : 30.05.2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹in crore)

Sl. No	Particulars	Notes	For the Year ended March 31, 2017	For the Year ended March 31, 2016
I	Revenue from Operations	23	**11,219.77**	7,875.74
II	Other Income	24	**713.62**	493.27
III	**Total Income (I+II)**		**11,933.38**	8,369.00
IV	**Expenses**			
	Changes in Inventories	25	**(436.71)**	(368.48)
	Cost of fuel consumed	26	**1,543.45**	809.90
	Employee benefit expenses	27	**2,343.58**	2,288.50
	Finance costs	28	**588.28**	467.33
	Depreciation and amortisation expenses	29	**1,043.37**	910.11
	Other expenses	30	**3,524.53**	2,660.32
	Less: expenses capitalised	31	**16.05**	38.40
	Total Expenses (IV)		**8,590.46**	6,729.28
V	Profit / (loss) before regulatory exceptional item and tax (III-IV)		**3,342.93**	1,639.72
VI	Exceptional Items	32	**(180.08)**	(28.38)
VII	Profit / (loss) before tax (V+VI)		**3,162.84**	1,611.34
VIII	Tax expense:			
	(1) Current tax			
	- Current year tax		**366.96**	408.15
	- MAT Credit		**(366.96)**	(408.15)
	- Previous year		**(19.77)**	(1.58)
	(2) Deferred tax		**(147.61)**	638.62
IX	Profit (loss) for the period before movement in deferral account balances (VII-VIII)		**3,330.23**	974.31
X	Net Movement in Regulatory deferral account balances Income / (Expenses) Net		**(873.56)**	(906.34)
XI	Profit / (Loss) for the Period (IX +X)		**2,456.66**	67.97
XII	Other Comprehensive Income			
	A (i) Items not reclassified to profit or loss:			
	1. Re-measurements of defined benefit plans	34	**(26.61)**	12.62
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising profit (loss) and other comprehensive income)		**2,430.06**	80.59
XIV	Profit Attributable to			
	- Owners of the company		**2,447.00**	85.57
	- Non Controlling Interest (NCI)		**9.66**	(17.60)
XV	Total Comprehensive income attributable to			
	- Owners of the company		**2,420.39**	98.19
	- Non Controlling Interest (NCI)		**9.66**	(17.60)
XVI	Earnings per equity share before movement in regulatory balances			
	(1) Basic (in ₹)	35	**19.87**	5.81
	(2) Diluted (in ₹)		**19.87**	5.81
XVII	Earnings per equity share after movement in regulatory balances			
	(1) Basic (in ₹)		**14.66**	0.41
	(2) Diluted (in ₹)		**14.66**	0.41

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

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO /DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No.: 004721S
P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S
S. Pattabiraman
Partner
M No. 014309

Place : Chennai
Date : 30.05.2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (₹in crore)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
A. Cash Flow From Operating Activities				
Net Profit Before Tax		**3,162.84**		1,611.34
Adjustments for non-cash items:				
Less:				
Profit on Disposal of Asset	**0.78**		2.00	
Interest Income	**232.43**		423.56	
	233.21		425.56	
Add:				
Depreciation	**1,043.44**		910.36	
Buyback Expenses	**3.11**		0.00	
Other non-cash charges	**33.26**		(31.28)	
Interest expense	**626.24**		647.52	
	1,706.05	**1,472.84**	1,526.60	1,101.04
Operating Profit before working capital changes		**4,635.68**		2,712.38
Adjustments for :				
Trade receivables		**(2,371.51)**		(1,487.17)
Loans & advances		**(86.83)**		521.64
Inventories & other current assets		**(947.65)**		(675.44)
Trade payables & other current liabilities		**514.79**		755.94
Cash flow generated from operations		**1,744.48**		1,827.35
Direct taxes paid		**(503.91)**		(525.66)
Cash flow before extra-ordinary items		**1,240.57**		1,301.69
Grants received		**1.22**		(1.16)
Net Cash from operating activities		**1,241.79**		1,300.53
B. Cash-flow from investing activities				
Purchase of property, plant and equipment/preliminary expenses		**(4,232.59)**		(1,694.98)
Sale of property, plant and equipment/Projects from continuing operations		**9.44**		4.58
Sale/Purchase of Investments		**(472.25)**		(118.26)
Interest Received		**363.58**		428.98
Net Cash used in investing activities		**(4,331.81)**		(1,379.68)
C. Cash flow from financing activities				
Short Term Borrowings (Net)		**655.32**		(124.26)
Issue of Share Capital		**225.77**		406.45
Long Term Borrowings (Net)		**2,899.83**		955.99
Interest paid		**(778.16)**		(730.11)
Buyback of Equity Shares including Buyback Expenses		**(1,479.61)**		0.00
Dividend (including Dividend Tax)		**(1,590.94)**		(445.42)
Net Cash used/received in financing activities		**(67.78)**		62.65
Net increase,decrease(-) Cash and Cash equivalents		**(3,157.81)**		(16.50)
Cash and cash equivalents as at the beginning of the year		**3,237.74**		3,254.24
Cash and cash equivalents as at the end of the year		**79.93**		3,237.74
NOTE : (-) INDICATES CASH OUTFLOW.				

DETAILS OF CASH AND CASH EQUIVALENTS	As at March 31, 2017	As at March 31, 2016
Cash in hand	**0.01**	0.00
Cash at bank in current accounts	**24.30**	253.65
Cash at bank in deposit accounts	**55.62**	2,984.09
TOTAL	**79.93**	3,237.74

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

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

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No.: 004721S
P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S
S. Pattabiraman
Partner
M No. 014309

Place : Chennai
Date : 30.05.2017

Notes to Financial Statements - Movement in Equity For the year ended March 31, 2017

A. Equity Share Capital

	As at 01.04.2015		Movement during the year		As at 31.03.2016	
Equity Share Capital	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)
	1,677,709,600	1,677.71	-	-	1,677,709,600	1,677.71
	As at 01.04.2016		**Movement during the year**		**As at 31.03.2017**	
Equity Share Capital	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)	No. of Shares	Equity Share Capital par Value (₹in crore)
	1,677,709,600	1,677.71	(149,141,173)	(149.14)	1,528,568,427	1,528.57

B. Other Equity

(₹in crore)

Particulars	Retained Earnings and Other Reserves							Items of other comprehensive income OCI	Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Remeasurement of defined benefit plan	
As at 01.04.2015	296.11	60.00	1,337.00	105.00	-	43.86	9,729.35	-	11,571.32
Total Comprehensive Income for the year									
Profit or loss	-	-	-	-	-	-	67.97	-	67.97
Other comprehensive income	-	-	-	-	-	-	-	12.62	12.62
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**67.97**	**12.62**	**80.59**
Transactions with owners, recorded directly in equity									
Dividend	-	-	-	-	-	-	(202.88)	-	(202.88)
Appropriations	15.00	10.00	120.00	15.00	-	12.18	(516.99)	-	(344.81)
Any other changes (Remeasurement Loss)	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
Balance at 31st March 2016	**311.11**	**70.00**	**1,457.00**	**120.00**	**-**	**56.04**	**9,077.45**	**12.62**	**11,104.22**
As at 01.04.2016	311.11	70.00	1,457.00	120.00	-	56.04	9,077.45	12.62	11,104.22
Total Comprehensive Income for the year									
Profit or loss	-	-	-	-	-	-	2,456.66	-	2,456.66
Other comprehensive income	-	-	-	-	-	-	-	(26.61)	(26.61)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**2,456.66**	**(26.61)**	**2,430.06**
Dividend	-	-	-	-	-	-	(242.30)	-	(242.30)
Appropriations	11.12	10.00	-	15.00	149.14	6.84	(2,886.18)	-	(2,694.07)
Any other changes (Remeasurement Loss)	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
Balance at 31st March 2017	**322.23**	**80.00**	**1,457.00**	**135.00**	**149.14**	**62.88**	**8,405.64**	**(13.99)**	**10,597.91**

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

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

This is the Statement of Changes in equity referred to in our report of even date.

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

P.B. Srinivasan
Partner
M No. 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S

S. Pattabiraman
Partner
M No. 014309

Place : Chennai
Date : 30.05.2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2017

(Expressed in INR crore, unless otherwise stated)

Principles of Consolidation

The Consolidated Financial Statements of the Group are prepared in accordance with Indian Accounting Standard ('Ind AS') 110 "Consolidated Financial Statements" and Indian Accounting Standard ('Ind AS') 28 "Investment in Associates & Joint Ventures".

The Financial statements of the Company (NLC) and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions and adopting uniform accounting policies. The Financial Statements of the jointly controlled entity are proportionately consolidated. The share of interest in each item of Balance Sheet and Statement of Profit and Loss is separately shown.

Reporting entity

NLC India Limited (formerly "Neyveli Lignite Corporation Limited") ("NLC" or "the holding Company"), is a Government Company registered under the erstwhile Companies Act, 1956 with its registered office located at First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai 600 031 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLC is engaged in the business of mining of lignite and generation of power by using lignite as well as Renewable Energy Sources.

NLC Tamil Nadu Power Ltd ("NTPL" or the subsidiary Company), is the joint venture between NLC India Limited (NLC) and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), a Government of Tamil Nadu Enterprise, and the Company is registered under erstwhile Companies Act, 1956 with its registered office located at First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai 600 031. NTPL is engaged in the business of generation of power using Coal.

Neyveli Uttar Pradesh Power Ltd ("NUPPL" or the subsidiary Company), is the joint venture between NLC India Limited (NLC) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and the Company is registered under erstwhile Companies Act, 1956 with its registered office located at B-III/204, 2nd Floor, Eldeco Elegance Apartment, Gomti Nagar, Lucknow 226 010. NUPPL is engaged in the business of generation of power using Coal. The Company has not started the generation till the reporting date as the Plant is under construction.

The above entities are jointly referred as the Group for the purpose of reporting.

Basis of consolidation

The Consolidated Financial Statement comprise the financial statements of the Company and its subsidiaries as at 31st March, 2017. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statement from the date on which control commences until the date on which control ceases.

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee, Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the Electricity Act, 2003.

The financial statements have been prepared on a historical cost basis, except otherwise stated.

The Group has adopted the Ind AS Accounting Standards in preparation of the financial statements from the financial year 2016-17 (as notified by the Ministry of Corporate Affairs vide Notification No. G.S.R. 111(E) dated 16th February 2015 as amended from time to time). Accordingly the comparative financial information for the year ended 31st March 2016 are reinstated in accordance with Ind AS.

As these are the Group's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 47.

The financial statements are presented in Indian Rupees ('INR') which is also the Group's functional currency. All amounts are rounded to the nearest crore, except otherwise indicated.

b) Use of Estimates and Judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognised in the financial year in which the results are known or materialised.

Notes to Financial Statements
NON-CURRENT ASSETS
Property, Plant and Equipment
1. Tangible Assets

(₹in crore)

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2016	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2017	As at 01.04.2016	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2017	As at 31.03.2017	As at 01.04.2016
1	Land *	743.59	125.40	0.00	**868.99**	1.68	0.00	1.68	**3.35**	**865.64**	741.91
	Roads	42.50	51.93	1.45	**92.98**	10.71	0.05	13.16	**23.82**	**69.16**	31.79
	Buildings ++	382.73	36.71	4.06	**415.38**	13.13	2.59	14.25	**24.78**	**390.60**	369.60
	Electrical Installations	166.13	13.17	0.08	**179.22**	26.23	0.07	25.22	**51.38**	**127.84**	139.90
	Water Supply & Drainage	77.76	14.33	0.15	**91.94**	10.59	0.15	11.35	**21.79**	**70.14**	67.16
	Plant & Machinery **	14,989.67	496.86	85.81	**15,400.72**	791.83	78.57	920.99	**1,634.25**	**13,766.47**	14,197.84
	Furniture & Equipment	35.41	14.01	2.52	**46.90**	4.66	2.20	4.75	**7.21**	**39.69**	30.75
	Vehicles	39.43	1.67	1.58	**39.52**	3.45	1.44	7.91	**9.92**	**29.60**	35.98
	Assets Costing ₹5000 and below	0.37	0.29	0.07	**0.59**	0.37	0.07	0.29	**0.59**	**0.00**	0.00
	Mine Development @										
	Mine-I	206.97	0.00	0.00	**206.97**	24.04	0.00	24.68@	**48.72**	**158.25**	182.93
	Mine-IA	91.74	0.00	0.00	**91.74**	2.82	0.00	2.78@	**5.60**	**86.14**	88.92
	Mine-II	345.48	3.02	0.00	**348.50**	13.29	0.00	14.83@	**28.12**	**320.38**	332.19
	Barsingsar Mine	110.85	0.00	0.00	**110.85**	2.84	0.00	3.28@	**6.12**	**104.73**	108.01
	Total	**17,232.63**	**757.40**	**95.72**	**17,894.31#**	**905.64**	**85.14**	**1,045.16**	**1,865.66**	**16,028.62**	**16,326.99**
	Previous Year	**15,047.70**	**3,875.81**	**10.35**	**18,913.16**	**8,622.33**	**9.66**	**646.38**	**9,259.05**	**9,654.11**	

As per Ind AS 16 Property Plant and Equipment has been considered at its net book value as on the of transition to IndAS.

* In respect of land acquired by the Company during the periods 1956 to 1977 and 1997 to 2001, ownership is subject to certain restrictions imposed through the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively. In respect of land acquired for NUPPL mutation of Govt. Land have been completed up to 39.87 Hec. against 44.049 under possession. Exchange of Govt. Land 16.618 Hec. is in process.

++ Includes leasehold buildings of value ₹2.10 crore for which lease agreement is yet to be executed.

** Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects and Machinery spares. This also includes assets under LEP, for which residual value considered for restating in books for further depreciation under the LEP period.

Includes Assets non commissioned amounting to ₹ 71.76 crore (Previous year ₹ NIL).

@ Represents provisions for amortisation

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 commissioned on or after 31-08-2007 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.

2. Intangible Assets

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2016	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2017	As at 01.04.2016	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2017	As at 31.03.2017	As at 01.04.2016
2	Software	0.29	2.61	0.00	**2.90**	0.17	0.00	0.09	0.26	2.64	0.12
	Total	**0.29**	**2.61**	**0.00**	**2.90**	**0.17**	**0.00**	**0.09**	**0.26**	**2.64**	**0.12**
	Previous Year	**9.72**	**0.00**	**0.00**	**9.72**	**9.60**	**0.00**	**0.17**	**9.43**	**0.12**	

There is no impairment loss identified for the assets.

Notes to Financial Statements

NON-CURRENT ASSETS

Property, Plant and Equipment

1. Tangible Assets

(₹in crore)

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2015	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2016	As at 01.04.2015	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2016	As at 31.03.2016	As at 01.04.2015
1	Land *	715.45	28.14	0.00	743.59	0.00	0.00	1.68	1.68	741.91	715.45
	Roads	29.42	13.08	0.00	42.50	0.00	0.00	10.71	10.71	31.79	29.42
	Buildings ++	306.78	76.06	0.11	382.73	0.00	0.10	13.23	13.13	369.60	306.78
	Electrical Installations	163.13	3.08	0.08	166.13	0.00	0.03	26.26	26.23	139.90	163.13
	Water Supply & Drainage	61.28	16.48	0.00	77.76	0.00	0.00	10.59	10.59	67.16	61.28
	Plant & Machinery **	4,558.08	10,435.74	4.15	14,989.67	0.00	3.88	795.71	791.83	14,197.84	4,558.08
	Furniture & Equipment	30.93	4.86	0.38	35.41	0.00	0.28	4.94	4.66	30.75	30.93
	Vehicles	36.41	8.68	5.66	39.43	0.00	5.36	8.81	3.45	35.98	36.41
	Assets Costing ₹5000 and below	0.00	0.38	0.01	0.37	0.00	0.01	0.38	0.37	0.00	0.00
	Mine Development @										
	Mine-I	208.97	0.00	2.00	206.97	0.00	0.00	@ 24.04	24.04	182.93	208.97
	Mine-IA	91.74	0.00	0.00	91.74	0.00	0.00	@ 2.82	2.82	88.92	91.74
	Mine-II	339.70	5.78	0.00	345.48	0.00	0.00	@ 13.29	13.29	332.19	339.70
	Barsingsar Mine	110.85	0.00	0.00	110.85	0.00	0.00	@ 2.84	2.84	108.01	110.85
	Total	**6,652.73**	**10,592.28**	**12.39**	**17,232.63#**	**0.00**	**9.66**	**915.30**	**905.64**	**16,326.99**	**6,652.73**
	Previous Year	**14,646.98**	**419.25**	**18.53**	**15,047.70**	**8,176.99**	**16.51**	**461.86**	**8,622.33**	**6,425.37**	

As per Ind AS 16 Property Plant and Equipment has been considered at its net book value as on the of transition to IndAS.

* In respect of land acquired by the Company during the periods 1956 to 1977 and 1997 to 2001, ownership is subject to certain restrictions imposed through the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively. In respect of land acquired for NUPPL mutation of Govt. Land have been completed up to 39.87 Hec. against 44.049 under possession. Exchange of Govt. Land 16.618 Hec. is in process.

++ Includes leasehold buildings of value ₹2.10 crore for which lease agreement is yet to be executed. Normal depreciation rate adopted in view of lower amortisation rate and includes ₹26.25 crore pending registration of sale deed.

** Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects and Machinery spares. This also includes assets under LEP, for which residual value considered for restating in books for further depreciation under the LEP period.

Includes Assets non commissioned amounting to ₹ NIL crore (Previous year ₹ 0.23 crore).

@ Represents provisions for amortisation

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 commissioned on or after 31-08-2007 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.

Lease hold Land amortised over the lease period.

2. Intangible Assets

Note No.	Description	Gross Cost				Depreciation				Net Value	
		As at 01.04.2015	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2016	As at 01.04.2015	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2016	As at 31.03.2016	As at 01.04.2015
2	Software	0.29	0.00	0.00	0.29	0.00	0.00	0.17	0.17	0.12	0.29
	Total	**0.29**	**0.00**	**0.00**	**0.29**	**0.00**	**0.00**	**0.17**	**0.17**	**0.12**	**0.29**
	Previous Year	**9.72**	**0.00**	**0.00**	**9.72**	**9.10**	**0.00**	**0.33**	**9.43**	**0.29**	

There is no impairment loss identified for the assets.

Notes to Financial Statements - Assets

Note No.	Particulars (₹in crore)	As at March 31,2017		As at March 31,2016		As at April 1, 2015	
3	**Capital work-in-progress**						
	Plan Expenditure						
	i) TPS-II Expansion						
	Supply and Erection	**19.83**		27.04		2,073.74	
	Capital Goods in Stock	**3.72**		4.20		5.19	
	Expenditure during Construction	**0.00**		3.93		402.66	
	Interest during Construction	**0.00**	**23.55**	0.00	35.17	781.23	3,262.82
	ii) Barsingsar Mines and Thermal Power Station						
	Supply and Erection	**0.00**		0.00		0.74	
	Capital Goods in Stock	**0.00**		0.00		0.47	
	Revenue Expenditure	**0.00**		0.00		0.00	
	Interest	**0.00**	**0.00**	0.00	0.00	0.00	1.21
	iii) Mine-II Expansion						
	Supply and Erection	**0.00**		0.00		4.59	
	Capital Goods in Stock	**1.10**		1.10		1.01	
	Expenditure during Construction	**0.00**		0.00		35.50	
	Interest	**0.00**		0.00		0.00	
	Revenue Expenditure	**5.85**	**6.95**	29.86	30.96	0.00	41.10
	iv) Neyveli New Thermal Plant						
	Supply and Erection	**3779.83**		1,625.59		427.97	
	Expenditure during Construction	**88.03**		35.29		8.63	
	Interest during Construction	**253.89**	**4121.75**	102.40	1,763.28	33.13	469.73
	v) Wind Power Project						
	Supply and Erection	**36.08**		122.75		130.56	
	Expenditure during Construction	**1.16**	**37.24**	1.47	124.22	0.80	131.36
	vi) Solar Power Project						
	Supply and Erection	**391.22**		0.00		44.43	
	Expenditure during Construction	**1.70**		0.00		0.06	
	Interest	**0.15**	**393.07**	0.00	0.00	0.00	44.49
	vii) Bithnok Project						
	Supply and Erection	**23.97**		0.00		0.00	
	Revenue Expenditure	**7.66**	**31.63**	0.00	0.00	0.00	0.00
	viii) Barsingsar Extn & Hadla Mines						
	Supply and Erection	**7.59**		0.00		0.00	
	Revenue Expenditure	**5.12**		0.00		0.00	
	Interest	**0.00**	**12.71**	0.00	0.00	0.00	0.00
	ix) NLC Tamilnadu Power Limited						
	Supply & Erection	**50.18**		77.95		5,080.22	
	Capital goods in Stock	**0.00**		0.00		0.00	
	Expenditure during construction	**0.00**		0.00		240.89	
	Interest during Construction	**0.00**	**50.18**	0.00	77.95	1,237.03	6,558.14
	x) Neyveli Uttar Pradesh Power Ltd.						
	Supply & Erection	**62.13**		2.94		1.81	
	Capital goods in Stock	**0.00**		0.00		0.00	
	Expenditure during construction	**0.00**		0.00		0.00	
	Interest during Construction	**0.00**	**62.13**	0.00	2.94	0.00	1.81
	Non-Plan Expenditure						
	Supply and Erection	**308.15**		268.88		319.91	
	Capital Goods in Stock	**26.90**		29.66		33.88	
	Capital Goods in Transit	**0.74**	**335.79**	0.86	299.40	0.31	354.10
			5,074.99		**2,333.92**		**10,864.76**

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
4	**Assets under Development**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Preliminary Project Expenditure	**173.54**	238.90	147.49
	Less: provisions	**29.89**	31.30	33.33
		143.65	207.60	114.16
5	**Financial Assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a. Investments			
	In equity shares fully paid up 1,27,65,000 @ ₹10 per share of MNH Shakti (15% Stake)	**12.77**	12.77	12.77
	Less : Share of Loss in MNH Shakti (15 % Stake)	**(0.08)**	(0.08)	(0.08)
		12.69	12.69	12.69
	b. Loans	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Loans and Advances-Staff (Secured)	**72.99**	73.54	86.00
	Loans and Advances-Staff (Unsecured considered good)	**26.43**	9.37	18.49
		99.42	82.91	104.49
6	**Other non-current assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Unsecured considered good			
	Capital Advances	**1,248.69**	311.49	394.73
	MAT Credit entitlement	**775.11**	408.15	-
	Deferred Foreign currency Fluctuation Asset	**-**	-	-
	Preliminary project expenditure	**-**	-	-
	Others	**17.26**	8.77	0.99
		2,041.06	728.40	395.73
	Current Assets			
7	**Inventories**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Raw Materials- Lignite	**1,220.77**	784.06	415.58
	Raw Materials- Coal	**506.61**	206.82	-
	Stores and Spares	**577.17**	469.72	461.24
	Goods-in-transit	**32.84**	50.42	32.34
	Less: Provision for stores and materials	**(6.12)**	(5.45)	(3.79)
	Solid/Hollow/Fly Ash Bricks	**4.73**	3.36	2.03
		2,336.00	1,508.92	907.40

Inventory valuation - Inventories are valued at the lower of cost and net realisable value. Cost for these purposes.

(i) Lignite - At absorption cost excluding share of common charges and social overhead.
(ii) Coal - At absorption cost excluding share of common charges and social overhead.
(iii) Stores & Spares - At weighted average acquisition cost.
(iv) Fly ash bricks - At absorption cost.
(v) Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition
(vi) Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
8	**Financial Assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a. Investments			
	8.5% tax free SLR Power Bonds issued by State Governments	**-**	-	103.20
		-	-	103.20
	b. Trade receivables	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Unsecured			
	a. Considered Good			
	- More than six months	**519.48**	242.83	298.61
	- Others	**5,589.88**	3,495.01	1,958.75
	b. Considered Doubtful	**8.77**	8.77	2.08
		6,118.12	3,746.61	2,259.44
	Less: Provision for Doubtful Debts	**8.77**	8.77	2.08
		6,109.36	3,737.84	2,257.36
	c. Cash and cash equivalents	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Balances with Scheduled Banks in Current A/c	**24.30**	253.65	77.04
	Cash on hand #	**0.01**	0.00	0.01
	Fixed Deposits			
	i. Short term Deposit	**39.11**	2,969.16	3,137.82
	ii. Short term Deposits for lien for guarantee	**16.51**	14.93	39.37
		79.93	3,237.74	3,254.24
	# Stamps on hand as on 31.03.2017 - ₹86,810/-			
	d. Other bank balances	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Unpaid Dividend A/c	**3.38**	1.63	1.39
	Fixed Deposits			
	i. Staff Security Deposit	**0.01**	0.01	0.01
	ii. Endowment fund in the name of NLC schools	**0.35**	0.32	0.44
	iii. Mine Closure Deposit*	**368.48**	319.29	272.59
	iv. PRMA Fixed Deposit	**62.90**	56.04	43.86
		435.12	377.29	318.29

* In the name of "Coal Controller Escrow Account NLC Ltd. Mine"

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
8	**Financial Assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	e. Loans			
	a) Secured			
	Staff Advances	**12.61**	11.30	10.14
	b) Unsecured			
	i. Considered good	**134.16**	315.32	153.71
	ii. Considered doubtful	**2.21**	2.27	2.25
	Less: Provision for doubtful advances	**2.21**	2.27	2.25
		146.77	326.62	163.85
	(i) Due by Officers	**0.04**	0.05	0.05
	(ii) Maximum amount due at any time during the year	**0.05**	0.05	0.05
	(i) Due by Directors	**0.08**	0.08	0.09
	(ii) Maximum amount due at any time during the year	**0.08**	0.09	0.09
	f. Other financial assets	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Interest accrued	**54.85**	186.02	191.41
		54.85	186.02	191.41
9	**Other current assets**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Disposable/Dismantled assets, Spares	**0.62**	0.46	0.44
	Prepaid expenses	**19.30**	4.41	6.49
	Advance Income tax	**645.29**	459.57	340.48
	Deposit with Central Excise, Port Trust and Customs authorities	**0.04**	0.12	0.04
	Others	**6.04**	4.67	0.73
		671.29	469.23	348.18
	Regulatory Deferral Account Debit Balances			
10	**Regulatory Deferral Account Debit Balances**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Deferred foreign currency fluctuation	**58.27**	102.04	51.85
	Wage Revisions	**60.99**	-	-
	CERC order	**0.38**	-	-
	OB removal	**11.91**	-	-
	Others	**119.14**	49.27	24.71
		250.69	151.31	76.56

Notes to Financial Statements

Equity and Liabilities

Note No.	Particulars			(₹in crore)
11	**Equity Share Capital**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Authorised, Issued, Subscribed and Paid-Up Share Capital			
	Authorised:			
	2,00,00,00,000 Equity Shares of ₹10/- each	**2,000.00**	2,000.00	2,000.00
	Issued:			
	1,52,85,68,427 Equity shares (previous year 1,67,77,09,600) of ₹10 each fully paid 1,36,53,92,374 Equity Shares (previous year 1,50,99,38,640) being 89.32 % are held by the President of India. During the current year 149141173 Number of Shares @ ₹99/- Per Share have been bought back. No new shares were issued during the previous year. Hence there is no change in number of shares outstanding as at the beginning year.	**1,528.57**	1,677.71	1,677.71
		1,528.57	1,677.71	1,677.71
12	**Other Equity**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a) Retained Earnings	**8,405.64**	9,077.45	9,729.35
	b) Other Reserves			
	KfW Interest Differential Reserve	**322.23**	311.11	296.11
	General Reserve	**1,457.00**	1,457.00	1,337.00
	Contingency Reserve	**80.00**	70.00	60.00
	Bond redemption Reserve	**135.00**	120.00	105.00
	Capital Redemption Reserve	**149.14**	-	-
	PRMA Reserve Fund	**62.88**	56.04	43.86
	Other Comprehensive Income			
	Remeasurement of actuarial gains/ losses and interest cost	**(13.99)**	12.62	-
		10,597.91	11,104.22	11,571.32

KfW Interest Differential Reserve

The Company sets aside a reserve equivalent to the amount in INR of 6% pa of the soft loan amount outstanding annually, to be utilised for covering the exchange rate risk under this loan and for any charges imposed by the guarantor in line with the agreement entered into with KfW.

Contingency reserve

Apportionment of profits amounting to ₹10 crore every year to secure contingency payments in the future periods.

Bond redemption reserve

Apportionment of profits over the period of the bond to secure repayment to the creditors of the Company.

Capital redemption reserve

Towards nominal value of shares bought back

PRMA Reserve Fund

Reserve towards post retirement medical assistance provided to retired employees and their spouse.

Notes to Financial Statements

Other Equity - Retained Earnings

(₹in crore)

Note No.	Particulars	As at April 1, 2015 (Ind AS)
12a	**Retained Earnings as at 1st April 2015 (IGAAP)**	11,348.57
	Ind AS adjustments (as at April 1, 2015)	
	Retained Earnings	
	Reversal of proposed dividend since it is a non-adjusting event	202.88
	Reinstatement of prior period adjustment passed in 2015-16	(0.05)
	Reinstatement of Closing Stock of Lignite for 2014-15	8.77
	Rate Regulated deferral balances upto 2014-15	(1,830.73)
	Share on interest in Equity accounted investee	(0.08)
	Retained Earnings as at 1st April 2015 (Ind AS)	**9,729.35**

Particulars	As at March 31, 2016 (Ind AS)
Retained Earnings - Balance before Ind AS adjustments as at 31st March 2016 (IGAAP)	11,633.31
Ind AS adjustments (as at April 1, 2015)	
Reversal of proposed dividend since it is a non-adjusting event	202.88
Reinstatement of prior period adjustment passed in 2015-16	(0.05)
Reinstatement of Closing Stock of Lignite for 2014-15	8.77
Rate Regulated deferral balances upto 2014-15	(1,830.73)
Ind AS adjustments (for the period April 1, 2015 to March 31, 2016)	
Reversal of proposed dividend since it is a non-adjusting event (2015 - 16)	242.30
Reversal of prior period adjustment - 2015 - 16 adjusted in the previous year	0.05
Reinstatement of Closing Stock of Lignite for 2014-15	(8.77)
Reinstatement of prior period adjustment passed in 2016-17	1.15
Remeasurement of actuarial gains and interest cost	(12.62)
Accounting for dividend paid during the year	(202.88)
Reinstatement of Closing Stock of Lignite for 2015-16	16.00
Regulated deferral adjustment	(906.34)
Depreciation increase due to reclassification to regulatory balances	(43.41)
Power revision reclassified from sales to regulatory balances	(24.56)
Others	2.45
Share on interest in Equity accounted investee	(0.08)
Total Ind AS adjustments (for the period April 1, 2015 to March 31, 2016)	(2,555.84)
Retained Earnings (Ind AS - March 31, 2016)	**9,077.47**

Notes to Financial Statements

(₹in crore)

Note No.	Particulars	As at March 31, 2017 (Ind AS)
	Retained Earnings - Balance as at 31st March 2016	**9,077.47**
	Profit for the FY 2016-17 (as per IndAS)	**2,430.06**
	Retained Earning Available for Appropriation	**11,507.64**
	Appropriations :	
	Transfer to/from Interest Differential Fund Reserve	**(11.12)**
	Transfer to Bond Redemption Reserve	**(15.00)**
	Transfer to General Reserve	**-**
	Transfer to Contingency Reserve	**(10.00)**
	Transfer to PRMA Reserve Fund	**(6.84)**
	Transfer to Capital Redemption Reserve	**(149.14)**
	Buy back Premium	**(1,327.36)**
	Interim Dividend	**(1,121.97)**
	Tax on Interim Dividend	**(228.42)**
	Retained Earning Available before IndAS adjustments	**8,637.78**
	Ind AS adjustments (for the period April 1, 2016 to March 31, 2017)	
	Remeasurement of actuarial loss and interest cost	**26.61**
	Accounting for dividend paid during the year	**(242.30)**
	Reinstatement of prior period adjustment passed in 2016-17	**(6.79)**
	Non controlling interest	**(9.66)**
	Total Ind AS adjustments (for the period April 1, 2016 to March 31, 2017)	**(232.14)**
	Retained Earnings (Ind AS - March 31, 2017)	**8,405.64**

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13	**Non Controlling Interest**			
	a) NLC Tamilnadu Power Ltd. (NTPL)	**231.90**	198.24	186.38
	b) Neyveli Uttar Pradesh Power Limited (NUPPL)	**442.18**	442.18	181.50
		674.08	640.42	367.88
	Non-Current Liabilities	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
14	**Financial Liabilities**			
	A. Borrowings			
	(i) Neyveli Bonds - 2009	**600.00**	600.00	600.00
	(ii) Term Loans from Banks	**1,006.00**	3,749.60	4,443.30
	(iii) Power Finance Corporation Ltd	**6,495.94**	2,204.86	500.00
	B. Unsecured Loans			
	Foreign Currency loan from KfW-Germany##			
	8.56 Million Euro (8.77 Million Euro) - I	**56.21**	64.24	60.71
	57.45 Million Euro (58.85 Million Euro) - II	**378.41**	431.41	406.75
	## Guaranteed by the Government of India.			
		8,536.56	7,050.11	6,010.76

Notes to Financial Statements

a. Neyveli Bonds ₹600 crore 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).

b. Rupee Term Loan outstanding amounting to ₹1400 crore from SBI (₹467 crore), HDFC Bank (₹466.50 crore) and ICICI Bank (₹466.50 crore).The loan shall be completely repaid by August 2019. This loan is secured by

   a. First pari-passu charge on the borrower's immovable assets of Mine-II Expansion, TS-II Expansion, Barsingsar Mines and TS

   b. First pari-passu charge by way of hypothecation on the Borrower's movable assets both present and future pertaining to Mine-II Expansion, TS-II Expansion, Barsingsar Mines and TS.

   c. RTL of ₹3000 crore from M/s. Power Finance Corporation for NNTPS project secured by pari-passu charge on project fixed asset, repayable in 20 equal bi-annual instalments commencing after moratorium period of 6 months from the date of achievement of COD of Unit-II. The Scheduled Commercial Operation Date (SCOD) is 31.12.2018. Accordingly, the repayment of loan shall start from 30.06.2019.

   d. To meet the fund requirement of Neyveli Solar Power Project (130 MW), borrowing arrangement has been done with HDFC Bank for an amount of ₹481 crore. Full amount was drawn on 29.03.2017 and the same has been grouped under Term Loans from Banks.

   e. In respect of NTPL :

      (i) Power Finance Corporation Ltd - Rupee term loan-I of ₹1184.92 crore:- Twenty (20) equal half-yearly instalments from January 2016 and the rate of interest on the loan is 9.94% (ii) Power Finance Corporation Ltd. Loan-II - Rupee term loan of ₹2500 crore from Bank of Baroda Consortium has been taken over during the financial year with interest rate of 9.57% and Rupee term loan of ₹937 crore from Bank of India Consortium has been taken over during the financial year with interest rate of 8.04%. Repayable in Nineteen (19) half yearly installments from October 2016.

   f. Bi-annual equal repayment (€ 0.44 Million) 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) of Foreign Currency loan-II from KfW Germany, commenced from 30-06-2002, ending on 30-06-2037.

Note No.	Particulars			(₹in crore)
15	**Deferred tax liabilities (Net)**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Deferred Tax Liabilities			
	Depreciation	**2,788.69**	2,627.42	1,081.56
	Deferred Tax Assets			
	Provisions, Carry forward losses etc	**1,287.58**	978.69	71.46
	Deferred Tax Liabilities (Net)	**1,501.11**	1,648.74	1,010.10
16	**Other Non-current Liabilities**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Capital purchase, Capital works-in-progress and other liabilities	**501.87**	394.20	119.82
	Mine Closure Liability *	**129.33**	323.54	275.59
	Deferred income	**1.64**	1.65	2.37
		632.85	719.39	397.78

* Pursuant to GOI guidelines on Mine closure, total Mine closure cost was approved by Ministry of Coal at a rate of ₹ 6 lakh per hectare for all the open cast Mines. The annual contribution, compounded @ 5% p.a. is deposited in an Escrow account in the name of Coal Controller Escrow account NLC Ltd. Mine..., as stipulated by the Coal Controller.

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
	Current Liabilities			
17	**Financial Liabilities**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	a. Borrowings			
	Secured loan - Cash credit facility from bank	**130.81**	14.61	-
		130.81	14.61	-
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	b. Trade payables			
	Sundry Creditors	**1,087.35**	822.35	301.32
	Others	**170.35**	351.48	333.17
		1,257.70	1,173.83	634.49
	Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹8.84 crore (previous year ₹10.23 crore).			
	Financial Liabilities	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	c. Other financial liabilities			
	Current maturities of Long Term Debt			
	i. Loan from Banks	**350.00**	693.70	568.70
	ii. Loan from Power Finance Corporation	**444.42**	118.81	-
	iii. Foreign Currency loan from KfW	**22.44**	24.33	21.88
	Interest Accrued but not due on borrowing			
	i. Neyveli Bonds	**9.87**	9.87	9.87
	ii. KfW	**0.86**	0.98	0.92
	Secured Loan -Working Capital Loan*	**1,994.43**	521.65	-
		2,822.01	1,369.34	601.37
	* Working capital loan is secured by hypothecation of movable current assets. In case of NTPL,Working Capital loan taken from BOI is Secured by exclusive first charge on book debts, operating cash flows, receivables, including stock of coal, fuel, etc. and all other current assets, commission, revenues of whatsoever nature and wherever arising present & future relating to the project and the rate of interest is 8.35%			
18	**Other current liabilities**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Unclaimed dividend	**3.38**	1.63	1.39
	Unutilised revenue grant	**6.08**	4.70	4.96
	Staff security deposit	**0.01**	0.01	0.01
	Other Liabilities**			
	- Employees	**296.93**	199.23	279.73
	- Statutory	**503.72**	185.64	161.26
	- Others	**934.98**	878.02	970.55
		1,745.09	1,269.23	1,417.90
	** Other liabilities include LD, EMD from contractors, credit balance from vendors, deposits for lignite supply, caution deposits etc. which are to be settled / adjusted against services / goods received from the vendors.			

Notes to Financial Statements

Note No.	Particulars			(₹in crore)
19	**Provisions**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Short term benefit of leave salary	**144.38**	123.20	125.98
	Post Retirement medical benefit	**19.29**	16.02	21.12
	Provision for loss on assets	**1.38**	1.29	1.29
	Contingencies	**44.39**	42.47	40.36
	Provision for gratuity	**41.43**	-	31.76
	Other provisions	**-**	0.40	-
		250.87	183.38	220.51
20	**Regulatory Deferral Account Credit Balances**	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
	Deferred foreign currency fluctuation	**22.37**	34.02	24.79
	CERC Order	**3,787.18**	2,802.59	1,830.73
		3,809.55	2,836.61	1,855.52

Note No.	Contingencies and Commitments		
21	**A. Contingencies**	**As at 31.03.2017**	As at 31.03.2016
	1. Claims against the Corporation not acknowledged as debts:		
	(i) From Employees /Others	**NQ**	NQ
	(ii) Additional amount payable for the land acquired after 01-01-2014 towards compensation payable under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement of Act 2013	**NQ**	NQ
	(iii) From Central Govt/ Govt Departments	**1,169.26**	1,278.86
	(iv) From State Govt/ Govt Departments	**1,315.26**	1,066.71
	(v) From CPSEs	**-**	-
	(vi) From Others	**2,179.42**	1,961.03
	a) Includes tax payable under Tamil nadu Tax on Consumption or Sale of Electricity Act, 2003 of ₹1220.90 crore (previous year ₹852.76 crore) and ₹90.10 crore (previous year ₹85.43 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 ₹4.26 crore towards Land tax case pending with Taxation Board, Ajmer		
	c) The Central Govt. in consultation with Bureau of Energy Efficiency has exempted TPS-I from Perform, Achieve and Trade (PAT) mechanism of The Energy Conservation Act, 2001 for exceeding energy efficiency targets subject to decommissioning of TPS-I by 31.03.2017 and investment of ₹109.05 crore in establishment of renewable energy generating capacity.The investment in the renewable energy generating capacity has been achieved. Central Electricity Authority (CEA) and Ministry of Coal Govt of India has recommended for continuing the operation of TPS-I till March, 2019.		
	2. Guarantees issued by Company	**422.05**	42.27
	B. Commitment		
	(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	**15,144.19**	4,824.95
	(ii) Commitment for the acquisition of lands	0	**0**
22	a) Advances, Trade receivables and Sundry Creditors have been linked with corresponding credits/debit to the extent practicable. Balances due in respect of advances and amount due to creditors are subject to confirmation. However, Power dues and lignite sales dues are reconciled with debtors periodically.		

Notes to Financial Statements

Revenue

Note No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
			(₹in crore)
23	**Income**		
	Power	**10,790.26**	7,498.68
	Lignite	**371.84**	400.19
	Miscellaneous	**57.70**	36.37
		11,219.79	7,935.24
	Less: Transfer to Capital Expenditure Accounts	**0.03**	59.51
		11,219.77	7,875.74

a.) In respect of NTPL Unit-I has started its commercial operation from 18th June 2015 and Unit-II from 29th August 2015. Sale of Power is accounted for based on the interim tariff order dated 13.10.2015 granted by the Central Electricity Regulatory Commission (CERC) under the Tariff Regulations 2014-19 from the date of Commercial Operation Declaration (COD) of Unit-I and II to 31.03.2017. Beneficiaries are billed in accordance with the said interim tariff order. Final Tariff order proceedings under progress by CERC.

b.) Fly ash produced during the year has been fully utilised in the same year. Hence, proceeds from the fly ash sale has been classified as income and not transferred to 'Fly ash utilisation reserve fund' in terms of provisions of gazette notification dated 3rd November 2009 issued by Ministry of Environment and Forests, Government of India.

Note No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
24	**Other Income**		
	(a) Interest on		
	(i) Bank Deposit	**182.19**	344.51
	(ii) Employees	**15.83**	13.28
	(iii) Long term investments	**-**	6.58
	(iv) Interest on Mine closure Deposit	**23.41**	22.62
	(v) Others	**4.23**	14.65
	(b) Recoveries Towards		
	(i) Rent	**14.70**	15.74
	(ii) Others	**0.70**	0.53
	(c) Profit on Sale of assets	**0.78**	2.00
	(d) Provision for Mine Closure Receipt	**244.33**	-
	(e) Provision written back	**0.16**	4.92
	(f) Surcharge	**126.95**	18.23
	(g) Foreign Exchange fluctuation	**11.10**	-
	(h) Miscellaneous	**126.91**	94.71
		751.29	537.77
	Less: Transfer to Capital Expenditure Accounts	**22.37**	29.72
	Less: Transfer to Mine Closure Liability	**15.31**	14.79
		713.62	493.27

a) As per the accounting policy of the Corporation, surcharge recoverable from beneficiary on the belated settlement of the power bill, amounting to ₹6.87 crore for the year (previous year ₹28.32 crore) has not been reckoned as income since there is uncertainty in realisation. The same will be accounted on the certainty of realisation.

b) Foreign Exchange Income arises on account of restatement of foreign currency liability against the Import Coal Supply.

Notes to Financial Statements

Expenses

Note No.	Particulars		(₹in crore)
25	**Changes in inventories of raw material**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	OPENING STOCK		
	Raw Material		
	Lignite	**784.06**	415.58
	CLOSING STOCK		
	Raw Material		
	Lignite	**1,220.77**	784.06
	Increase (-) /Decrease in Stock	**(436.71)**	(368.48)
26	**Cost of fuel consumed**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Coal Consumption	**1,531.78**	879.21
	Oil Consumption	**13.45**	75.55
		1,545.23	954.77
	Less: Transfer to Capital Expenditure Accounts	**1.78**	144.87
		1,543.45	809.90
27	**Employee benefit expenses**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Salaries, Wages and Incentives	**1,986.72**	1,907.66
	Contribution to Provident and other funds	**315.70**	313.73
	Gratuity	**14.32**	5.30
	Welfare expenses	**137.70**	113.02
		2,454.44	2,339.71
	Less: Transfer to Capital Expenditure Accounts	**32.69**	51.21
	Less: Expenditure Transferred to Asset	**78.17**	-
		2,343.58	2,288.50
28	**Finance costs**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Interest Expenses		
	Fixed Loans		
	Unsecured loans - KfW -Foreign currency loan	**3.73**	3.33
	Secured loans-NLC Bonds	**52.98**	52.98
	Loan from Banks	**510.04**	549.40
	Loan from Power Finance Corporation	**151.79**	69.27
	Others-WC	**15.29**	10.98
	Exchange rate variation	**-**	(0.01)
	Guarantee Fees on KfW loan	**6.24**	5.87
		740.08	691.82
	Less: Transfer to Capital Expenditure Accounts	**151.79**	224.50
		588.28	467.33
29	**Depreciation and amortisation expense**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Fixed Assets	**1,000.83**	871.33
	Mine Development and other Amortisations	**45.57**	42.99
		1,046.40	914.32
	Less: Transfer to Capital Expenditure Accounts	**2.87**	3.31
	Transfer from Grants	**0.16**	0.90
		1,043.37	910.11

Notes to Financial Statements

Note No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
		(₹in crore)	
30	**Other expenses**		
	Consumption of stores and spares	**633.49**	536.33
	Fuel	**59.92**	89.59
	Mine closure	**34.82**	33.16
	Advance overburden removal charge off	**-**	-
	Excise duty	**91.76**	82.86
	Rent	**1.41**	0.93
	Rates and taxes	**-**	-
	Electricity tax	**8.26**	25.98
	Clean energy cess	**1,103.02**	648.05
	Others	**7.76**	3.95
	Wealth Tax	**-**	0.08
	Repairs and Maintenance		
	Plant and Machinery	**223.19**	180.29
	Buildings	**21.35**	16.04
	Others	**344.40**	340.05
	Overburden removal expenditure	**332.94**	157.02
	Professional charges	**0.01**	0.14
	Insurance	**11.89**	8.80
	Payments to auditors	**-**	-
	Audit fees	**0.53**	0.35
	Tax audit fees	**0.01**	0.11
	Other certification fees	**0.06**	0.35
	Reimbursement of expenses	**0.27**	0.23
	Travelling expenses	**22.62**	20.18
	Training expenses	**10.21**	9.67
	Family welfare expenses	**9.72**	5.72
	Selling expenses - Discounts & commissions	**27.39**	24.06
	Legal expenses	**0.42**	0.00
	Afforestation expenses	**14.69**	13.53
	Royalty	**478.38**	289.94
	Central Industrial Security Force expenses	**120.95**	95.38
	Corporate Social Responsibility expenses (Refer Note - 42)	**37.91**	82.76
	Miscellaneous expenses	**65.79**	61.70
	Buy back expenses	**3.11**	-
	Loss on disposal of assets	**0.79**	0.03
	Fixed assets written off/discarded	**0.32**	0.06
	Provision for impairment of fixed assets	**-**	-
	Provision for contingencies	**1.91**	2.11
	Provision for stores & materials	**0.70**	1.66
	Provision for Doubtful debts/advances	**-**	6.65
	Provision for loss on assets	**0.10**	-
	Provision for Tax on dividend	**-**	-
	Provision for Preliminary expenses	**0.34**	1.81
		3,670.45	2,739.57
	Less: Transfer to Capital Expenditure Accounts	**138.52**	62.20
	Less: Transfer from Grant	**-**	(0.22)
	Less: Transfer to CSR Expenditure	**7.40**	17.26
		3,524.53	2,660.32

Notes to Financial Statements

Note No.	Particulars		(₹in crore)
31	**Expenses capitalised**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Lignite Consumption during construction	**1.87**	23.27
	Power Consumption during construction	**2.57**	1.54
	Service Charges	**3.24**	11.29
	Land Acquisition Expenses	**8.37**	2.30
		16.05	38.40
32	**Exceptional items**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Employee remuneration -VRS compensation	**(60.01)**	(28.38)
	Other Expenses-DMF & NMET	**(120.08)**	
		(180.08)	(28.38)
33	**Net Movement in regulatory deferral account balances income/ (expenses) net**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Income		
	a) Unbilled Power sales /CERC Orders	**69.87**	24.56
	b) BTPS Truing up order impact- Interest	**-**	-
	c) CERC Order impact- OB removal	**-**	-
	d) Wage Revision	**60.99**	-
	e) Deferred foreign currency	**11.65**	40.96
	f) Others	**12.29**	-
	Expenses		
	a) Unbilled revenue	**-**	-
	b) Deferred foreign currency	**43.77**	-
	f) CERC Order impact	**984.59**	971.86
	Net Movement	**(873.56)**	(906.34)
34	**Other Comprehensive Income**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Remeasurement of actuarial gains and interest cost	**(26.61)**	12.62
		(26.61)	12.62
35	**Earning per share - Basic and Diluted (Before movement in Deferred Regulatory balances)**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Profit after tax	**3,330.23**	974.31
	Number of Shares as on 31st March 2017	**1,528,568,427**	1,677,709,600
	Weighted average No. of Shares	**1,675,666,570**	1,677,709,600
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**21.79**	5.81
	Earning Per Share (as per weighted average No. of shares)	**19.87**	5.81
	Earning per share - Basic and Diluted (After movement in deferred regulatory balances)	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Profit after tax	**2,456.66**	67.97
	Number of Shares as on 31st March 2017	**1,528,568,427**	1,677,709,600
	Weighted average No. of Shares	**1,675,666,570**	1,677,709,600
	Face Value of Share (₹)	**10.00**	10.00
	Earning Per Share - Basic and Diluted (₹)	**16.06**	0.41
	Earning Per Share (as per weighted average No. of shares)	**14.66**	0.41

The Group does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.

Notes to Financial Statements

Note No.	Particulars		(₹in crore)
36	**The effect of Foreign Exchange Fluctuation**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	a. The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	**(0.31)**	0.03
	b. The amount of exchange rate difference adjusted and debited /(credited) to the carrying amount of fixed assets & CWIP	**(61.48)**	61.94
37	**Expenditure incurred on Research & Development**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Capital Expenditure	**2.26**	1.28
	Revenue Expenditure	**11.09**	12.54

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

Movements in provisions:

Provision	As at 31.03.2016	Additions	Withdrawals	**As at 31.03.2017**
Short term benefit of Leave Salary	123.20	21.18	-	**144.38**
Post Retirement Medical Benefit	16.02	3.27	-	**19.29**
Provision for loss on Assets	1.29	0.09	-	**1.38**
Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	**16.60**
Power Tariff adjustment - Deemed export benefit	24.90	1.92	-	**26.82**
Miscellaneous provision	0.97	-	-	**0.97**
Proposed Final Dividend				**-**
Proposed Dividend Tax (Final)				**-**
Provision for Gratuity	-	41.43	-	**41.43**
Other Provisions	0.40	-	0.40	**-**
	183.38	67.89	0.40	**250.87**

Provision	As at 01.04.2015	Additions	Withdrawals	As at 31.03.2016
Short term benefit of Leave Salary	125.98	-	2.78	123.20
Post Retirement Medical Benefit	21.12	-	5.10	16.02
Provision for loss on Assets	1.29	-	-	1.29
Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	16.60
Power Tariff adjustment - Deemed export benefit	22.79	2.11	-	24.90
Miscellaneous provision	0.97	-	-	0.97
Proposed Final Dividend				-
Proposed Dividend Tax (Final)				-
Provision for Gratuity	31.76	-	31.76	-
Other Provisions	-	0.40	-	0.40
	220.51	2.51	39.64	183.38

Notes to Financial Statements

Note No.	Particulars	(₹in crore)	
39	**Consumption of Raw Material and Spare Parts**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Value of Indigenous and Imported Spares consumed		
	a. INDIGENOUS		
	Spare parts	**505.72**	348.19
	Percentage	**93.70%**	94.68%
	b. IMPORTED		
	Spare parts	**34.01**	19.57
	Percentage	**6.30%**	5.32%
40	**C.I.F. Value of Imports**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Capital goods	**5.01**	-
	Components and spares	**64.01**	17.86
41	**Expenditure in Foreign Currency**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Travelling expenses	**0.13**	0.35
	Professional and Consultancy	**0.64**	-
	Interest charges	**0.17**	3.33
42	**CSR expenditure**	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	Med.Health &Family Welfare	**6.94**	5.08
	Safe Drinking Water Supply	**0.00**	0.13
	Educational & Scholarship	**10.48**	25.65
	Formation of Link Road	**2.39**	0.47
	Promotion of Sports	**0.33**	0.50
	Community Development Centre	**0.11**	0.13
	Afforestation & Environmental Sustainability	**0.14**	0.04
	Sanitation & Other Basic Amenities	**1.44**	29.00
	Cons. School, Library & Hostel	**1.35**	1.09
	Vocational Skill Center Development	**0.44**	0.45
	Irrigation facilities	**8.11**	2.90
	Electricity including Solar & Non Conventional Energy	**-**	0.02
	Relief To Natural Calamities	**0.06**	1.01
	Others	**4.90**	1.50
	Promoting Old Age Home &	**0.42**	-
	Protection of National Heritage & Culture	**-**	0.02
	Contribution to Armed Forces	**-**	0.05
	CSR Exp. -Service tax	**0.80**	1.31
	Basic Salary Transfer	**-**	13.42
		37.91	82.76

Notes to Financial Statements

Note No.	Particulars	
43	**Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:**	
	a.) List of related parties	
	i) Key Management Personnel (KMP)	
	Shri. Sarat Kumar Acharya	Chairman and Managing Director
	Shri. Rakesh Kumar Shri. Subir Das Shri. V. Thangapandian Shri. P. Selvakumar Shri. R. Vikraman Shri. R. P. Gupta Shri. Vikram Kapur Shri. Azad Singh Toor Shri. K.Madhavan Nair Shri. Chandra Prakash Singh Ms. Monika Arora Ms. Nalini Padmanabhan Shri. Mukesh Choudhary Shri. S. Sambath Kumar Ms. M.A. Helen Ms. S. Geetha Shri. A. P. Mishra Shri. Sanjay Agrawal Shri. N. H. Rizvi	Directors
	Shri. S. Sathiyanarayanan Shri. A. R Neelakanta Pillai Shri. M. Prabhagar	Chief Executive Officer - NTPL
	Shri. Rakesh Kumar	Chief Financial Officer - NLCIL
	Shri. V. N. Babu	Chief Financial Officer - NTPL
	Shri. Kaushal Kishore Anand - w.e.f 31.01.2017 Shri. K. Chandran - upto 31.01.2017	Chief Executive Officer - NUPPL
	Shri. S. R. Sivaprasad - w.e.f 28.07.2016 Shri. Mukesh Agrawal - upto 28.07.2016	Chief Financial Officer - NUPPL
	Shri. K. Viswanath	Company Secretary - NLCIL
	Shri. R. Jayasarathy	Company Secretary - NTPL
	Shri. Ravikumar Suluva - w.e.f 04.11.2016	Company Secretary - NUPPL
	Shri. R. Udhayashankar - upto 04.11.2016	Company Secretary - NUPPL

Notes to Financial Statements

Note No.	Particulars	(₹in crore)
43	**b) Transactions with the related parties are as follows:**	

i) Key Management Personnel Compensation

	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Short-term employee benefits	**3.16**	3.76
Post-employment benefits	**0.62**	0.36
Other long-term benefits	**0.28**	0.10
Termination benefits	**-**	-
Share-based payments	**-**	-
ii) Transactions with post employment benefit plans	**2016-17**	**2015-16**
NLC PF Trust		
- Contributions made during the year	**294.29**	288.83

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

Name of the Company	Nature of transaction	2016-17	2015-16
Bharat Heavy Electricals Limited	Purchase of Stores and spares	**19.13**	33.79
Bharat Heavy Electricals Limited	Package contracts	**872.78**	1,408.52
Bharat Heavy Electricals Limited	Purchase of Stores and spares	**40.17**	101.91
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	**142.54**	119.18
Indian Oil Corporation Limited	Purchase of furnace oil	**69.41**	69.86
National Buildings Construction Corporation Limited)	Purchase/Construction of Asset	**14.14**	3.64
JDVVNL (Bithnok)	Const of 33kv power station	**0.00**	7.76
Steel Authority of India Limited	Purchase of Steel	**12.26**	20.76
Rashtriya Ispat Nigam Limited	Purchase of Steel	**0.00**	0.80
Balmer Lawrie & Co Limited	Purchase of Lubricants	**4.95**	7.30
MSTC Limited	E-auction agent Commission	**19.07**	383.64
Tamil Nadu Transmission Corporation Limited	Maintenance Contract	**0.89**	0.94
Power Grid Corporation of India Limited	Maintenance Contract	**0.09**	0.10
RITES Limited	Railway Sidings	**1.88**	0.00
Mecon Limited	Project Consultancy	**0.05**	1.35
V.O.Chidambaranar Port Trust	Wharfage Charges	**11.03**	7.69
Mahanadi Coalfields Limited	FSA	**194.16**	94.92

c) Outstanding balances with related parties are as follows:

i) Key Management Personnel

Key Management Personnel	Transactions value for the year ended March 31		Balance outstanding as at March 31	
	2017	2016	**2017**	2016
Mr.Rakesh Kumar- Director/Finance Housing advance provided	-	-	**0.07**	0.08
Mr.Viswanath K.- Company Secretary Car advance provided	-	-	**0.04**	0.05

d) Terms and conditions of transactions with the related parties

(1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(2) The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the Companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these Companies.

Notes to Financial Statements

Note No.	Non- Controlling Interests				(₹in crore)
44	**March 31, 2017**	**NLC Tamilnadu Power Ltd.**	**Neyveli Uttar Pradesh Power Ltd.**	**Intra-group Eliminations**	**Total**
	NCI %	**11%**	**49%**		
	Non Current Asset	6,367.50	931.63	-	7,299.13
	Current Asset	1,661.56	43.00	-	1,704.56
	Non-Current Liability	3,495.94	-	-	3,495.94
	Current Liability	2,424.90	72.23	-	2,497.13
	Net Asset	2,108.21	902.40	-	3,010.61
	Net Assets attributable to NCI	**231.90**	**442.18**	**-**	**674.08**
	Revenue	2,624.10	-	-	2,624.10
	Profit	87.85	-	-	87.85
	OCI	-	-	-	-
	Total Comprehensive income	**87.85**	**-**	**-**	**87.85**
	Profit Allocated to NCI	9.66	-	-	9.66
	OCI allocated to NCI	-	-	-	-
	Cash flows from Operating Activity	415.48	-	-	-
	Cash flows from Investment Activity	(50.87)	(760.27)	-	-
	Cash flows from Financing Activity	(362.43)	342.38	-	-
	Net increase (decrease) in cash and cash equivalents	**2.18**	**(417.89)**	**-**	**-**
	March31, 2016	**NLC Tamilnadu Power Ltd.**	**Neyveli Uttar Pradesh Power Ltd.**	**Intra-group Eliminations**	**Total**
	NCI %	**11%**	**49%**		
	Non Current Asset	6,694.15	172.95	-	6,867.10
	Current Asset	1,014.88	459.54	-	1,474.42
	Non-Current Liability	3,884.46	-	-	3,884.46
	Current Liability	2,022.36	1.41	-	2,023.77
	Net Asset	1,802.20	631.08	-	2,433.28
	Net Assets attributable to NCI	**198.24**	**309.24**	**132.94**	**640.42**
	Revenue	1,231.20	-	-	1,231.20
	Profit	(160.03)	-	-	(160.03)
	OCI	-	-	-	-
	Total Comprehensive income	**(160.03)**	**-**	**-**	**(160.03)**
	Profit Allocated to NCI	(17.60)	-	-	-
	OCI allocated to NCI	-	-	-	-
	Cash flows from Operating Activity	(13.15)	-	-	-
	Cash flows from Investment Activity	(230.60)	4.95	-	-
	Cash flows from Financing Activity	130.05	258.73	-	-
	Net increase (decrease) in cash and cash equivalents	**(113.70)**	**263.68**	**-**	**-**

Notes to Financial Statements

Note No.	Disclosure in respect of the Equity Accounted Investees as per Ind As 28 is furnished as under: (₹in crore)
45	Company Name : M/s. MNH Shakthi Limited
	Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.
	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 inTalabira 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.

	2017	2016
Interest in MNH Shakti	**12.69**	12.69
Balance as at March 31,	**12.69**	12.69

The following table summarises the financial information of MNH Shakti as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in MNH Shakti.

Particulars	March 31, 2017	March 31, 2016
Percentage ownership interest	**15%**	15%
Non-current assets	**26.56**	47.50
Current assets	**59.36**	38.27
Non-current liabilities	**-**	-
Current liabilities	**1.34**	1.19
Net assets (100%)	**84.58**	84.58
Group's share of net assets (15 %)	**12.69**	12.69
Elimination of unrealised profit and loss (if any)	**-**	-
Carrying amount of interest in associate	**12.69**	12.69
Revenue	**-**	-
Depreciation & amortisation	**-**	-
Finance cost	**-**	-
Employee benefit	**-**	-
Other expenses	**-**	-
Profit before tax	**-**	-
Income tax expense	**-**	-
Profit from continuing operations (100%)	**-**	-
Total comprehensive income (100%)	**-**	-
Total comprehensive income (15 %)	**-**	-
Elimination of unrealised profit and loss (if any)	**-**	-
Group's share of total comprehensive income	**-**	-
Carrying amount of interests in associates	**-**	-
Share of:	**-**	-
Profit from continuing operations	**-**	-
OCI	**-**	-

Notes to Financial Statements

Note No.	Particulars
46	**First-time Adoption of Ind AS**

Immediately before adopting Ind AS, the Group prepared its financial statements in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP'), including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Reconciliation and description of the effect of the transition from Indian GAAP to Ind AS on equity is provided below.

These financial statements, for the year ended March 31, 2017, are the first set of financial statements the Group has prepared in accordance with Ind AS. These financial statements being the first Ind AS financial statements, are covered by Ind AS 101, First-time Adoption of Indian Accounting Standards ('Ind AS 101'). The Group has applied Ind AS 101 in making the transition to Ind AS, with April 1, 2015 as the date of transition to Ind AS.

Ind AS 101 requires that Ind AS effective for the first Ind AS financial statements be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some mandatory and optional exemptions to this general requirement in specific cases. Accordingly, the Group has applied certain mandatory and optional exemptions from full retrospective application of Ind AS. The exceptions and exemptions availed by the under Ind AS 101 are discussed below:

Property, Plant and Equipment – Deemed cost

Para D7AA of Ind AS 101 states 'Where there is no change in its functional currency on the date of transition to Ind ASs, a first-time adopter to Ind ASs may elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with paragraphD21 and D21A, of this Ind AS.

In accordance with the above mentioned requirement, the Group has availed the exemption and the carrying values of Property, Plant and Equipment under the previous GAAP have been taken as the deemed cost on transition to Ind AS.

Embedded Lease

Para D9 of Ind AS 101 states 'A first-time adopter may apply paragraphs 6-9 of the Appendix C of Ind AS 17 Determining whether an Arrangement at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has availed above exemption for TPS-I where in the entire power generated through the station after consumption is supplied to TANGEDCO is not an embedded lease arrangement as it is considered immaterial.

Long Term Foreign Currency Monetary Items

Para D13AA of Ind AS 101 states 'A first-time adopter may continue the policy adopted for accounting forex change differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.'

The Group has applied the above exemption on transition to Ind AS.

Notes to Financial Statements

Note No.	Particulars
46	**Use of deemed cost for investments in subsidiaries, joint ventures and associates**

Para 31 of Ind AS 101 states‘ Similarly, if an entity uses a deemed cost in its opening Ind AS Balance Sheet for an investment in a subsidiary, joint venture or associate in its separate financial statements (see paragraph D15), the entity’s first Ind AS separate financial statements shall disclose: (a) the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount; (b) the aggregate deemed cost of those investments for which deemed cost is fair value; and (c) the aggregate adjustment to the carrying amounts reported under previous GAAP.’

The Group has elected to value its investments in subsidiaries and associate at previous GAAP carrying values on transition to Ind AS.

Borrowings

Ind AS 101 permits that if it is impracticable for an entity to apply retrospectively the effective interest method in Ind AS 109 ‘Financial Instruments’, the fair value of the financial liability at the date of transition to Ind ASs shall be the new amortised cost of that financial liability at the date of transition to Ind ASs.

The borrowings outstanding as at the transition date, consists of loans drawn more than fifteen years back, some with multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans was both fixed and floating in nature and withdrawal of the loans have been made in multiple installments with each drawl to be treated as a separate transaction for the purpose of computing the amortised cost. In case of some loans the drawl period stretches beyond 3-4 years and in case of loans with floating interest rate, the rates have been reset at frequent intervals and reset rates are also applicable for previous drawls from that date onwards. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Group has amortised the transaction costs as an adjustment of interest expense of the term of the related loan w.e.f. the transition date to Ind AS i.e. 1 April 2015.

Regulatory Deferral Accounts

Para D8B of Ind AS 101 states that ‘ some entities hold items of property, plant and equipment or intangible asset that are used, in operations subject to rate regulation. The carrying amount of such items might include amounts that were are determined under previous GAAP but do not qualify for capitalisation in accordance with Ind AS. If this is the case a first time adopter may elect to use the previous GAAP carrying amount of such an item at the date of transition to Ind AS as deemed cost.”

Classification and measurement of financial assets

The Group has also elected the option under Ind AS 101 by not applying the requirement of Ind AS 109 in case of employee loans which requires that these shall be recognized initially at fair value and subsequently at amortized cost. As per the exemption, if an entity finds impracticable to apply retrospectively effective interest method, the fair value of the financial asset at the date of transition to Ind ASs shall be the new amortized cost of that financial asset at the date of transition to Ind AS.

Notes to Financial Statements

Reconciliation of equity as at 1st April 2015 and as at 31st March 2016 (₹in crore)

Note No.			1st April 2015			31st March 2016		
46		Note	Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
	ASSETS							
	Non-current assets							
	Property, Plant and Equipment		6,650.73	2.00	6,652.73	16,326.99	-	16,326.99
	Intangible assets		2.34	(2.05)	0.29	0.12	-	0.12
	Capital Work-In-Progress		10,864.76	-	10,864.76	2,333.92	-	2,333.92
	Asset under Development		114.16	-	114.16	207.60	-	207.60
	Financial Assets							
	Investments		12.69	-	12.69	12.69	-	12.69
	Loans		104.49	-	104.49	82.91	-	82.91
	Other non-current assets		395.73	-	395.73	728.40	-	728.40
	Current Assets							
	Inventories		898.63	8.77	907.40	1,491.77	17.15	1,508.92
	Financial Assets							
	Investments		103.20	-	103.20	-	-	-
	Trade receivables		2,282.07	(24.71)	2,257.36	3,787.11	(49.27)	3,737.84
	Cash and cash equivalents		3,254.24	-	3,254.24	3,237.74	-	3,237.74
	Other bank balances		318.29	-	318.29	377.29	-	377.29
	Loans		163.85	-	163.85	326.62	-	326.62
	Other financial assets		191.41	-	191.41	186.02	-	186.02
	Other Current Assets		348.18	-	348.18	469.23	-	469.23
	Regulatory Deferral Account debit balances		51.85	24.71	76.56	102.04	49.27	151.31
	Total Assets		**25,756.63**	**8.72**	**25,765.35**	**29,670.45**	**17.15**	**29,687.60**
	EQUITY & LIABILITIES							
	Equity							
	Equity Share Capital		1,677.71	-	1,677.71	1,677.71	-	1,677.71
	Other Equity							
	Retained earnings		11,348.48	(1,619.13)	9,729.35	11,633.21	(2,555.76)	9,077.45
	Other reserves		1,844.34	(2.37)	1,841.97	2,014.15	12.62	2,026.77
	Non - controlling interest		367.87	-	367.87	640.42	-	640.42
	Liabilities							
	Non-current liabilities							
	Financial liabilities							
	Borrowings		6,010.76	-	6,010.76	7,050.11	-	7,050.11
	Deferred tax liabilities (Net)		1,010.10	-	1,010.10	1,648.74	-	1,648.74
	Other non-current liabilities		395.41	2.37	397.78	719.39	-	719.39
	Current Liabilities							
	Financial liabilities							
	Borrowings		-	-	-	14.61	-	14.61
	Trade payables		634.50	-	634.50	1,173.84	-	1,173.84
	Other financial liabilities		601.38	-	601.38	1,369.34	-	1,369.34
	Other current liabilities		1,417.90	-	1,417.90	1,280.08	(10.85)	1,269.23
	Provisions		423.39	(202.88)	220.51	414.83	(231.45)	183.38
	Regulatory Deferral Account credit balances		24.79	1,830.73	1,855.52	34.02	2,802.59	2,836.61
	Total equity and liabilities		**25,756.63**	**8.72**	**25,765.35**	**29,670.45**	**17.15**	**29,687.60**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to Financial Statements

Reconciliation of Total Comprehensive Income for the year ended 31st March 2016 (₹in crore)

Note No.	Particulars	Previous GAAP*	Adjustments	Ind ASs
46	**INCOME**			
	Revenue	7,895.96	(20.25)	7,875.71
	Other income	493.29	-	493.29
	Total Income	**8,389.25**	**(20.25)**	**8,369.00**
	EXPENDITURE			
	Changes in inventories of raw material	(361.25)	(7.23)	(368.48)
	Cost of fuel consumed	809.89	-	809.89
	Employee benefit expenses	2,258.63	29.87	2,288.50
	Finance costs	467.33	-	467.33
	Depreciation and amortization expense	867.85	42.26	910.11
	Other expenses	2,675.60	(15.28)	2,660.32
	Prior Period Adjustments(Net)	0.05	(0.05)	-
	Less: expenses capitalised	(38.40)	-	(38.40)
	Total Expenses	**6,679.70**	**49.57**	**6,729.27**
	Profit before exceptional items, tax and Rate Regulated Activities (RRA)	**1,709.55**	**(69.82)**	**1,639.73**
	Exceptional Items	28.38	-	28.38
	Tax expense			
	- Current Tax	(1.58)	-	(1.58)
	- Deferred Tax	638.62	-	638.62
	Profit before regulatory deferral account balance income / (expense)	**1,044.13**	**(69.82)**	**974.31**
	Net Movement in regulatory deferral account income / (expense)	-	(906.34)	(906.34)
	Profit after tax	**1,044.13**	**(976.16)**	**67.97**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss (net of tax)			
	- Net actuarial gains/(losses) on defined benefit plans	-	12.62	12.62
	Other comprehensive income for the year, net of income tax	-	12.62	12.62
	Total comprehensive income for the year	**1,044.13**	**(963.54)**	**80.59**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to Financial Statements

Reconciliation of total equity as at 31st March 2016 and 1st April 2015

(₹in crore)

Note No.	Particulars	31st March 2016	1st April 2015
46	Total equity (shareholder's funds) as per previous GAAP	**15,965.71**	**15,236.04**
	Adjustments		
	Reversal of proposed dividend since it is a non-adjusting event	202.88	202.88
	Reinstatement of prior period adjustment passed in 2015-16	(0.05)	(0.05)
	Reinstatement of Closing Stock of Lignite for 2014-15	8.77	8.77
	Rate Regulated deferral balances upto 2014-15	(1,830.74)	(1,830.74)
	Reversal of proposed dividend since it is a non-adjusting event (2015 - 16)	242.30	-
	Reversal of prior period adjustment - 2015 - 16 adjusted in the previous year	(0.05)	-
	Reinstatement of Closing Stock of Lignite for 2014-15	(8.77)	-
	Reinstatement of prior period adjustment passed in 2016-17	1.15	-
	Accounting for dividend paid during the year	(202.88)	-
	Reinstatement of Closing Stock of Lignite for 2015-16	16.00	-
	Rate Regulated deferral balances movement	(906.34)	-
	Rate Regulated deferral balances for 2015-16	(43.41)	-
	Power revision reclassified from sales to regulatory balances	(24.75)	-
	Others (misc. expenses)	2.53	-
	Total adjustments	**(2,543.36)**	**(1,619.14)**
	Total equity as per Ind AS	**13,422.35**	**13,616.90**

Reconciliation of total comprehensive income for the year ended 31st March 2016

Note No.	Particulars	31st March 2016
46	Profit after tax as per previous GAAP	1,044.13
	Adjustments	
	Reversal of movement in rate regulated debit balance for the year	(24.56)
	Reinstatement of Closing Stock of Lignite for 2015-16	16.00
	Reversal of reinstated of Closing Stock of Lignite for 2014-15	(8.78)
	Remeasurement of actuarial gains and interest cost	(12.62)
	Reinstatement of prior period adjustment passed in 2016-17	1.15
	Reversal of movement in rate regulated credit balance for the year (Depreciation)	(43.41)
	Others (misc. expenses)	2.35
	Reinstatement of prior period adjustment passed in 2015-16	0.05
	Movement of Regulatory deferral balance	(906.34)
	Total adjustments	**(976.16)**
	Profit after tax as per Ind AS	**67.97**
	Remeasurement of actuarial gains and interest cost	12.62
	Other comprehensive income (net of tax):	**12.62**
	Total comprehensive income as per Ind AS	**80.59**

Notes to Financial Statements

(a) Proposed Dividend

Under previous GAAP, the Group had recognised for proposed dividends relating to year ended 31st March 2015 and 31st March 2016 in that respective year, though the approval of that dividend took place after the reporting date. Under Ind AS, proposed dividends do not meet the definition of liability until they have been approved by shareholders at the Annual General Meeting. Therefore, the Group has not recognized a liability for dividend that has been proposed but will not be approved until after the reporting date. The effect of the adjustment increases the retained earnings by ₹202.88 crore with corresponding decrease in provisions as at 1 April 2015 and ₹242.30 crore as at 31st March 2016.

(b) Employee benefits

Both under previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income.

As a result, profit for the year ended 31st March 2016 increased by ₹12.62 crore (net of tax) with corresponding decrease in other comprehensive income during the year.

(c) Other comprehensive income

Under previous GAAP, the Group has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income consists of remeasurement of defined benefit plans. Hence, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(d) Other equity

Retained earnings as at 1st April 2015 has been adjusted consequent to the above Ind AS transition adjustments. Refer Reconciliation of total equity as at 31st March 2016 and 1st April 2015 given above for details.

(e) Joint Ventures

Under the previous GAAP, the investments in joint ventures were classified as 'jointly controlled entities' and accordingly, accounted for using proportionate consolidation method. On transition to Ind AS, such investments have been classified as joint ventures and consolidated using equity method as per Ind AS 28, 'Investments in Associates and Joint Ventures'.

(f) Impact of IndAS adoption on the Statement of Cash Flows for the year ended 31st March 2016

(₹in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	262.37	1038.16	1300.53
Net cash flow from investing activities	-1075.17	-304.51	-1379.68
Net cash flow from financing activities	855.18	-792.53	62.65
Net increase/ (decrease) in cash and cash equivalents during the year	**42.38**	**-58.88**	**-16.50**
Cash and cash equivalents at the beginning of the year	3577.60	-323.36	3254.24
Cash and cash equivalent at the end of the year	**3619.98**	**-382.24**	**3237.74**

Notes to Financial Statements

Note No.	Employee benefits
47	**(i) Defined benefit plans**

The defined benefit plan is administered by the LIC which is named as LIC Group Gratuity Fund ('Fund') that is legally separated from the Group. The board of the fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund. Their defined benefit plans expose the group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

Defined benefit plan is fully funded by the group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Group has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

B. Movement in net defined benefit (asset) Liabilities (₹in crore)

Gratuity	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2017	2016	2017	2016	2017	2016
Balance as at April 1	813.81	831.27	820.52	802.81	(6.71)	28.46
Included in profit and loss						
Current Service Cost	17.77	49.17	-	-	17.77	49.17
Past service cost and gain or loss on settlement	-		-	-	-	-
Interest cost (income)	54.55	63.16	58.26	71.04	(3.71)	(7.88)
Included in OCI						
Remeasurement of loss (gain) :						
Actuarial loss (gain) arising from	-		-		-	-
Demographic assumptions	-		-		-	-
Financial assumptions	42.71	(37.62)	-		42.71	(37.62)
Experience adjustment	(7.30)		-		(7.30)	-
Return on plan asset excluding interest income	-		8.80	(0.83)	(8.80)	0.83
Change in the effect of the asset ceiling	-		-		-	-
Others						
Contributions Paid by the employer	-	-	0.03	39.67	(0.03)	(39.67)
Benefits paid	(91.08)	(92.17)	(91.08)	(92.17)	-	-
Balance at March 31	**830.46**	**813.81**	**796.52**	**820.52**	**33.93**	**(6.72)**

Notes to Financial Statements

Note No.	Particulars		(₹in crore)
		March 31, 2017	March 31, 2016
47	**Represented by :**		
	Net defined benefit asset	**796.52**	820.52
	Net defined benefit liability	**830.46**	813.81
	i) Plan Asset	**March 31, 2017**	**March 31, 2016**
	Plan assets comprises the followings:		
	Equity Securities	**5%**	4.50%
	Govt Bonds	**95%**	95.50%
	Details of the employee benefits and plan assets are provided below :		
		March 31, 2017	**March 31, 2016**
	Present value of funded obligation	**830.46**	813.81
	Fair value of plan assets	**796.52**	820.52
	Present value of net obligations	**33.93**	(6.72)
	Unrecognised past service cost	**-**	-
	ii) Actuarial Assumptions The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)	**March 31, 2017**	**March 31, 2016**
	Discount rate per annum	**7.10%**	8.00%
	Expected return per annum on plan asset	**7.10%**	8.00%
	Salary escalation per annum	**5%**	5.00%
	Mortality	**IALM 2006-08 ULT**	LIC-1994-96
	Attrition rate	**1% to 3%**	1% to 3%

iii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligation by the amounts shown below

	March 31, 2017		March 31, 2016	
	Increase	**Decrease**	Increase	Decrease
Discount rate (+/- 50 BP)	806.262	855.896	790.054	838.779
Salary escalation per annum (+/- 50 BP)	835.273	825.369	818.742	808.638
Mortality (+/- 10%)	836.273	824.611	819.870	807.717
Attrition rate (+/- 10%)	830.791	830.122	814.242	813.376

Provident fund

The Group pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Group has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Group has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employee pension scheme is paid to the appropriate authorities. Based on the actuarial valuation obtained in this respect the following table set out the status of the Provident Fund Plan as at Balanced date

Notes to Financial Statements

Note No.	Particulars						(₹in crore)
47		Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
		2017	2016	**2017**	2016	**2017**	2016
	Balance as at April 1	**2,231.96**	2,201.70	**2,339.75**	2201.70	**(107.79)**	-
	Current Service Cost	**282.92**	132.39	**-**	-	**282.92**	132.39
	Interest cost (income)	**190.83**	190.88	**-**	-	**190.83**	190.88
	Actuarial loss (gain)	**143.64**	(95.35)	**85.99**	1.87	**57.65**	(97.22)
	Expected return on plan assets	**-**	-	**198.41**	199.23	**(198.41)**	(199.23)
	Contributions Paid by the employer	**-**	154.22	**294.29**	288.83	**(294.29)**	(134.61)
	Benefits paid	**(334.56)**	(351.88)	**(334.56)**	(351.88)	**-**	-
	Balance at March 31	**2,514.78**	2,231.96	**2,583.87**	2,339.75	**(69.09)**	(107.79)

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

As per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act,1952, the Group has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹69.09 crore (Previous year ₹107.79 crore) determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group.

i) Plan Asset

Plan assets comprises the followings:

	March 31, 2017		March 31, 2016	
	(₹ in crore)	**% of total assets**	(₹ in crore)	% of total assets
Equity Securities	**52.11**	**2.02%**	28.19	1.20%
Fixed Income/Debt Securities	**2,531.76**	**97.98%**	2,311.56	98.80%
	2,583.87	**100.00%**	2,339.75	100.00%

ii) Actuarial Assumptions

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

	March 31, 2017	March 31, 2016
Discount rate per annum	**8.65%**	8.80%
Expected return per annum on plan asset	**8.48%**	9.04%
Superannuation age	**60 years**	60 years
Remaining work life	**Average of 9 years**	Average of 9 years
Mortality	**IALM 2006-08 ULT**	IALM 2006-08 ULT

Notes to Financial Statements

Note No.	Particulars	(₹in crore)
47	**C. Defined Contribution Plan**	

Post Retirement Medical Assistance (PRMA)

The Group has a Post Retirement Medical Assistance scheme, under which annual cash assistance is provided to retired employees and their spouses for both inpatient and outpatient medical treatment availed in subject to Group's grade-wise policy applicable for employees. The Group contributes a fixed contribution of ₹15,000 per employee per annum towards PRMA and creates a provision for the same.

A trust has been constituted and is managed by the Group for its employees, for the sole purpose of providing post retirement medical assistance facility to them.

	March 31, 2017	March 31, 2016
Disclosure in respect of Defined contribution plan in respect of PRMA :		
i. Amount recognised in the profit and loss account as premium paid to the Insurance Group	**14.75**	14.68
ii. Liability provided for the fixed Medical Assistance	**9.34**	5.38

48 Financial Instruments

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures required.)

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. Hence levelling disclosure as per Ind AS 113 is not applicable.

March 31, 2017	**Carrying Amount**			
Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
A. Financial Assets				
Investments	12.69	-	-	12.69
Loans	246.20	-	-	246.20
Trade Receivables	6,109.36	-	-	6,109.36
Cash and Cash equivalents	79.93	-	-	79.93
Other Bank balances	435.12	-	-	435.12
Other financial assets	54.85	-	-	54.85
B. Financial Liabilities				
Borrowings	8,667.37	-	-	8,667.37
Trade Payable	1,257.70	-	-	1,257.70
Other financial liabilities	2,822.01	-	-	2,822.01

March 31, 2016	**Carrying Amount**			
Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
A. Financial Assets				
Investments	12.69	-	-	12.69
Loans	409.53	-	-	409.53
Trade Receivables	3,737.84	-	-	3,737.84
Cash and Cash equivalents	3,237.74	-	-	3,237.74
Other Bank balances	377.29	-	-	377.29
Other financial assets	186.02	-	-	186.02
B. Financial Liabilities				
Borrowings	7,064.72	-	-	7,064.72
Trade Payable	1,173.83	-	-	1,173.83
Other financial liabilities	1,369.34	-	-	1,369.34

Notes to Financial Statements

Note No.	Particulars (₹in crore)
48	**Financial Instruments**

March 31, 2015	Carrying Amount			
Description	**Amortised Cost**	**Fair Value through profit and loss**	**Fair Value through OCI**	**Net**
A. Financial Assets				
Investments	115.89	-	-	115.89
Loans	268.34	-	-	268.34
Trade Receivables	2,257.36	-	-	2,257.36
Cash and Cash equivalents	3,254.24	-	-	3,254.24
Other Bank balances	318.29	-	-	318.29
Other financial assets	191.41	-	-	191.41
B. Financial Liabilities				
Borrowings	6,010.76	-	-	6,010.76
Trade Payable	634.50	-	-	634.50
Other financial liabilities	601.37	-	-	601.37

49 **Disclosure as per Ind AS 23 on 'Borrowing Costs'**

Borrowing costs capitalised during the year is ₹151.79 crore (previous year ₹224.50 crore).

50 **Lignite Handling System**

As per the recommendation of the committee formed for the undertaking a review for expenditure incurred towards operation and maintaining the Lignite Handling System (LHS), the Company has changed its accounting policy for the current financial year for treating the said expenditure (excluding interest and depreciation) as a part of the Mine operations as against the earlier practice wherein the said expenditure was considered as a cost attributable to Thermal Stations.

51 **Disclosure as per Ind AS 17 'Leases'**

i) Leases as lessee

a) Operating lease

Expenses on operating leases of the premises for offices are included under 'Rent' in Note 29 – Other Expenses' includes ₹1.41 crore (previous year ₹0.93 crore). Such leases entered into by the Company are not non cancellable.

Particulars	31st March 2017	31st March 2016	1st April 2015
Less than one year	**0.76**	1.23	-
Between one and five years	**0.23**	0.82	-
More than five years	**-**	-	-

b) Finance lease

NTPL (subsidiary of NLC (I) Limited) has taken a land on lease from Tuticorin Port Trust (TPT) for the purpose of setting up the thermal power station and residential quarters. The period of the lease is for 30 years. The lease term is renewable only on mutual consent of both parties at the end of 30 years. At the end of 30 years, TPT may agree to renew the lease for another term. Currently NTPL accounts for the leasehold land as part of fixed assets at the amount of upfront premium paid. The recognised amount is amortised over the term of the lease.

Notes to Financial Statements

Note No.	Disclosure as per Ind AS 114, 'Regulatory Deferral Accounts'
52	**(i) Nature of rate regulated activities**

The Group is engaged in the business of Lignite Mining and Power generation which is a rate regulated activity.

The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

(ii) Regulatory Rate Setting process

Central Electricity Regulatory Commission (CERC) approves the tariff of electricity as petitioned by considering the energy charges based on Lignite transfer price as per the guidelines of Ministry of Coal issued from time to time and capacity charges as per norms and parameters of CERC, for the relevant tariff period in accordance with CERC Regulations applicable from time to time.

The petitioned tariff is approved with or without modifications by the CERC in accordance with the relevant Regulations through a Provisional Tariff Order. At the end of each tariff period, the CERC determines the final tariff by Truing Up of actual amounts/permissible amounts and the estimated cost determined as per the Provisional tariff Order. Upon Truing up the net amounts payable/receivable from Electricity Distribution Companies is settled along with the applicable interest.

Upto the FY 2015-16, the Group applied the principles of the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI) with effect from 1st April 2015 ('previous GAAP'). The Company recognised the exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations and MoC guidelines on Lignite Transfer price as Deferred foreign currency fluctuation asset/ liability.

(iii) Adoption of Ind AS 114

Ind AS 114, Regulatory Deferral Accounts permits an eligible entity to continue previous GAAP accounting policy for its regulatory deferral account balances.In addition to the above, the company had identified deferred foreign currency fluctuation balances as regulatory deferral balance in accordance with the previous GAAP and continue to recognise the same under Ind AS.

Ind AS 114 also requires an entity to identify and recognise all regulatory deferral account balances in respect of all rate regulated activities.

(iv) Recognition and Measurement

Pursuant to election of Ind AS 114, the Company has given effect to all the CERC orders in its entirety irrespective of such orders being contested by the Company in APTEL or any other higher Appellate forum. In respect of transactions and events prior to the date of transition to Ind AS, the adjustments are made in the Retained Earnings. In respect of transaction and events subsequent to the date of transition to Ind AS, the adjustments are made in the Statement of Profit and Loss of the respective financial year.

(v) Risks associated with future recovery/reversal of regulatory deferral account balances

(i) demand risk -Availability of alternative and cheaper sources of power may result in reduced demand.

(ii) regulatory risk - the regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in de-recognition of regulatory deferral asset/liability.

(iii) other risks - The Foreign Exchange Variation on actual repayment of loans are eligible for recovery from the customers and hence the risk is mitigated. In respect of disputed orders, the company has recognised Regulatory Deferral Liability which may require economic outflow of resources upon passing of orders by the appellate authorities.

Notes to Financial Statements

Note No.	Particulars
52	**(vi) Reconciliation of the carrying amounts**

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

a) Regulatory deferral account debit balance

(₹in crore)

Particulars	March 31, 2017	March 31, 2016
A. Opening balance	**151.31**	76.56
B. Recognised during the current year	**99.38**	74.75
C. Amount recovered/reversed during the year	**-**	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss (B-C)	**99.38**	74.75
E. Closing balance (A+D)	**250.69**	151.31

b) Regulatory deferral account credit balance

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

Particulars	March 31, 2017	March 31, 2016
A. Opening balance	**2,836.61**	1,855.52
B. Recognised during the current year	**972.94**	981.09
C. Amount recovered/reversed during the year	**-**	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss (B-C)	**972.94**	981.09
E. Closing balance (A+D)	**3,809.55**	2,836.61

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

Particulars	March 31, 2017	March 31, 2016
Total amount recognised in the Statement of Profit & Loss during the year	**873.56**	906.34

The Group expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and expect to settle or otherwise upon passing of orders by appellate authorities.

53 **Capital Management**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Under the terms of major borrowing facilities, the Group is required to comply with the following financial covenants:

Loan from PFC - Debt service coverage ratio not less than 1.50

Neyveli Bond - Minimum asset coverage ratio of 1.25

The capital structure of the Group consists of net debt (borrowings as detailed in notes 13, 16 offset by cash and bank balances) and total equity of the Group. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Notes to Financial Statements

Note No.	Particulars	(₹in crore)
53	Gearing Ratio:	

	March 31, 2017	March 31, 2016
Debt (₹ in crore)	**11,347.84**	8,408.60
Less: Cash and bank balances (₹ in crore)	**515.05**	3,615.03
Net debt (₹ in crore)	**10,832.79**	4,793.57
Total equity (₹ in crore)	**11,982.82**	12,574.34
Net debt to total equity ratio	**0.90**	0.38

54

Financial risk Management

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group's principal financial liabilities comprise loans and borrowings in domestic and foreign currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The Group primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Group has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit defaults, credit ratings from international credit rating agencies and the Group's historical experience for customers.

Management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2017, the Group's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹2,689.10 crore of the trade receivables carrying amount (₹1,242.67 crore of the trade receivables as at March 31, 2016 and ₹623.68 crore of the trade receivables as at April 1, 2015).

Loans and advances

The Group has given loans & advances to its employees. The Group manages its credit risk in respect of Loan and advances to employee through settlement of dues against full & final payment to employees.

Notes to Financial Statements

Note No.	Particulars
54	Cash and cash equivalents and deposits with banks

The Group has banking operations with highly rated banks including scheduled banks which are owned by Government of India and Private Sector Banks.The risk of default with government controlled entities is considered to be insignificant.

(i) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Group has customers (State government utilities) with strong capacity to meet the obligations and therefore the risk of default are not material. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss was considered necessary during the reporting period in respect of trade receivables.

(ii) Ageing analysis of trade receivables

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

The ageing analysis of the trade receivables is as below:

(₹in crore)

	Ageing as at		
Period	**31st March 17**	31st March 16	1st April 15
Thermal debtors			
0-30 days past due	**3,844.61**	2,311.49	1,605.95
31-60 days past due	**708.21**	582.66	186.51
61-90 days past due	**474.62**	366.76	-
91-120 days past due	**185.33**	103.92	45.63
More than 120 days past due	**739.42**	285.66	226.41
Total	**5,952.19**	3,650.49	2,064.50
Mine and other debtors	**157.17**	87.35	192.86
Total debtors	**6,109.36**	3,737.84	2,257.36

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Notes to Financial Statements

Note No.	Particulars
54	The Group manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Group's treasury department is responsible for managing the short term and long term liquidity requirements of the Group.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹in crore)

Particulars	31st March 17	31st March 16	1st April 15
Floating-rate borrowings			
Expiring within one year			
Power Finance Corporation	-	1,805.00	2,500.00
Working capital Loan (SBI)	**1,453.91**	265.39	280.00
Working capital Loan (BOI)	**420.85**	128.35	-
Total	**1,874.76**	2,198.74	2,780.00

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:

(₹in crore)

31st March 2017	Contractual cash flows					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	11.22	11.22	22.44	67.32	344.86	457.06
Bonds 2009	-	-	600.00	-	-	600.00
PFC NNTPS	-	-	-	900.00	2,100.00	3,000.00
RTL SBI	58.37	58.37	116.75	58.39	-	291.88
RTL HDFC	58.31	58.31	116.63	58.31	-	291.56
RTL ICICI	58.32	58.32	116.63	58.30	-	291.56
RTL HDFC Solar	-	-	48.10	288.60	144.30	481.00
PFC term loan 1	-	118.84	118.84	356.52	415.67	1009.87
PFC term loan 2	162.81	162.81	325.62	976.86	1302.39	2930.49
TOTAL	**349.03**	**467.87**	**1,465.00**	**2,764.30**	**4307.22**	**9353.42**

Notes to Financial Statements

Note No.	Particulars						(₹in crore)
54	**31st March 2016**	**Contractual cash flows**					
	Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
	KfW Loan (Foreign Currency Loan)	12.16	12.16	24.33	72.99	398.34	519.98
	Bonds 2009	-	-	-	600.00	-	600.00
	PFC NNTPS	-	-	-	358.50	836.50	1,195.00
	RTL SBI	58.37	58.37	116.75	175.12	-	408.61
	RTL HDFC	58.31	58.31	116.63	174.94	-	408.19
	RTL ICICI	58.32	58.32	116.63	174.95	-	408.21
	PFC term loan 1	-	118.84	118.84	356.52	534.47	1,128.67
	PFC term loan 2	-	-	-	-	-	-
	Bank of Baroda	125.00	125.00	250.00	750.00	1,125.00	2,375.00
	Bank of India	-	93.70	93.70	281.10	374.80	843.30
	TOTAL	**312.16**	**524.70**	**836.87**	**2,944.11**	**3,269.11**	**7,886.95**
	1st April 2015	**Contractual cash flows**					
	Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
	KfW Loan (Foreign Currency Loan)	10.94	10.94	21.87	65.61	379.98	489.34
	Bonds 2009	-	-	-	600.00	-	600.00
	RTL-I Canara Bank	125.00	125.00	250.00	625.00	-	1,125.00
	RTL-II Canara Bank	50.00	50.00	100.00	250.00	-	450.00
	PFC NNTPS	-	-	-	100.00	400.00	500.00
	Bank of Baroda	-	125.00	250.00	750.00	1,375.00	2,500.00
	Bank of India	-	93.70	93.70	281.10	468.50	937.00
	TOTAL	**185.94**	**404.64**	**715.57**	**2,671.71**	**2,623.48**	**6,601.34**

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

31st March 2017	**Contractual cash flows**					
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
KfW Loan (Foreign Currency Loan)	1.67	1.63	3.13	8.39	19.23	34.05
Bonds 2009	-	49.98	49.98	-	-	99.96
PFC NNTPS	119.85	119.85	239.70	593.26	545.32	1,617.98
RTL SBI	9.34	7.01	7.01	-	-	23.36
RTL HDFC	9.45	7.08	7.08	-	-	23.61
RTL ICICI	9.50	7.13	7.13	-	-	23.76
RTL HDFC Solar	18.11	18.11	33.50	78.78	59.76	208.26
PFC term loan 1	22.79	68.38	80.07	172.17	71.38	414.80
PFC term loan 2	57.34	172.01	202.29	440.86	198.96	1,071.45
TOTAL	**248.05**	**451.18**	**629.89**	**1,293.46**	**894.65**	**3,517.24**

Notes to Financial Statements

Note No.	Particulars						(₹in crore)
54	**31st March 2016**	**Contractual cash flows**					
	Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
	KfW Loan (Foreign Currency Loan)	1.90	1.86	3.58	9.65	23.73	40.72
	Bonds 2009	-	49.98	49.98	49.98	-	149.94
	PFC_NNTPS	53.48	53.48	106.96	294.12	320.86	828.90
	RTL SBI	16.29	13.57	19.00	8.14	-	57.00
	RTL HDFC	16.36	13.63	19.08	8.18	-	57.25
	RTL ICICI	16.27	13.56	18.98	8.14	-	56.95
	PFC term loan 1	27.97	76.14	91.18	206.28	117.35	518.91
	Bank of Baroda	53.98	159.62	189.98	424.81	227.52	1,055.90
	Bank of India	23.33	55.11	69.57	154.31	78.36	380.69
	TOTAL	**209.58**	**436.95**	**568.31**	**1,163.61**	**767.82**	**3,146.26**
	1st April 2015	**Contractual cash flows**					
	Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
	KfW Loan (Foreign Currency Loan)	1.79	1.75	3.38	9.16	24.03	40.11
	Bonds 2009	-	49.98	49.98	99.96	-	199.92
	RTL-I Canara Bank	51.30	44.89	70.54	64.13	-	230.86
	RTL-II Canara Bank	20.70	18.11	28.46	25.88	-	93.15
	PFC NNTPS	24.95	24.95	49.90	145.96	190.87	436.63
	Bank of Baroda	65.13	178.69	213.60	497.56	344.75	1,299.73
	Bank of India	24.41	66.35	78.44	181.58	120.67	471.45
	TOTAL	**188.29**	**384.72**	**494.30**	**1,024.23**	**680.32**	**2,771.84**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group executes import agreements for the purpose of purchase of capital goods. Upto March 31, 2016 the Group till the date of commercial operation capitalise the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by CERC as recovery from beneficiaries. If any exchange gain/loss arise after the date of commercial operation the same will also be recovered from beneficiaries as part of rate regulated asset. From April 01, 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from beneficiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

(₹in crore)

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Financial liabilities			
Borrowings - KfW (in Euro)	457.06	519.98	489.34

Notes to Financial Statements

Note No.	Particulars
54	**Sensitivity analysis**

A strengthening/weakening of the Indian Rupee, as indicated below, against the Euro as at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below:

March 31, 2017	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW (in Euro)	45.71	(45.71)

March 31, 2016	**Profit and loss**	
10% movement	**Strengthening**	**Weakening**
Borrowings - KfW (in Euro)	52.00	(52.00)

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

(₹in crore)

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Financial assets			
Fixed-rate instruments			
Employee Loans	**112.03**	94.21	114.63
Financial liabilities			
Variable-rate instruments			
Rupee term loans			
- From Banks	**1,356.00**	1,225.00	1,575.00
- Power Finance Corporation (PFC)	**3,000.00**	1,195.00	500.00
- Bank of Baroda (BoB) Consortium	**-**	2,375.00	-
- Bank of India (BoI) Consortium	**-**	843.30	-
- Working Capital Loan *	**2,930.49**	-	-
Financial liabilities			
Fixed-rate instruments			
Foreign Currency Loan			
- KfW	**457.06**	519.98	489.34

* BOB and BOI loans have been converted into PFC-RTL II loan.

Notes to Financial Statements

Note No.	Particulars
54	**Cash flow sensitivity analysis for variable-rate instruments**

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹in crore)

	Profit or loss	
31st March 2017	**50 bp increase**	**50 bp decrease**
Rupee term loans		
- From Banks	(6.78)	6.78
- Power Finance Corporation (PFC)	(15.00)	15.00
- Working capital loan	(14.65)	14.65
	(36.43)	**36.43**
31st March 2016		
- From Banks	(6.13)	6.13
- Power Finance Corporation (PFC)	(5.98)	5.98
- Bank of Baroda (BoB) Consortium	(11.88)	11.88
- Bank of India (BoI) Consortium	(4.22)	4.22
	(28.19)	**28.19**

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

55 **Disclosure as per Ind AS 12 'Income taxes'**

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss (₹in crore)

Particulars	March 31, 2017	March 31, 2016
Current tax expense		
Current year		
Adjustment for earlier years	**(19.77)**	(1.58)
Pertaining to regulatory deferral account balances		
Total current tax expense	**(19.77)**	**(1.58)**
Deferred tax expense		
Origination and reversal of temporary differences	**75.89**	728.64
Less: Deferred asset for deferred tax liability	**223.50**	90.02
Total deferred tax expense	**(147.61)**	**638.62**
Total income tax expense	**(167.38)**	**637.04**

55 **ii) Income tax recognised in other comprehensive income**

Particulars	31st March 2017			31st March 2016		
	Before tax	**Tax expense/ (benefit)**	**Net of tax**	**Before tax**	**Tax expense/ (benefit)**	**Net of tax**
Net actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-

Notes to Financial Statements

Note No.	Particulars	(₹in crore)

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

	March 31, 2017	March 31, 2016
Profit before tax	**2,127.38**	1,925.88
Tax using the Group's domestic tax rate of 34.608% (31 March 2017 - 34.608%)	**736.24**	666.51
Tax effect of:		
Non-deductible tax expenses	**294.01**	268.22
Foreign exchange differences	**-**	-
Tax deductions/allowances	**(1,221.98)**	(1,015.71)
Business Tax losses	**191.73**	80.98
Previous year tax liability	**(19.77)**	(1.58)
Minimum alternate tax adjustments	**-**	-
Total tax expense in the Statement of Profit and Loss	**(19.77)**	(1.58)

(b) Tax losses carried forward

Particulars	31st March 2017	Expiry date	31st March 2016	Expiry date
Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-

(c) Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since year end, the directors have recommended the payment of final dividend amounting to ₹201.33 crore (31st March 2016). The dividend distribution tax on this proposed dividend amounting to ₹40.97 crore has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

(d) MAT Credit available to the Group in future but not recognised in the books:

Financial years	31st March 2017	Expiry date	31st March 2016	Expiry date
For the year 2016-17	-	-	-	-
For the year 2015-16	-	-	-	-

56 **Disclosure as per Ind AS 108 'Operating segments'**

A. Basis for segmentation

The Group has the following two strategic divisions, which are its reportable segments. These divisions are managed separately because they require different technology and operational methodologies. The following summary describes the operations of each reportable segment.

Reportable segments	Product / Service from which reportable segment derives revenues
Lignite mining	Mining of lignite
Power generation	Generation of power and sale to power utilities across the country

The Chairman and Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the consolidated financial statements.

Notes to Financial Statements

Note No.	Particulars (₹in crore)
56	**B. Information about reportable segments:**

	Lignite Mining		Power Generation		Inter segment Adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
REVENUE	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
External Sales	**384.30**	407.13	**10,835.47**	7,468.61			**11,219.77**	7,875.74
Inter-segment sales	**6,190.12**	4,940.90	**576.01**	523.90	**6,766.13**	5,464.80		
Total Revenue	**6,574.42**	5,348.03	**11,411.48**	7,992.51	**6,766.13**	5,464.80	**11,219.77**	7,875.74
RESULT								
Segment Result	**1,322.17**	1,422.98	**1,261.64**	582.36			**2,583.81**	2,005.34
Other Income							**487.80**	86.70
Unallocated Corporate expenses.							**239.62**	1,292.97
Operating Profit							**2,831.99**	799.07
Interest Expense							**588.28**	467.33
Interest Income							**225.66**	401.65
Exceptional Items							**(180.08)**	(28.38)
Income taxes							**(167.38)**	637.04
Profit from Ordinary activities							**2,456.67**	67.97
Other Comprehensive Income							**(26.61)**	12.62
Total Comprehensive Income							**2,430.06**	80.59
OTHER INFORMATION	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Segment Assets	**6,186.56**	5,608.09	**19,129.76**	16,384.69			**25,316.32**	21,992.78
Unallocated Corporate assets(Including Capital Work-in-Progress)							**8,170.77**	7,694.82
Total Assets							**33,487.09**	29,687.60
Segment liabilities	**1,784.70**	1,320.05	**7,006.19**	6,436.03			**8,790.88**	7,756.08
Unallocated Corporate liabilities							**11,895.65**	8,509.16
Total liabilities							**20,686.53**	16,265.24
Capital Expenditure	**243.85**	416.82	**208.51**	(57.67)			**452.36**	359.15
Depreciation	**266.21**	295.33	**748.74**	585.39			**1,014.95**	880.72
Non-cash expenses other than depreciation	**0.39**	6.66	**2.02**	0.01			**2.41**	6.67

Note:

1. Since the business operation is within India the secondary disclosure does not arise
2. The inter-segment transfers are priced on cost plus profit basis.
3. Allocation of
   i) Storage charges on the basis of material consumption ,
   ii) Common charges and social overhead on the basis of salaries & wages and
   iii) Service Centres Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.

Notes to Financial Statements

Note No.	Particulars
56	**C. Information about major customers**

Revenue from one major customer under 'generation of energy' segment is ₹4,348.75 crore (31 March 2016: ₹2,756.00 crore) which is more than 10% of the Group's total revenues.

57 **Pursuant to MCA Notification No. GSR 308(E) dated 30th March 2017 the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 are as follows:** **(in ₹)**

Particulars	Specified Bank Notes (SBN's)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,55,500	44,681	2,00,181
(+) Permitted receipts	-	16,95,89,496	16,95,89,496
(+) Receipts in SBN*	6,64,000	-	6,64,000
(-) Permitted payments	-	13,70,80,921	13,70,80,921
(-) Amount deposited in Banks	8,19,500	3,21,99,769	3,30,19,269
Closing cash in hand as on 30.12.2016	-	3,53,487	3,53,487

* The Receipts in SBN represent the receipts from 08.11.2016 to 30.12.2016 as given below :

1) Electricity and rent receipts which are normally collected by Bank has been received by us on behalf of bank as authorised by bank from 09.11.2016 to 11.11.2016 amounting to ₹5,45,000.
2) Bus fares collected from public by buses run by NLCIL amounting to ₹72,000.
3) Others amounting to ₹47,000.

58 **Recent accounting pronouncements**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Group from 1st April, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on its financial statements.

Information on Subsidiary Companies

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

	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount (₹in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % of total comprehensive income	Amount (₹ in crore)
Parent								
NLC India Limited								
31st March 2017	100.59%	12198.62	96.42%	2,368.81	100.00%	(26.61)	96.38%	2,342.20
31st March 2016	101.12%	12925.50	335.44%	228.00	100.00%	12.62	298.57%	240.62
1st April 2015	100.01%	13250.18	-	-	-	-	-	
Subsidiaries (Indian)								
NTPL								
31st March 2017	-0.58%	(71.04)	3.58%	87.85	0.00%	-	3.62%	87.85
31st March 2016	-1.11%	(142.46)	-235.44%	(160.03)	0.00%	-	-198.57%	(160.03)
1st April 2015	0.00%	(0.04)	-	-	-	-	-	
NUPPL								
31st March 2017	-0.01%	(1.02)	0.00%	-	0.00%	-	0.00%	-
31st March 2016	-0.01%	(1.02)	0.00%	-	0.00%	-	0.00%	-
1st April 2015	-0.01%	(1.02)	-	-	-	-	-	
Associate (Indian)								
MNH Shakti								
31st March 2017	0.00%	(0.08)	0.00%	-	0.00%	-	0.00%	-
31st March 2016	0.00%	(0.08)	0.00%	-	0.00%	-	0.00%	-
1st April 2015	0.00%	(0.08)	-	-	-	-	-	
Total								
31st March 2017	100.00%	12,126.48	100.00%	2,456.66	100.00%	(26.61)	100.00%	2,430.05
31st March 2016	100.00%	12,781.94	100.00%	67.97	100.00%	12.62	100.00%	80.59
1st April 2015	100.00%	13,249.04	-	-	-	-	-	-

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 Tamil Nadu Power Limited	Neyveli Uttar Pradesh Power Limited
3	Reporting Period	2016-17	2016-17
4	Reporting Currency	INR	INR
5	Share Capital	2188.04	904.40
6	Reserves and Surplus	-79.83	-2.00
7	Total Assets	8029.05	974.62
8	Total Liabilities	5920.84	72.23
9	Investments	0.00	0.00
10	Turnover	2546.93	0.00
11	Profit before taxation	135.28	0.00
12	Provision for taxation	47.43	0.00
13	Profit after taxation	87.85	0.00
14	Proposed Dividend	0.00	0.00
15	% of Shareholding	89%	51%
	Remarks	Unit I & Unit II of NTPL Power Plant achieved COD on 18.06.2015 and 29.08.2015 respectively	Yet to commence the operations

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai

Date : 30.05.2017

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

P.B.SRINIVASAN
Partner
M .No: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S

S. PATTABIRAMAN
Partner
M .No: 014309

Place : Chennai

Date : 30.05.2017

Part “B”: Associates and Joint Venture

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014 related to joint venture

1	Name of the Joint Venture	MNH Shakti Limited
2	Share of the Joint venture held by the Company on the year end	12765000
3	Amount of investment in Joint Venture ₹in crore	12.77
4	Extent of holding	15%
5	Description of how there is significant influence	By way of shareholding
6	Reason why the Joint venture is not consolidated	NA
7	Networth attributable to shareholding as per latest audited Balance Sheet ₹in crores	12.69
8	Profit / Loss for the year	
	i) Considered for consolidation	Yes
	ii) Not Considered for consolidation	NA
9	Remarks	

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place : Chennai
Date : 30.05.2017

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

P.B.SRINIVASAN
Partner
M .No: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn. No.: 000571S

S. PATTABIRAMAN
Partner
M .No: 014309

Place : Chennai
Date : 30.05.2017

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	:	L93090TN1956GOI003507
2.	Name of the Company	:	NLC India Limited
3.	Registered Address	:	First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600031, Tamil Nadu,
4.	Website	:	www.nlcindia.com
5.	E-mail id	:	investors@nlcindia.com
6.	Financial Year reported	:	2016-17
7.	Sector(s)	:	Mining & Power Generation
8.	Key products	:	Lignite and Power Generation
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 & Barsingsar; Solar Plant at Neyveli; Wind Power Plant located in Tirunelveli Liaison/Inspection offices located in Chennai, Hyderabad, Bangalore, Mumbai, Kolkata, Bhubaneswar, New Delhi and Lucknow.
10.	Markets served by the Company	:	Southern India and Rajasthan

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	₹ 1,528.57 crore (2016-17)
2.	Total Turnover	:	₹ 8,672.84 crore (2016-17)
3.	Total Profit/(Loss) for the period	:	₹ 2,368.81 crore (2016-17)

4. Total spending on Corporate Social Responsibility (CSR) as percentage of PAT:

   In the previous three financial years from 2011-12 to 2013-14, the Company's CSR was in line with the Guidelines issued by the Department of Public Enterprises, Government of India (DPE). During the said-period, the Company has spent about 1.2 percent 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 three preceding years on CSR activities.

   In the year 2015-16, the Company has spent 3.70 percent of the average net profits for the three preceding years on CSR activities.

   In the year 2016-17, the Company has spent 1.71 percent of the average net profits for the three preceding years on CSR activities.

5. List of activities in which expenditure in 4 above has been incurred:
   a. Health Care, Family Welfare and Sanitation
   b. Providing Drinking Water Supply Facilities
   c. Providing Education including Special Education, Vocational skills, Scholarships
   d. Women Empowerment/Gender Equality
   e. Environmental Sustainability

f. Promoting Sports in Rural Areas

g. Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development

h. Providing Link Roads/ Access for Rural Development

i. Other Community Assets for Rural Development including Construction of infrastructure like Schools/ Libraries/Laboratories

j. Heritage, Arts and Culture

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 NLCIL In addition NLCIL 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 other entity / entities (e.g. suppliers, distributors etc.) that the company does business with participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

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

b. Details of the BR Head

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

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

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the well being of all employees.

P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5: Businesses should respect and promote human rights.

P6: Business should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy /policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? The policies of the Company are based on the Constitution of India/ applicable laws, guidelines and other policies issued by Government of India from time to time, MoU with Transparency International India, ISO 9001, ISO 14001, OHSAS 18001 and UN Global Compact Principles.	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	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)	-	-	-	-	-	-	*	-	-

* NLCIL 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 https://www.nlcindia.com/about/sustainable_development.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1)

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The policy/rules relating to ethics, bribery and corruption cover the Company and 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 187 numbers of the successful Vendors/Contractors up to the month of March 2017 for the Tenders which are more than one crore in value.

   i. The Integrity Pact system is reviewed frequently by conducting review meeting with IEMs & vendor meet.

   ii. NLCIL Vigilance Department has formed an "Ethical Forum" comprising of Students from Neyveli Schools & college and as well as in NTPL project to promote vigilance awareness among students community.

   iii. To enhance preventive measures, NLCIL Vigilance Department has identified the thrust areas in form of corruption mapping and these areas are concentrated by conducting surprise checks, Regular checks & CTE type examination.

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

   During the year 2016-17, Vigilance Department of the Company received 406 complaints in addition to 19 pending complaints of previous year (Totally 425 complaints). Out of that 425 complaints (98.11%) have been disposed off. Out of 417 complaints disposed, 105 complaints were Anonymous/Pseudonymous, 243 complaints have been sent for Administrative action to the respective units and investigation was done for 69 Nos. of complaints by Vigilance Department and disposed off.

Principle 2 (P2)

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

   i. Lignite ii. Power

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

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Resources consumption in Lignite mining

Consumption per unit of production	Unit	Mining	2015-16	2016-17	% change
Energy	kWh/T of Lignite	Mines	35.46	33.09	6.68

Resources consumption in Power Generation

Consumption per unit of production	Unit	Thermal Unit	2015-16	2016-17	% change
Lignite	Kg/kWh (gross generation)	TPS	1.14	1.16	1.75

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 though Neyveli Health Promotion and Social Welfare Society which is patronised by the Company.
- Complies with the Public Procurement Policy of the Government in procurement of goods from MSMEs.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

The Company has taken up several projects for the reclamation mined out land and re-cycling of waste, some of the key projects are as given below:

i. The Company's mining operations are preserving valuable top soil of the mined out land, which is re-used for the land reclamation works.

ii. 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). It is ensured that minimum 20% Fly ash is sent to brick manufacturers. While a cost is collected from cement industries, it is given free of cost to brick manufacturers as per the directives of the MoEF.

iii. NLCIL's plastic recycling plant ensures 100% recycling of waste plastic collected at site.

iv. In the Township at Neyveli, NLCIL has constructed modern sewage treatment plant of capacity 30 MLD. The treated effluent and manure from this plant is used for 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. Large quantities of concrete wastes are being generated from various industrial units of NLCIL due to modifications and dismantling of structures. These concrete blocks can be crushed and the retrieved coarse and fine aggregate can be used for the manufacturing of new pre cast products. A consultancy research work was under taken by Company with IIT/Madras for testing the material and block. The investigation part of IIT/Madras was completed and different concrete mixes have been suggested.

vii. Yes; the Company is exploring possibilities of recovering iron, sand and unburned carbon from the bottom slag of the power plant. Iron separation plant was erected and separated the iron from bottom slag. For separation of sand and unburned carbon from bottom slag, a pilot plant is under operation.

viii. **Bio-Diversity Project at Kundan Tank, Neyveli Township:**

Your Company is developing a Natural Water Body-Bio-diversity project in 9 acres of land by de-silting the old Kundan Tank with fish aqua culture and Prawn culture.

Principle 3 (P3)

1. **Please indicate the Total number of employees.**

Total number of employees as on March 31, 2017 is 15030.

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, 2017 is.1064

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

   Total number of permanent employees with disabilities as on March 31, 2017 is 226

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	1	1
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   Details of Training imparted to the Employees in house Learning and Development Centre (LDC) and Group Vocational Training Centre (GVTC) during the Year 2016-17

MIP as on 31st March 2017 - 15030			
	Percentage of employees given safety & skill upgradation training in 2016-17		
Sl.No.	**Employee Type**	**No. of Employees**	**% of employee**
1	Permanent Employee	5508	36.66
2	Permanent Woman Employee	201	1.34
3	Casual/Temp/Contract Employees	4845	32.25
Note: The above figures inclusive of GVTC training			

Principle 4 (P4)

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

   The stakeholders have been mapped as under:

   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 2016-17 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 Group/Joint Ventures/ Suppliers/Contractors/NGOs/ others.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   The Company has undertaken several initiatives to address global environmental issues, for instance

   - Reclamation of lands of mines and afforestation of reclaimed lands.
   - A pilot plant has been installed to study about Sequestration of CO_2 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.
   - 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 operating 10 MW Solar and 45 MW Wind Power Projects.
   - Initiatives for 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 dumps areas in Mine-II suitable for development of Green cover.
   - To reduce CO_2 emission, NLCIL has planned for upgradation of Brown Coal process and its suitability through Ultra Super Critical Boiler Technology where in increasing Boiler Efficiency, reducing specific fuel consumption and Turbine heat rate.
   - Further for reducing and combating SO_2 and NOX, NLCIL has also contemplated to provide Flue Gas De-Sulphurisation (FGD) plant and Selective Catalytic Reduction System to convert Nitrogen- NOX control System (SCR) in its New Neyveli Thermal Power Station and all its future lignite and Coal Based Thermal power projects.
   - While finalising the Tender Specification for Thermal Power Projects, it is being ensured that stipulation for meeting the emission norms and water consumption norms are covered in the documents.

- In respect of thermal plants in service, action has already been initiated for undertaking study and implementation of suitable measures for meeting the emission and water consumption norms.
- For the study of emission norms of all Thermal power plants a Common Consultancy work has been awarded to Mecon.

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

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

NLCIL firmly believes that its responsibility lies in environment friendly mining and delivering cleaner, more reliable and affordable energy. The company identifies and assesses potential environmental risks arising from its operations in its Mines and Thermal Power Plants.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

Yes, In South India, NLCIL is a major conventional lignite based power producer. As a socially responsible Company, NLCIL has installed 10 MW Solar Photo Voltaic (PV) Power Project at Neyveli, Tamilnadu and commissioned 45 MW out of 51 MW Wind Turbine generators at Tirunelveli also. 130 MW Solar Project at Neyveli, Tamilnadu is in the advanced stage of commissioning, NLCIL is also installing 500MW solar Power Projects in Tamilnadu State as a diversification move and for combating climate change. Power generation by Photo Voltaic cells needs only initial investment but no fuel cost. PV does not harm the environment. This project aims to combat the global climatic change, reduce the carbon footprint and conserve fossil fuel by harnessing the renewable energy resources. The projects are expected to earn CDM benefit. NLCIL plans to establish 4000 MW Solar Power Projects by 2019-20 in the States of Tamil Nadu, Odisha, Karnataka, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Maharashtra and Andaman & Nicobar Islands.

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:

A. Solar Power Projects

a. 130 MW at Neyveli, Tamilnadu-Under implementation
b. 50 MW at Andaman & Nicobar Islands-Tendering process initiated
c. 500 MW in Tamilnadu State-Under implementation
d. 250 MW in Odisha State-tendering process completed, PPA signing is under process.
e. 800 MW in Karnataka State-Proposals in preliminary Stage of discussions with Respective State Government.
f. 1000 MW in Uttar Pradesh-Under Proposal
g. 1000 MW in Andhra Pradesh-Under Proposal
h. 1000 MW in Madhya Pradesh-Under Proposal
i. 500 MW in Maharashtra-Under Proposal
j. 50 MW (Tamil Nadu Energy Development agency-TEDA) in Tamilnadu-Under Proposal
k. 5 MW Rooftop solar Projects in Neyveli Township, Tamilnadu-MoU signed with Rajasthan Electronics & Instruments Limited. Tendering will be initiated soon for 1MW project.

B. Wind Power Projects

a. 51 MW in Tirunelveli, Tamilnadu-Under implementation (45 MW commissioned out of 51 MW).
b. 200 MW in Tamilnadu State-Under proposal.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emission and the waste generated by the Company were within the permissible limit given by CPCB/SPCB in the financial year 2016-2017.

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

There is no pending or unresolved show cause/legal notices received from CPCB/SPCB in the financial year 2016-17.

Details are published at https://www.nlcindia.com/about/sustainable_development.pdf

Principle 7 (P7)

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   The Company is member of Standing Conference of Public Enterprises (SCOPE) and Confederation of Indian Industry (CII).

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

   No.

Principle 8 (P8)

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

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

   In 2016-17, the Company focused on following projects in pursuit of inclusive growth.

   - Health Care, Family Welfare and Sanitation
   - Providing Drinking Water Supply Facilities
   - Providing Education including Special Education, Vocational skills, Scholarships
   - Women Empowerment/Gender Equality
   - Environmental Sustainability
   - Promoting Sports in Rural Areas
   - Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development
   - Providing Link Roads/Access for Rural Development
   - Other Community Assets for Rural Development including Construction of infrastructure like Schools/Libraries/Laboratories
   - Heritage, Arts and Culture

   The details of CSR initiatives of the Company have been included in the Director's Report

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

   The Company has undertaken CSR project through in-house teams, District Administration and also external Expert Agencies.

   The details have been included in the Director's Report.

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

   The Company has done impact assessment of various CSR activities. The Company has trained 1120 persons during 2016-17 through its CSR focused training programmes. Through its health and sanitation programmes, the Company has extended free medical consultation with minimum anti-biotic therapy and vitamins and also emergency treatment to the rural public in 5,63,139 instances. Company has provided investigation and treatment facilities for management of full range of medical conditions, including medication for management of life style induced disorders on long term basis to the contract workmen and their family members in 11,716 instances in General Hospital at Neyveli, in which all the base Specialty clinics, OP clinics and emergency department are run.

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

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

   The Company has spent ₹37.19 crore under various CSR Projects, programs and activities in 2016-17, details of which are shown in the below table:

CSR Expenditures in 2016-17 **(₹ in crore)**

CSR Focus area	Expenditure in 2016-17
1. Health Care, Family Welfare and Sanitation	9.25
2. Providing Drinking Water Supply Facilities	0.17
3. Providing Education including Special Education, Vocational skills, Scholarships	10.97
4. Women Empowerment / Gender Equality	0.17
5. Environmental Sustainability	0.18
6. Promoting Sports in Rural Areas	0.13
7. Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development	7.00
8. Providing Link Roads/ Access for Rural Development	2.19
9. Other Community Assets for Rural Development including Construction of infrastructure like Schools/ Libraries / Laboratories	7.11
10. Heritage, Arts and Culture	0.02
Total	**37.19**

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

The Company has followed a participatory approach for all its CSR Initiatives.

- It conducts Baseline Survey before commencement of all the CSR Projects to understand the requirements of the Community.
- Based on the Baseline Survey, the CSR initiatives are planned and framed to fulfill the requirements.
- The completed CSR Projects are handed over to the community in proper form taking all the necessary steps for ensuring proper and efficient usage.
- To ensure successful adoption of the completed community development initiatives, inspections are carried out periodically/through surprise checks.
- Evaluations of all the CSR initiatives are carried out by engaging external agency.
- Impact assessments are being done on the completed CSR activities.

Principle 9 (P9)

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

There are two customer cases pending at the end of the financial year.

a. Civil Appeal No.1885 of 2011 filed by TANGEDCO in August 2010 before Supreme Court of India against of Orders of CERC & APTEL rejecting the claim of TANGEDCO on the Lignite Transfer Price adopted for the determination of Generation Tariff for the period 01.04.2001 to 31.03.2004 for TPS-II (Stage-I & II).

b. Civil Appeal No.9675 of 2010 filed by TANGEDCO in October 2010 before Supreme Court of India against the Orders of CERC & APTEL directing TANGEDCO to reimburse IT dues on grossed up basis to NLCIL.

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

Not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof.

There is no such case filed by any stakeholder.

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

Consumer Survey pertaining to Commercial issues:

- 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.
- Further Regulatory mechanism which governs NLCIL gives equal opportunities to the stakeholders in all regulatory precepts, including voicing of difference of opinions and dispute resolution in a fair manner.

★★★★★

SOCIAL OVERHEAD ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017

(₹in crore)

Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Expenses:												
Consumption of Materials												
Stores & Spares	**11.76**	11.32	**0.01**	0.00	**3.27**	2.19	**0.01**	0.02	**0.00**	0.00	**15.05**	13.53
Power (A)	**58.99**	60.87	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**58.99**	60.87
Employees' Remuneration and Benefits												
Salaries, Wages, Bonus and Incentives	**89.35**	77.81	**2.19**	2.69	**17.98**	23.07	**12.53**	12.28	**2.96**	3.01	**125.01**	118.86
Contribution to Provident and other Funds	**14.14**	12.67	**0.39**	0.38	**2.97**	3.22	**1.30**	1.14	**0.58**	0.45	**19.38**	17.86
Gratuity	**0.06**		**0.00**	0.00	**0.01**	0.00	**0.00**	0.00	**0.00**	0.00	**0.07**	0.00
Welfare expenses	**7.59**	6.48	**0.12**	0.03	**0.35**	0.31	**0.00**	0.16	**0.00**	0.04	**8.06**	7.02
Rent, Rates & Taxes	**0.00**	0.58	**0.00**	0.00	**0.00**	0.02	**0.00**	0.00	**0.00**	0.00	**0.00**	0.60
Repairs & Maintenance :												
Buildings	**15.44**	10.90	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**15.44**	10.90
Others	**30.05**	27.95	**0.00**	0.01	**0.86**	0.78	**0.02**	0.17	**0.06**	0.00	**30.99**	28.91
Depreciation	**17.93**	9.34	**0.04**	0.03	**0.37**	0.38	**0.02**	0.02	**0.01**	0.00	**18.37**	9.77
Travelling Expenses	**0.00**	0.17	**0.00**	0.00	**0.00**	0.00	**0.00**	0.01	**0.00**	0.02	**0.00**	0.20
Miscellaneous	**2.42**	8.44	**0.07**	0.04	**0.33**	0.26	**0.43**	0.67	**0.04**	0.10	**3.29**	9.51
Total	**247.73**	**226.53**	**2.82**	**3.18**	**26.14**	**30.23**	**14.31**	**14.47**	**3.65**	**3.62**	**294.65**	**278.03**
Receipts:												
Recoveries:												
Rent	**13.99**	15.11	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**13.99**	15.11
Electricity Charges	**19.67**	15.56	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**19.67**	15.56
Water Charges	**0.42**	0.49	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.42**	0.49
Grant-in-aid	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**5.43**	4.66	**0.00**	0.00	**5.43**	4.66
Bus Receipts	**0.00**	0.00	**0.00**	0.00	**1.82**	2.21	**0.00**	0.00	**0.00**	0.00	**1.82**	2.21
Misc. Receipts	**0.13**	2.43	**0.04**	0.05	**0.01**	0.00	**0.01**	0.00	**0.00**	0.01	**0.19**	2.49
Total	**34.21**	**33.59**	**0.04**	**0.05**	**1.83**	**2.21**	**5.44**	**4.66**	**0.00**	**0.01**	**41.52**	**40.52**
Net Expenditure	**213.52**	**192.94**	**2.78**	**3.13**	**24.31**	**28.02**	**8.87**	**9.81**	**3.65**	**3.61**	**253.13**	**237.51**

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