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/2018 Dt.01.08.2018

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 of the Annual Report of the Company for the year 2017-18 for your record.

Thanking you.

Yours faithfully
for NLC India Limited

1/8/18

Fr 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. R. Vikraman
Shri. Nadella Naga Maheswar Rao
Shri. Chandra Prakash Singh
Shri. Azad Singh Toor
Shri. K. Madhavan Nair
Ms. Nalini Padmanabhan
Ms. Monika Arora
Shri. Indrajit Pal

CHIEF FINANCIAL OFFICER
Shri. Rakesh Kumar

COMPANY SECRETARY
Shri. K. Viswanath

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

M/s. P K K G Balasubramaniam & Associates,
Chartered Accountants,
Door No. 10/2, Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606 602.

BRANCH AUDITOR
M/s. Bhandawat and Company,
Chartered Accountants,
Khetan Bhavan, M.I. Road,
Jaipur - 302 001.

COST AUDITOR
M/s. Bandyopadhyaya Bhaumik & Co.,
Cost Accountants,
G-16, Banerjee Para,
Kamdhari, Garia,
Kolkata - 700 084.

SECRETARIAL AUDITOR
M/s. A.K. Jain & Associates,
Practising Company Secretary,
No 2 (New No 3), Raja Annamalai Road,
First Floor, Purasawalkam, Chennai - 600 084.

PRINCIPAL BANKERS
State Bank of India
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

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 59 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 52 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 55 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, 59 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. R. VIKRAMAN, Director (Human Resource) (DIN 07601778)

Shri.R.Vikraman, aged 56 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. NADELLA NAGA MAHESWAR RAO, Director (Planning &Projects) (DIN 08148117)

Shri Nadella Naga Maheswar Rao, aged 57 years, is a Graduate in Electrical & Electronics Engineering. He holds a Post Graduate Degree (M.Tech) in Power Generation Technology from IIT, Delhi and also Master Degree in Business Administration. Shri Nadella Naga Maheswar Rao has assumed the charge as Director (Planning & Projects) in NLC India Ltd w.e.f 29.06.2018.

Before joining NLCIL as General Manager in the year 2013, Shri Nadella Naga Maheswar Rao has worked with NTPC in various positions in the Project Execution of Thermal Power Plants and subsequently with Reliance Power Ltd for about 4 years in Project Execution and O&M of Thermal Power Plants. On joining NLCIL he was posted in Barsingsar Thermal Power Project, Rajasthan and subsequently assumed the charge as Project Head of NLC Barsingsar Mine-cum-Thermal Power Project and Chief Project Officer for NLCIL Bithnok Thermal Power Project and Barsingsar Thermal Power Station Extension Project. He had successfully implemented the necessary modifications in the Barsingsar Thermal Power Project to achieve the rated capacity of the Plant. Shri Nadella Naga Maheswar Rao has vast experience in Thermal Power Plants and also in administrating the Mine-cum-Thermal project and was instrumental in many achievements in the area of his work.

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

Shri.Azad Singh Toor, aged 66years, 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 65 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 44 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.

Shri. INDRAJIT PAL (Independent Director) (DIN 00163967)

Shri.Indrajit Pal, aged 63 years, is a Honors Graduate in Chemistry with a Post Graduation in Organic Chemistry both from Delhi University. Shri.Indrajit Pal also holds Post Graduate Diploma in Public Administration from Indian Institute of Public Administration and a M.Phil in Social Science from Punjab University. He was a Member of Indian Administrative Service (1977 batch, Andhra Pradesh Cadre) and had held various important positions in Government of Andhra Pradesh, Government of India, Public Sector Undertaking etc., before retiring as the Secretary to Government of India, Department of Chemicals & Petrochemicals in the year 2014.

Chief Vigilance Officer

T. Venkata Subramanian

Executive Directors

N. Muthu
Executive Director(HR)

Syed Abdul Fateh Khalid
Executive Director(SME & Conv.)

D. Ravindran
Executive Director(PPMG)

V. Chandrasekaran
Executive Director (Finance)

Kaushal Kishore Anand
Executive Director(NUPPL)

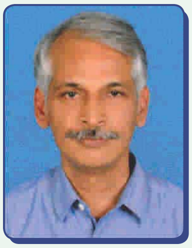
D. Venkatasubbaiah
Executive Director(Thermal)

Hemant Kumar
Executive Director(Mines)

M. Karthikeyan
Executive Director (TA)

Chief General Managers

V. Shanmuganathan
CGM (IE Wing & Contracts)



N. Sankar
CGM/HR (ERP/SAP)

K. Chandran
CGM (Monitoring)

Dr. T. Kannadasan
CGM (Geology & Coal Blocks)

Arvind Kumar
CGM (Mine-IA)

K. Mohan Reddy
CGM (Safety Monitoring & ISO)

R. Mohan
CGM(CSR/Edun/ Sports&Cul.)

S. Mathivanan
CGM (Finance)

Dr. P. Ravi
CGS (Medical)

A. Ganesan
CGM (Commercial)

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

C. Thiagaraju
CGM/HR(IR)

K. Subramanian
CGM (MM)

M. Raghavan
CGM(Vigilance)

P.A. Senthil Kumar
CGM(P&BD)

N. Raguraman
CGM(NNTPP)

Chief General Managers


R. Arul
CGM(CP & PM)


S. Gurusamynathan
CGM(HR/CO)


Y. Joe Stephen Dominic
CGM(HR/CO)


O.S. Gnanasekaran
CGM(HR/Thermal)


V. Manoharan
CGM(Card)


Jagadish Chandra Mazumdar
CGM(Mine-II)


A.S. Vaithinathan
CGM(TPS-I Expn.)


P. Babu
CGM(Civil/CTO)


M. Seran
CGM(TPS-I)


M. Kasinathan
CGM(TPS-II)


A. Elangovan
CGM(Mine-I-Operation)


S. Harikrishnan
CGM(GWC)


A. Ravindran
CGM(TPS-II Expn.)


S.R. Sivaprasad
CGM(Fin) NUPPL


V.N. Babu
CGM(Fin) CO


Shaji John
CEO(NTPL)

PHYSICAL AND FINANCIAL CHARTS

YEAR 2017-18 AT A GLANCE

PHYSICAL

Lignite production
251.53 LT

Power Generation (gross)
20740.84 MU

Power Export
17418.83 MU

FINANCIAL

₹ in crore

Revenue from Operations
8496.20

Profit Before Tax
2689.70

Profit After Tax
1848.78

Dividend
45%**

Reserves & Surplus
11806.01

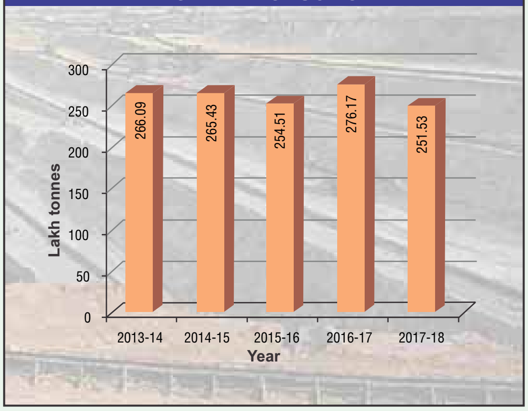
Net Worth
13135.53

Value Added Per Employee (₹)
4997523

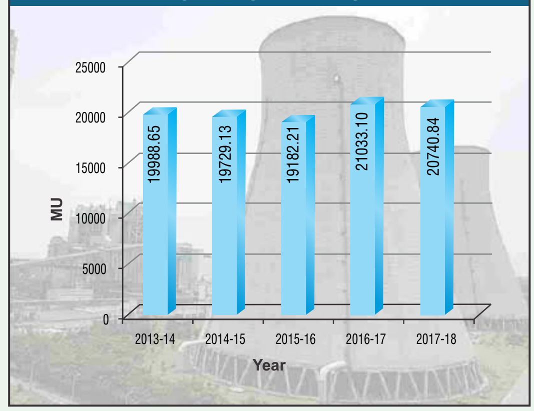
Book Value (₹)
85.93

Earning Per Share (₹)
12.09

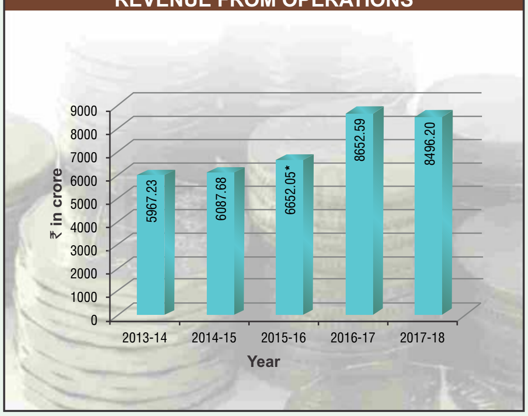
LIGNITE PRODUCTION



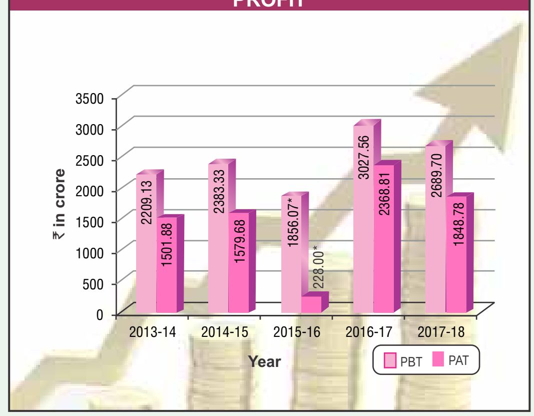
POWER GENERATION



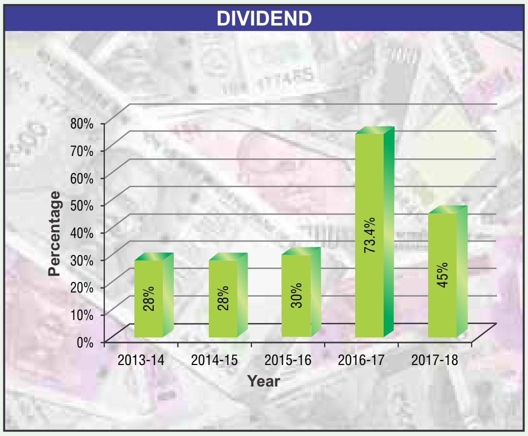
REVENUE FROM OPERATIONS



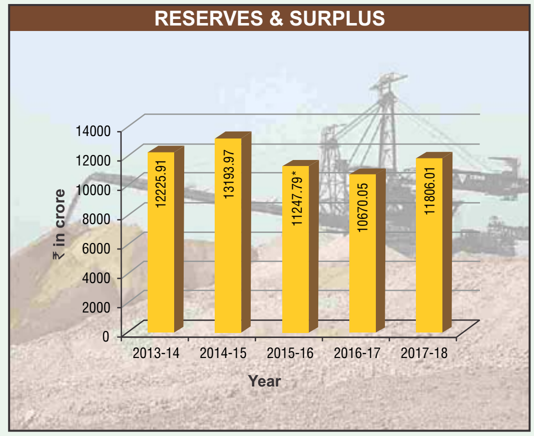
PROFIT



DIVIDEND



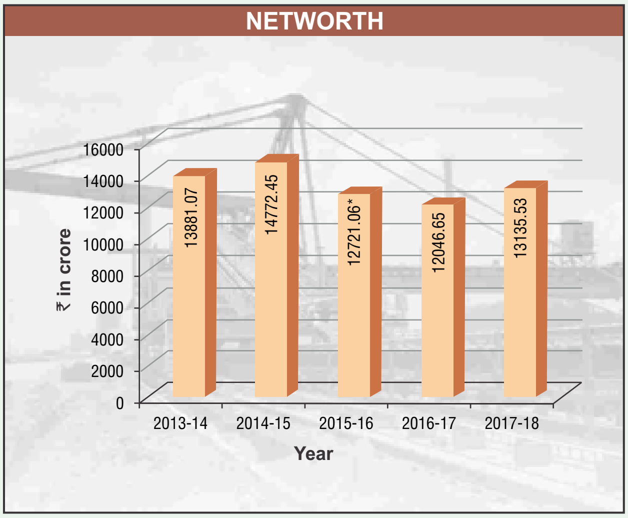
RESERVES & SURPLUS

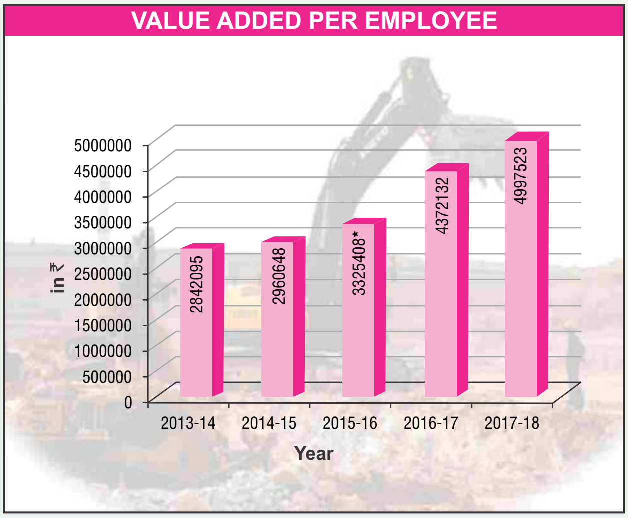


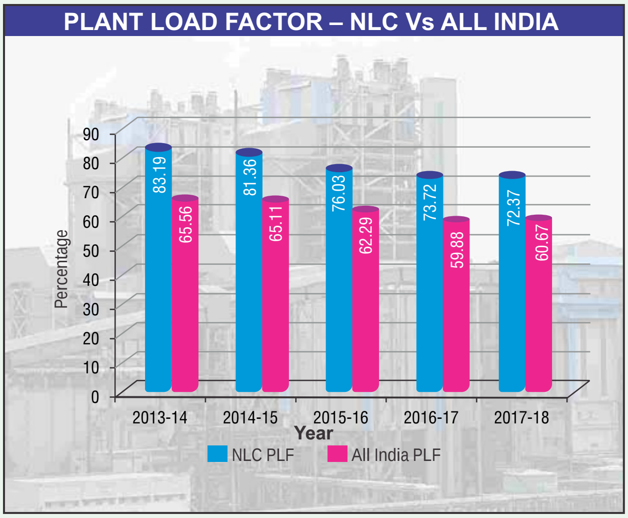
* 2015-16 Financial Figures are Re-stated as per Ind AS

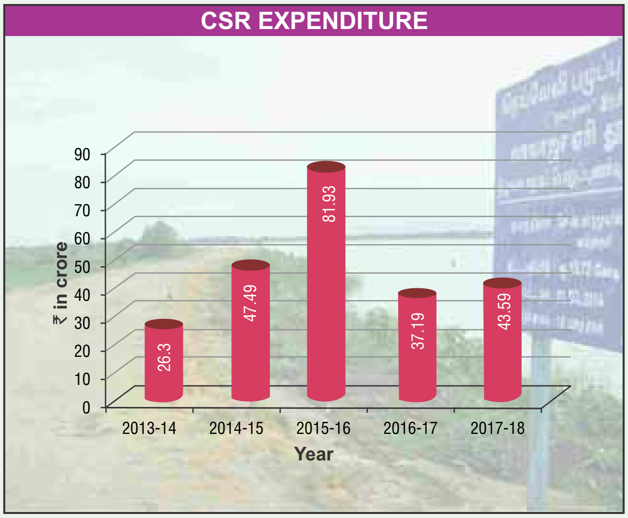
** Including 2.7% recommended by the Board as final dividend.

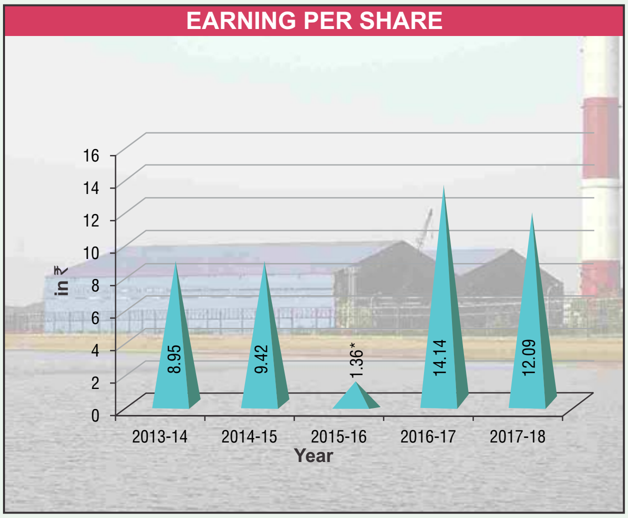
PHYSICAL AND FINANCIAL CHARTS

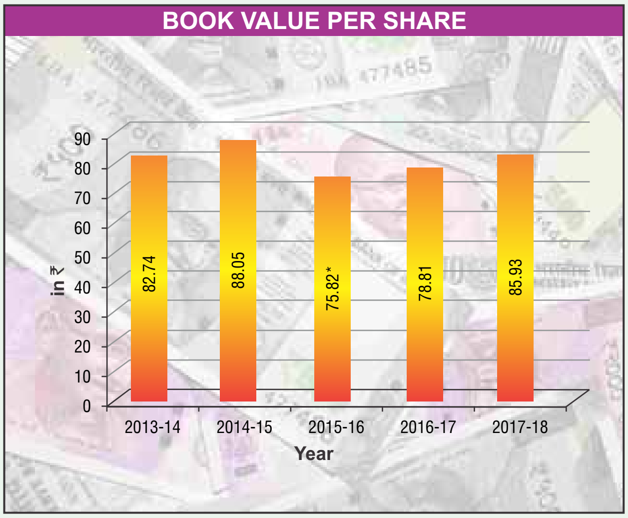












* 2015-16 Financial Figures are Re-stated as per Ind AS

10 Years Performance at a glance - Financial

(₹ in crore)*

	2017-18	2016-17	2015-16 (Restated)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
INCOME STATEMENT											
Sales	8496.20	8652.59	6652.05	6669.05	6087.68	5967.23	5590.07	4866.85	4295.95	4121.02	3354.91
Other Income	586.85	674.57	525.15	525.15	709.29	1024.76	582.95	748.36	571.69	569.22	720.79
Total Income	9083.05	9327.16	7177.20	7194.20	6796.97	6991.99	6173.02	5615.21	4867.64	4690.24	4075.70
Operating Expenses	5386.66	5267.38	4462.90	4452.35	4162.53	4011.03	3581.01	3129.75	2674.47	2801.08	2589.33
Depreciation	861.15	683.07	641.49	599.23	440.62	517.28	512.31	430.18	412.87	253.89	424.50
Interest	204.98	169.06	188.36	188.36	156.06	181.58	193.39	149.54	112.77	33.58	8.15
Profit / (loss) before Regulatory, exceptional items and tax	2630.26	3207.65	1884.45	1954.26	2037.76	2282.10	1886.31	1905.74	1667.53	1601.69	1053.72
Prior Period Adjustments(Net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.17	-7.71
Exceptional Items	59.44	-180.08	-28.38	-28.38	345.57	-72.97	161.34	78.15	17.02	0.00	0.00
Profit / (loss) after exceptional items and before tax	2689.70	3027.56	1856.07	1925.88	2383.33	2209.13	2047.65	1983.89	1684.55	1604.86	1046.01
Provision for Tax	791.89	-214.81	721.73	721.73	803.65	707.25	587.90	572.56	386.22	357.40	224.92
Net Movement in Regulatory Deferral Account Balances	-49.03	-873.56	-906.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the Year	1848.78	2368.81	228.00	1204.15	1579.68	1501.88	1459.75	1411.33	1298.33	1247.46	821.09
Other Comprehensive Income	61.03	-26.61	12.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income	1909.81	2342.20	240.62	1204.15	1579.68	1501.88	1459.75	1411.33	1298.33	1247.46	821.09
Earning Before Int., Deprn.& Tax (with Net movement in Regulatory Deferral Account Balances)	3647.36	3186.22	1807.96	2741.85	2634.44	2980.96	2592.01	2485.46	2193.17	1889.16	1486.37
Dividend	646.58	1121.97	503.32	503.32	469.76	469.76	469.76	469.76	385.87	335.54	335.54
Dividend - tax	127.67	228.42	101.50	101.50	96.94	79.83	78.55	76.21	62.60	56.37	57.03
BALANCE SHEET											
Equity Capital	1528.57	1528.57	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71	1677.71
Reserves & Surplus	11806.01	10670.05	11247.79	13797.28	13193.97	12225.91	11273.62	10362.18	9496.82	8646.96	7791.52
Free Reserves	10961.57	9934.79	10678.02	13233.78	12686.63	11799.24	10929.02	10048.29	9216.01	8396.40	7568.35
Networth	13135.53	12046.65	12721.06	15270.55	14772.45	13881.07	12925.15	11989.57	11121.40	10225.60	9412.78
Loans Outstanding	8719.81	6959.15	3539.98	3539.98	3164.34	3150.29	3524.14	3819.28	4004.04	4077.36	4057.70
Net Fixed Assets	10574.11	9625.03	9654.23	9654.23	6425.66	6470.62	6635.36	8253.75	6795.82	5238.80	4502.96
Investments	2421.37	2421.37	1949.12	1949.12	1934.06	1616.89	1432.40	1197.05	964.75	1044.94	811.37
Net Current Assets	3365.18	2876.15	3850.86	6400.30	5907.94	5928.74	6055.31	5558.55	5268.07	4681.17	4705.51
Capital Employed	#15197.76	12501.17	13505.04	16054.53	12333.60	12399.36	12690.67	13812.30	12063.89	9919.97	9208.47
RATIOS											
Operating Margin(OPM)(%)	36.60	39.12	32.91	33.24	31.62	32.78	35.94	35.69	37.74	32.03	22.82
Return on Capital Employed (ROCE)(%)	12.16	18.95	1.69	7.50	12.81	12.11	11.50	10.22	10.76	12.58	8.92
Return on Networth (RONW)(%)	14.07	19.66	1.79	7.89	10.69	10.82	11.29	11.77	11.67	12.20	8.72
Debt Equity (%)	66.38	57.77	27.83	23.18	21.42	22.69	27.27	31.86	36.00	39.87	43.11
Current Ratio	1.39	1.41	1.70	3.19	3.55	3.44	3.78	3.17	3.04	2.56	2.65
Quick Ratio	1.20	1.15	1.47	2.75	3.16	3.16	3.46	2.97	2.85	2.39	2.46
Value added per employee (in ₹)	4997523	4372132	3325408	3336130	2960648	2842095	2642505	2204260	1934346	1844515	1218369
BOOK VALUE PER SHARE (in ₹)	85.93	78.81	75.82	91.02	88.05	82.74	77.04	71.46	66.29	60.95	56.10
EARNING PER SHARE (in ₹) after adjustment of net regulatory deferral balances	12.09	14.14	1.36	7.18	9.42	8.95	8.70	8.41	7.74	7.44	4.89
DIVIDEND - (%)	42.30	73.40	30.00	30.00	28.00	28.00	28.00	28.00	23.00	20.00	20.00

*Except otherwise stated. # Total Assets excluding CWIP and Asset under Development less Current and Regulatory Liabilities.

10 Years Performance at a glance - Physical

PARTICULARS	UNIT		2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
PRODUCTION												
LIGNITE												
MINE - I	LT		81.53	94.01	91.01	90.55	90.03	79.60	77.34	83.05	91.59	90.40
MINE - IA	LT		27.46	27.80	28.17	29.15	30.01	29.40	28.77	27.19	27.11	30.56
MINE - II	LT		126.70	140.23	123.09	132.21	130.52	139.44	130.96	117.11	104.43	91.09
Barsingsar Mine	LT		15.84	14.13	12.24	13.52	15.53	13.79	8.83	4.09	0.25	1.02
TOTAL	LT		251.53	276.17	254.51	265.43	266.09	262.23	245.90	231.44	223.38	213.07
POWER												
T.P.S. - I	GROSS	MU	3379.15	3696.70	3160.98	3631.05	4058.14	4035.43	3987.85	3878.65	4114.44	3577.49
	NET	MU	2939.29	3256.99	2776.89	3192.95	3594.55	3569.44	3510.55	3400.54	3630.13	3141.03
T.P.S. - I EXPN	GROSS	MU	3247.15	3337.33	3268.16	3385.03	3292.10	3319.77	3042.68	2997.04	2979.43	3126.05
	NET	MU	2972.80	3055.32	3000.07	3107.27	3013.59	3035.58	2809.97	2743.44	2720.12	2858.42
T.P.S. - II	GROSS	MU	10259.02	11052.17	10583.15	11131.33	11179.16	11238.09	11087.65	10739.78	10559.69	9064.44
	NET	MU	9245.40	9988.05	9546.47	10063.06	10104.37	10152.16	10018.96	9701.51	9549.99	8172.14
Barsingsar Thermal	GROSS	MU	1648.09	1463.49	1285.57	1380.71	1438.24	1280.85	617.68	265.61	2.48	0.00
	NET	MU	1435.43	1275.20	1106.09	1255.79	1256.96	1118.40	514.29	193.45	2.48	0.00
T.P.S.II EXPN	GROSS	MU	2007.86	1375.25	851.46	199.57	21.01	28.20	53.58	0.00	0.00	0.00
	NET	MU	1685.20	1130.16	660.77	125.38	14.00	19.81	39.34	0.00	0.00	0.00
Wind Power	GROSS	MU	129.04	91.28	24.02	1.44	0.00	0.00	0.00	0.00	0.00	0.00
	NET	MU	123.90	88.11	23.72	1.44	0.00	0.00	0.00	0.00	0.00	0.00
Solar Power	GROSS	MU	70.52	16.88	8.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	NET	MU	70.52	16.88	8.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	GROSS	MU	20740.84	21033.10	19182.21	19729.13	19988.65	19902.34	18789.44	17881.08	17656.04	15767.98
	NET	MU	18472.55	18810.71	17122.88	17745.89	17983.47	17895.39	16893.11	16038.94	15902.72	14171.59
SALES :												
LIGNITE	L.T		16.16	13.26	17.16	25.48	32.54	27.56	27.18	21.68	21.69	21.35
POWER	M.U		17418.83	17719.46	16104.02	16671.23	16956.40	16841.51	15810.67	14971.26	14828.22	13204.05

LT - Lakh Tonnes   MU - Million Units

DIRECTORS' REPORT FOR THE YEAR 2017-18

To
The Members,
NLC India Limited

Your Board of Directors have pleasure to present the 62nd Directors' Report on the performance of your Company together with the Audited Financial Statements for the year ended 31st March, 2018.

It was an eventful year for your Company in the area of renewable energy. With the thrust given by the Government of India for developing renewable energy, your Company successfully has set its footprint in a major way with the commissioning of 236 MW during the year under review.

Operational Performance

Overview of Mines

Mines

Your Company is presently operating four lignite Mines aggregating to a total mining capacity of 30.60 Million Tonne per Annum (MTPA). During the year, the total Overburden (OB) removal of 1851.35 Lakh Cubic Metre (LM^3) and Lignite production of 251.53 Lakh Tonne (LT) has been achieved.

Power

Your Company is presently operating with installed capacity of 3731 Mega Watt (MW) of Power Plants comprising Thermal Power Plants of 3240 MW, Solar Power Plants of 440 MW (including 200 MW commissioned during May 2018) and Wind Power Plants of 51 MW.

TPS - I Expansion

During the year, total Power Generation (Gross) of 20740.84 Million Units (MU) and Power Export of 17418.83 MU has been achieved in spite of heavy power surrender of 2567.28 MU witnessed from State DISCOMs.

The average Plant Load Factor (PLF) of the Thermal Power Plants of the Company as a whole during the year 2017-18 was 72.37% as against the National Average of 60.67% in spite of TPS-I (600 MW) crossing 56 years of operation.

As Members may be aware, based on the notification issued by Bureau of Energy Efficiency (BEE), TPS-I (600 MW) was exempted from Perform Achieve and Trade (PAT) cycle till 31.03.2017. Neyveli New Thermal Power Plant (NNTPP) with a capacity of 1000 MW is under implementation for replacing the above TPS-I and as per the present status of implementation, the Unit -I and Unit -II are likely to be commissioned by October, 2018 and December, 2018 respectively. Under the above circumstances, your Company is pursuing this issue 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 sustainable basis. MoC has recommended for rescheduling of the retirement of above Plant and to permit the operation till August 2018. The MoP has communicated that the request of the Company for rescheduling of the retirement of TPS-I cannot be acceded to as there is no provision for further exemption beyond five years under the Essential Commodities (EC) Act, 1995. Your Company has once again taken up the matter with the MoC and MoP requesting for permission to operate the Units of TPS -I.

Productivity

The output per man-shift achieved during the year 2017-18 as compared with the previous year has improved in Power generation whereas owing to restricted lignite production the output per man-shift is marginally less. The details are given below.

Product	Unit	2017-18	2016-17
Lignite	Tonne	13.14	13.67
Power	KWhr	24755	24341

Financial Performance

During the year ended 31st March, 2018, your Company has registered a revenue from operation of ₹ 8496.20 crore as against ₹ 8652.59 crore during the previous year ended 31st March, 2017. The decline of 1.81% in the revenue from operation was mainly due to unprecedented surrender of power impacting the revenue generation of the Company adversely by around ₹ 783 crore and also on account of passing on of the benefit of around ₹ 750 crore to the beneficiary DISCOMs (on account of non-applicability of Clean Environment Cess and Excise Duty consequent to rolling out of GST) which if included (as the cess & duties forms part of tariff) would have resulted in a total revenue from operation of ₹ 9246.20 crore, resulting in a growth of 6.86%.

The Profit Before Tax (PBT) and the Profit After Tax (PAT), for the year 2017-18 were ₹ 2689.70 crore and ₹ 1848.78 crore respectively as against the PBT and PAT of ₹ 3027.56 crore and ₹ 2368.81 crore respectively in 2016-17. The Earnings Before Interest, Tax and Depreciation & Amortisation (EBITDA) of the Company for the year 2017-18 stood at ₹ 3,647.36 crore as compared to ₹ 3,186.22 crore in the previous year 2016-17 (considering regulatory deferral balances and excluding exceptional items), registering a growth of 14.47%. The Operating Profit as a percentage of revenue from operations and Return on Investment were 23.47% and 14.48% respectively.

On a consolidated basis, the total revenue from operations for the year 2017-18 was ₹ 11288.39 crore as against ₹ 11185.73 crore in 2016-17. The PBT & PAT for the year 2017-18 were ₹ 2869.70 crore and ₹1956.78 crore respectively as against ₹ 3162.84 crore and ₹ 2456.66 crore respectively in 2016-17.

The details of profit earned for the financial year 2017-18 and appropriation of the same are as follows:

₹ in crore

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Profit Before Tax	**2689.70**	3027.56	**2869.70**	3162.84
Tax Provision	**791.89**	(214.81)	**863.89**	(167.38)
Net Movement in Regulatory Deferral Account	**(49.03)**	(873.56)	**(49.03)**	(873.56)
Profit /(Loss) for the Period (PAT)	**1848.78**	2368.81	**1956.78**	2456.66
Appropriation				
Transfer (to) / from Interest Differential Fund Reserve	**(12.28)**	(11.12)	**(12.28)**	(11.12)
Transfer to Bond Redemption Reserve	**(15.00)**	(15.00)	**(15.00)**	(15.00)
Transfer to PRMA Reserve Fund	**(10.87)**	(6.84)	**(10.87)**	(6.84)
Transfer to Contingency Reserve	**(10.00)**	(10.00)	**(10.00)**	(10.00)
Transfer to Capital Redemption Reserve	**--**	(149.14)	**--**	(149.14)
Buy back Premium	**--**	(1327.36)	**--**	(1327.36)
Dividend	**(646.58)**	(1121.97)	**(648.99)**	(1121.97)
Tax on Dividend	**(127.67)**	(228.42)	**(132.12)**	(228.42)

Dividend

During the year 2017-18, the Board of Directors of your Company declared an Interim Dividend of 42.30% (₹ 4.23 per equity share) and further, your Board has also recommended a final dividend of 2.70% (₹ 0.27 per equity share) subject to the approval of shareholders. With the above Interim Dividend already paid, the total dividend for the year 2017-18 is 45% and the same works out to ₹ 687.86 crore which is more than 30% of PAT and 5% of the Networth.

Disinvestment by GOI

During the year 2017-18, the Government of India (GOI) had disinvested 5.025% of shares held by the President of India in the Company through Offer for Sale (OFS) and further transferred 0.26% shares to “Bharat 22 ETF”. The present shareholding of the President of India in the Company is 84.04%.

MOU with the Ministry of Coal

Your Company had achieved “Very Good” rating for its performance during the year 2016-17 in terms of the Memorandum of Understanding (MoU) entered into with the Ministry of Coal as per DPE guidelines.

Corporate Plan

Your Company has an approved Corporate Plan under implementation and as per the same by the year 2025, it is aimed to achieve an overall increase in the mining and power capacities as under:

- To increase the lignite mining capacity from the present 30.60 MTPA to 62.15 MTPA.
- To reach the coal mining capacity to 31.00 MTPA (including NUPPL, the Subsidiary).
- To increase the lignite-based power generation capacity from the present 3240 MW to 6780 MW after phasing out the plant of TPS-I of 600 MW.
- To increase the coal-based power generation capacity from the present 1000 MW to 6980 MW (including Subsidiaries).
- To increase the renewable based power generation capacity from the present 491 MW to 4251 MW.
- Acquisition of power assets for a capacity of 3000 MW.

While pursuing its strategic targets, your Company is also likely to replace its old and inefficient thermal units with technologically advanced, efficient and environmentally compliant units in a phased manner.

Thus, the above Vision Document envisages for increasing the overall lignite production capacity to 62.15 MT, Coal production capacity to 31.00 MT and Power generation capacity to 21011 MW, by the year 2025 with expected capital commitment of ₹ 1.29 lakh crore. Besides the above, it is also planned to enter into the business of Commercial Coal Mining, Installation of ecart Charging Stations, blending of lignite with Coal for use in coal fired power plants and power trading business.

Projects under Construction / Implementation / Formulation

In pursuance of its Corporate Plan, your Company is executing the following projects which are in different stages of implementation / formulation.

Mining Projects

Description	Capacity (MTPA)	Expected COD
Expansion of Mine I & IA Lignite Mines at Neyveli	4.00	2020-21
Bithnok Lignite Mine in Rajasthan	2.25	2019-20*
Hadla Lignite Mine in Rajasthan	1.90	
Mine-III (Lignite) at Neyveli	11.50	2020-21
Talabira II & III Coal Blocks in Odisha	20.00	2018-19

*Presently put on hold.

Power Projects

Description	Capacity (MW)	Expected COD
Neyveli New Thermal at Neyveli	1000	2018-19
Bithnok Thermal in Rajasthan	250	2019-20*
Barsingsar Thermal Extension in Rajasthan	250	
TPS-II 2nd Expansion (Phase I) at Neyveli	1320	2021-22
Talabira Thermal (Phase I) in Odisha	2400	2022-23
Solar in Tamil Nadu	909	2018-19
Solar in Andaman Islands	20	2019-20

*Presently put on hold

Subsidiaries / Joint Venture Projects

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

Members may be aware that NTPL, the Subsidiary Company is operating a coal based thermal power plant at Tuticorin in Tamil Nadu, consisting of two units of 500 MW capacity each. During the year 2017-18, the power generation was 5413 MU (excluding power surrender of 1539 MU) with a PLF of 61.79% and export of power from this plant was 5026 MU.

Panoramic view of NTPL

During the year ended 31st March, 2018, NTPL in its full year of operation registered a revenue of ₹ 2817.71 crore as compared to ₹ 2533.15 crore in the previous year 2016-17. The PBT & PAT for the year 2017-18 were ₹ 218.48 crore and ₹ 146.33 crore respectively as against ₹ 134.20 crore and ₹ 78.04 crore respectively in the previous year 2016-17. The Board of Directors of your Company is very happy to inform that NTPL has paid a maiden dividend of 1% for the year 2017-18.

Neyveli Uttar Pradesh Power Limited (NUPPL) Ghatampur Thermal Power Project (1980 MW - 3x660 MW) linked to Pachwara South Coal Block (11.00 MTPA)

As stated in earlier Directors' Report, NUPPL, the Subsidiary Company is implementing the Ghatampur Thermal Power Project (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh at a cost of ₹ 17,237.80 crore, with commissioning of all Units in the financial year 2021-22.

Uttar Pradesh Power Corporation Limited (UPPCL) had signed a Power Purchase Agreement (PPA) for availing 75% of the Power from GTPP. Further to the request made to the Government of Uttar Pradesh, for availing the balance 25% of power from the above Project, UPPCL has agreed for the same and necessary amendment to the existing PPA is to be made shortly.

As a fuel linkage to the above power project, Government of India has allocated Pachwara South Coal Block in the State of Jharkhand, with a Geological Reserves of 304.27 MT of coal to NUPPL. The subsidiary is pursuing through the task force set up by the Government of Jharkhand for the issues concerning detailed exploration, obtaining forestry clearance etc., for the development of the block. Notification has been issued under Sec 4(1) of Coal Bearing Areas (Acquisition and Development) Act for carrying out the detailed exploration of the block.

This Block has been proposed to be developed through the appointment of Mine Developer & Operator (MDO). With the MDO concept and with the normative targeted output of 9.00 MTPA & Peak output of 11.00 MTPA for a Mine life of 30 years the initial capital outlay is expected to be around ₹ 1795 crore. NUPPL has issued the tender for the appointment of MDO and the same is under progress.

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.

Long-term Borrowing & Credit Rating

During the year under review, your Company has tied up a Rupee Term Loan (RTL) of ₹ 1135 crore with HDFC Bank to fund the capital expenditure of on-going 1000 MW Neyveli New Thermal Power Project (NNTPP) and for the 500 MW Solar Power Project in Tamilnadu, funding arrangements through RTL of ₹ 1406 crore have been made with AXIS Bank, Federal Bank and ICICI Bank. In order to meet the general funding requirements, your Company has also entered into an arrangement for availing RTL of ₹ 2000 crore from Mahanadi Coalfields Limited.

Highest credit ratings (AAA) have been accredited by top Credit Rating Agencies for all of its existing borrowing facilities obtained for various projects by your Company.

Commercial

Trading of Un-requisitioned Surplus (URS) Power

As stated earlier, the power surrender by the DISCOMs / Beneficiaries is on the rise and during the year 2017-18, 2567.28 MU was surrendered as against 1307.25 MU in the year 2016-17. It is a national phenomenon that all Central Generating Stations including your Company suffered due to lesser demand conditions, availability of cheaper power in the market etc. In order to improve the revenue, your Company resorted to sell this Un-requisitioned Surplus (URS) power in the market and during the year under review 958.40 MU of surrendered power were sold through power exchanges, thereby fetching revenue of ₹ 295.68 crore.

Power Dues / Realisation

Your Company is following the rebate scheme and the payment priority clause as per the amended power purchase agreements with regard to realisation of power dues from the beneficiaries. The outstanding power dues of the Company as on 31st March, 2018 was ₹ 3644.76 crore against ₹ 4248.80 crore for the corresponding period of the year ended 31st March, 2017. The dues beyond the 60 days limit as on 31st March, 2018 was ₹ 2161.18 crore as against ₹ 631.21 crore for the corresponding period of the previous year ended 31st March, 2017. Trade receivables (Net) as number of days of Revenue from Operations (Gross) was 145 days.

Land Acquisition and Rehabilitation & Re-settlement (R & R) Policy

Your Company, being sensitive to the involuntary relocation of displaced families for the sake of the projects, adequately takes care of the Project Affected Persons (PAPs) through appropriate R & R Policy measures thereby minimising the trauma of displacement. Your Company follow the guidelines issued by the Government of India, from time to time, on R & R for the on-going projects. Your Company has also developed several Resettlement Centres (RCs) in the vicinity of its Projects and these RCs are provided with good infrastructure facilities and 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 the loss of assets, as directed by the appropriate Government from time to time and with the co-operation of the District Administration. Certain developmental works such as improvement of existing village roads, improvement of bunds of canals, de-silting of drains etc. were carried out for a value of about ₹ 50 lakh in the peripheral villages during 2017-18.

New Land Acquisition Act

GOI has enacted New Land Acquisition Act viz. "Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act 2013" (RFCTLA) which is applicable from 01.01.2014. However, the Government of Tamilnadu (GoTN) 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 Tamilnadu Acquisition of Land for Industrial purpose Act, 1997 (Tamilnadu Act No.10/99)" from other provisions of the Central Act, except the provisions relating to the determination of the compensation and rehabilitation & resettlement. The land acquisition is continued under Tamilnadu Acquisition of Land for Industrial purposes Act, 1997 (Tamilnadu Act No.10/99)"

Subsequently a G.O. dated 21.02.2018 has been issued by the Industries Department of GoTN for determination of land compensation as per the RFCTLARR Act 30/2013 by adopting the provisions of Land compensation as per Schedule 1 for the lands being acquired under the above State Government Act.

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 2017-18 was ₹ 2.25 crore. Your Company has also completed successfully Development of Pilot Micro Hydro Project with cooling tower water source for generation of additional Power (108000 kWhr/ annum) on 15.12.2017. In addition to the above projects, CARD has completed two projects viz., (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

The highly competent and motivated human resource available in your Company significantly contributes to the growth and mission of the Company. Human resource is the backbone of the Company in driving the operational and financial performance. The thrust on achieving higher growth and optimal utilisation of manpower continued in the year under review also. The productivity of the employee has been demonstrated through its operational excellence in lignite production and power generation. The total manpower of the Company as on 31st March, 2018 stood at 14,446. During the year 2017-18, the major HR related activities carried out were as under:

- Online submission of ACR / APAR in respect of all executives within the prescribed timelines.
- Updation of Online quarterly vigilance clearance for all Senior Executives (ADGM & above) were completed within the timelines.
- Succession Plan was approved by Board of Directors on 27.09.2017.
- DPC was held for all executives within the timelines.
- Placement of HR Audit Report to Board completed on 12.08.2017.

During the year 2017-18, Presidential Directives were received with regard to pay revision for Executives with effect from 01.01.2017 and the same was implemented.

Training

Your Company strongly believes that the pursuit of excellence can be achieved only through continuous learning, competency building, reinforcing good work practices, etc. Learning and Development Centre (L&DC) continuously strives to gleam the in-house talents and espouse latest technological breed for the betterment of its business progression. The training programme included apprentice training, Computer and CSR related training, management education, worker education, skill upgradation, training on safety, health, quality & standards etc. Based on competency requirement and employee training needs, L&DC had also designed Annual Training Plan for 2017-18 to ensure competency building of employees to meet the organisational objectives.

The total number of 753 in-house programmes covering 39703 employee headcounts and 281 various outstation programmes (within India and abroad) covering 1018 employees were organised during the year. Total training man-days for executives was 38681 days averaging 9.52 man-days, for non-unionized supervisors 13848 days averaging 36.63 man-days and for non-executives are 25950 days averaging 4.06 man-days per employee.

In addition to the above, Apprentices were also given training as per Statutory Guidelines of the Regional Director of Apprenticeship Training, Chennai (RDAT) and the Board of Apprenticeship Training (BOAT) of Southern Region, Chennai. During the year under review 971 candidates were imparted Apprenticeship training in various trades.

Further, during the year 2017-18, 1773 students pursuing full time UG / Diploma in Engineering were permitted to undergo in-plant training besides permission to carry out the project work and vocational training.

Industry Institution Interaction Programme

Your Company has entered into a MOU with Annamalai University for conducting Executive MBA programme for the employees of the Company. L&DC is serving as the nodal center and facilitating the infrastructure and faculty services for conducting the above programme and 24 employees are pursuing the course.

Industrial Relations

Your Company continued its faith in participative management and has a regular system of holding bipartite structured meetings with the Recognised Unions (collective bargaining agents) / Associations for addressing the common issues of the employees. During the year under review, the Industrial relation was cordial.

Contract Labour Management System (CLMS)

As part of initiative of Ministry of Coal to improve transparency, your Company has implemented “Contract Labour Management System” portal which can also be accessed by the stakeholders including contractors and contract workmen to upload documents and view details of their attendance, wages & statutory payments made to them.

Reservation of Posts

Your Company follows the reservation policy for SCs, STs and OBCs as per the Presidential Directives and Government of India Guidelines. The group-wise Men-in-Position (MIP) as on 31st March, 2018 stands as follows:

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	3792	784	284	421*	20.68	7.49	11.10*
B	280	55	24	69	19.64	8.57	24.64
C	9450	1789	93	2821	18.93	0.98	29.85
D	924	202	2	500	21.86	0.22	54.11
Total	**14446**	**2830**	**403**	**3811**	**19.59**	**2.79**	**26.38**

*strength of OBCs on rolls after reservation for OBCs came in to effect (i.e. 08-09-1993). However more than adequate strength of BCs were recruited prior to reservation for OBCs came to effect.

Scholarship Schemes 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, SC/ST, OBC categories and Contract Workmen besides scholarships earmarked exclusively for girl children. A separate Cash Award Scheme and Scholarship Scheme under CSR have been instituted by the Company for the benefit of girl children studying in the peripheral districts of Barsingsar Project, Rajasthan and further the tuition fees are reimbursed for students belonging to SC/ST/OBC category studying in Jawahar Science College, Neyveli every year.

Compliance under the Rights of Persons with Disabilities Act, 2016

Your Company ensures compliance of provisions under the Rights of Persons with Disabilities Act, 2016. Your Company has evolved a comprehensive policy for Persons with Disabilities (PwDs) as per the Guidelines issued by GoI for providing certain facilities/amenities to PwDs to meet their requirements and enable them to effectively discharge their duties.

Various social welfare measures towards the cause and up-liftment of the Physically Challenged Persons are implemented through Neyveli Health Promotion and Social Welfare Society (NHPSWS), "SNEHA" Opportunity Services and School, both patronized by your Company.

- **Neyveli Health Promotion and Social Welfare Society (NHPSWS):** Running a school "SHRAVANEE" exclusively for the Hearing-Impaired children, retail outlets /provision shops "VAIGAI" and Rehabilitation Centre (RHC) for cane weaving, knitting of wire chairs, repair works of chair seats, office files & book binding works, by engaging differently abled persons.

- **SNEHA Opportunity Services and School:** SNEHA school is imparting education and Training to mentally challenged children (around 70 children: Boys-48 & Girls-22) and Restaurants (training units) namely Sneha Poushtika & Sneha Amruth engaging differently abled persons.

Implementation of Official Language Act, 1963

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. During the year 2017-18, Hindi workshops were conducted on quarterly basis on various topics besides spoken Hindi classes for 30 working days and Hindi Fortnight in the month of September, 2017, wherein competitions on various topics were held. In order to encourage the learning of Official language, employees are trained through various Hindi Correspondence / Regular Courses or personal contact programmes and rewarded with cash awards.

NLC Schools

Your Company is running 10 Schools essentially for the needs of nearby villages and the students are mostly of the wards of society and contract workmen. The present strength of students is 5710. Breakfast scheme for XI & XII Standard students was introduced for the first time this year.

Implementing PM's Mission in the minds of younger generation

The student community of Neyveli was engaged in India's largest cleanliness drive viz., Swachh Bharat Abhiyan & Swachhata Pakhwada on regular basis to make as a habit among children. Millions of student hours were spent in executing the PM's Mission in the minds of future generation. Mini Marathon Rally was also conducted to create awareness among the public besides Skill India programme to create opportunities, space and scope for the development of talents of Indian Youth.

A Yoga training camp for 15 days was conducted as part of celebrations of the International Yoga Day. Further a special Yoga training camp at Government Home for Children housing mostly Juvenile Students at Villupuram was carried out which was appreciated by the State Government Authorities.

Sports Development Centre (SDC)

Sports Development Centre (SDC) has been promoting sports activities among the Neyveli School students, youth and employees of the Company. Neyveli School students are regularly trained by SDC Coaches in various discipline and they were sponsored to participate in many tournaments across the country. 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.

Health Care

Your Company accords highest priority to all-inclusive health and medical care needs of employees and their family members.

Your Company's hospital takes care of health needs of employees up to tertiary care level free of cost. Towards this objective, the Company has developed excellent secondary level hospital with 340 bed capacity to provide quality medical care in best-in-class environment. The service mix includes Emergency care, General Medicine, Chest Medicine, Diabetology, Renal Care, General Surgery, Orthopaedics, Obstetrics & Gynaecology, Ophthalmology, ENT, Paediatrics, Neonatology, Dermatology, Psychiatry and Dental services.

Population who are eligible for full access to medical services available in the Company's Hospital, in FY 2017-18, was 89145 patients, which included regular employees and their dependents, CISF and their dependents, Contract workmen (Non-ESI covered) and their dependents.

The Hospital integrates with all National Health Programmes like Revised National Tuberculosis Programme, National Leprosy Eradication Programme, National Aids Control Programme, Universal Immunization Programme and Pulse Polio Programme to impact health outcomes of rural population in the surrounding villages and improve their health indicators.

The General Hospital at Neyveli had treated 59455 patients in the OPD and the Contract workmen & rural patients accounted for 1.50 lakh which is 25% of total population treated in the OPD during the FY 2017-18. During the FY 2017-18, 11569 patients were treated as in-patients and out of this contract workmen and their family members accounted for 15%.

Affordable Medicine and Reliable Implant for Treatment (AMRIT)

In order to enable the general public to have access to quality generic drugs, especially the costlier anti-cancer and cardiovascular drugs at affordable prices, AMRIT Pharmacy, the distribution arm of Bureau of Pharma Public Sector Undertakings of India under the Ministry of Chemicals and Fertilizers has set up its shop in Neyveli. Presence of AMRIT is expected to reduce out-of-pocket expenditure on all essential drugs required for lifelong management of chronic disorders by over 60%.

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 14001:2004 (Environment Management System), ISO 9001:2008 (Quality Management System) and OHSAS18001:2007 (Occupational Health and Safety Management System) certifications.

During the year 2017-18, 113.50 Ha of land has been reclaimed in all the mines of Neyveli. Orchards and herbal cultivation have been 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 ecological balance. Your Company during the year under review continued to utilise fly ash & bottom ash and the percentage increase in utilization over previous year was 3.89%.

Consequent to the amendment of Environment (Protection) Rules, 1986, the norms for water consumption and emissions from Power Plants [Particulate Matter(PM), Sulphur dioxide (SO_2), Oxides of Nitrogen (NOx) & Mercury (Hg)] have been made stringent for the existing as well as new Thermal Power Plants and in this regard your Company has already taken steps to install Flue Gas De-sulphurisation (FGD) system and to install necessary system to adhere to the revised specific water consumption norms as prescribed.

Safety

Your Company is taking pioneering efforts in the industrial safety area. Central Safety Wing of your Company conducts Risk Assessment and Safety Audit for Thermal Power Stations & Mines in regular periodicity by engaging accredited external agency. The recommendations submitted by the said agencies are being implemented with a focus to achieve Zero harm at Unit Level.

Safety related trainings like Basic, Refresher, on-the-job, Job related briefing etc., are being imparted to all sections of employees in well-designed training centers like Group Vocational Training Centre in Mines, Thermal Training Centre and Learning & Development Centre. By this extensive training of various kinds, there is considerable increase in the level of safety awareness among the employees and contract workers.

Risk Management

Your Company has developed a comprehensive Integrated Risk Management (IRM) framework headed by Functional Director and 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

The activities undertaken by Vigilance Department are Pro-active, Preventive, & Punitive and other measures to sensitize the employees of the Company. Complaints received in the department are dealt based on the "Complaint Handling Policy" and are processed using the Complaint Tracking System (CTS) from receipt up to disposal. As a preventive measure, surprise checks and regular checks, quality checks, follow-up checks and CTE type examinations are conducted. Integrity Pact with the Suppliers/Contractors for all tenders with estimate of ₹ 1.0 crore and above are monitored and review meetings of Independent External Monitors (IEMs) with senior officials of the company are held once in a quarter and IEMs meet with vendors and contractors are held once in a year.

Vigilance department has been conducting "Ethical Awareness Programme" to impart ethical awareness and ethical character education programme to the school students of Neyveli Township. Around 2500 students have enrolled in the Ethical Forum. During the Vigilance Awareness Week -2017 (VAW-2017), competitions on Short Films on the theme "My Vision-Corruption Free India" conducted and necessary steps were taken to host the selected Short Films in social media like YouTube etc. The Vigilance Department gives a lot of thrust for using Information Technology and has taken various initiatives for developing Systems.

During the year 369 complaints were received by the Vigilance Department and out of that 367 complaints (including 8 nos. of complaints pertaining to previous year) have been disposed of. Out of the above disposed cases, 237 complaints were anonymous / pseudonymous, 92 complaints were sent for administrative action to the respective Units and investigations were done in respect of 38 nos. of complaints.

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 2017-18, two review meetings of the Independent External Monitors were held.

Corporate Social Responsibility

- Your Company, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, right from its inception, focusing on the socio-economic development of the operating regions for achieving inclusive growth.
- The thrust areas of the CSR and sustainability activities undertaken by your company during the year were on promotion of health, education, enhancement of vocational skills, gender equality, empowerment of women, environmental sustainability, rural sports, rural development, preservation of national heritage, art and culture besides maintaining of old age home and for welfare of SC, ST & OBC.
- Your Company has adopted a Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. The Policy is available in the Companys 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 to ensure that your Company spends, in every financial year, at least 2% of the average net profits of the last three years.
- Time frames 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 the Company.

During the year, above activities benefited 43 panchayats and 10 schools in total covering 1,11,688 people in different locations including remote areas.

Your Company incurred a total expenditure on CSR activities to the tune of ₹ 43.59 crore during the year (including the carry forward amount of previous year of ₹ 6.27 crore), which amounts to 2.00 % of preceding three years average net profit.

A detailed report on CSR activities compiled as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134 (3) and 135 (2) of the Companies Act, 2013 is placed at Annexure - 1.

New Initiatives during the year 2017-18

- Successfully implemented GST and passed on the applicable benefits to the beneficiaries.
- Declared “Go-live” of SAP ERP of Financial and Control modules.
- Reverse auctions conducted for purchases and contracts beyond threshold value including for borrowings from Banks / Financial Institutions.

Forum of Women in Public Sector (WIPS)

WIPS NLCIL chapter was formed in the year 1990. The strength of women employees in the Company as on 31st March 2018 stood at 1050 constituting 7.27% of Company’s human resource.

The programme / projects undertaken by WIPS during the year 2017-18 as follows:

- Skill / Personality development
- Women Empowerment
- Motivational programme for girl children
- Social welfare / awareness programme
- Women Leaders - Insight to Commitment
- Family budget
- Risk factors and prevention of cervix and breast cancer
- Change of lifestyle for women
- Laws helpful for women happiness
- Ensure safety and hygiene of female child

Awards & Recognition

In recognition of its various activities, your Company has been conferred with the following awards during the year 2017-18:

- "Golden Peacock Environment Management Award" for the year 2017 in appreciation of its adoption of environment friendly technology presented in the World Congress on Environment Management.
- "Excellence in Cost Management" in the 14th National Awards for Excellence in Cost Management-2016.
- Four National Awards and a Special Jury Award for Corporate video, bestowed by The Public Relations Society of India (PRSI) recognising the Company's achievements in public relations and performance.
- "NIPM National Award" for Best HR Practices 2017 by National Institute of Personnel Management (NIPM) for implementing modern HR strategies in the Company.
- "Golden Peacock Award for Sustainability 2017" presented in Golden Business Meet.
- Three awards instituted by PRSI for the (i) Best Corporate Film, (ii) Best PSU implementing RTI and (iii) Best CSR project for Women Development.
- "Industrial Excellence Award 2017" for its best performance and excellence in engineering operation under category "A" presented in the 32nd Indian Engineering Congress 2017 organised by the Institution of Engineers (India), Tamilnadu State Centre.
- "National Energy Conservation Award - 2017" for Mine-I presented by Bureau of Energy Efficiency, Ministry of Power, Govt. of India.
- "Rajasthan Energy Conservation Award 2017" (RECA) for Barsingsar Thermal Power Station, presented by Bureau of Energy Efficiency Ministry of Power, Govt. of India.
- "Scope Corporate Communication Excellence Award 2017" for initiatives on inclusive growth in the Category of Brand Building.
- First prize in the Rajbhasha Field for its best performance in the field of Official Language Implementation instituted by the "Town Official Language Implementation Committee" (TOLIC) of Puducherry.

During the current year 2018-19, the following awards/recognition have been received:

- "Brand of the Decade Award" instituted by Herald Global and BARC Asia in recognition of the Company's exigent business model.
- The "APEX India CSR Excellence Award 2017" under Gold Category instituted by APEX India Foundation in recognition of NLCIL contribution in the area of CSR.
- "Hindustan Ratna PSU Award" instituted by Hindustan Times, in recognition of its "success and excellence among Public Sector Enterprises".
- Fastest growing PSU by the Hindustan Times group based on a survey by Price Waterhouse Cooper.

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 2017-18, under the above Act, 347 applications containing 1599 queries were received and 330 applications covering 1508 queries have been replied.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSMEs) has notified the Public Procurement Policy and in terms of the notification issued the target set for the financial year 2017-18 for procurement of such items which are within the scope of MSMEs was 20% and as against the same, the achievement was 33.65%.

Citizen's Charter

Your Company maintains Citizen's Charter, indicating details of clients, customers under difference 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) Regulation, 2015 and the DPE guidelines on corporate governance is furnished in Annexure - 4.

The Auditors Certificate on the Compliance of 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 Section 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

As on 31st March 2018, the share capital held by your Company in NTPL, NUPPL & MNH Shakti was ₹ 1947.36 crore, ₹ 461.24 crore and ₹ 12.77 crore respectively. Your Company has been extending loans to its Subsidiaries, viz., NTPL and NUPPL. As on 31st March, 2018, the loan amount outstanding from NTPL and NUPPL were ₹ 750 crore and ₹ 1000 crore respectively.

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 2017-18.

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 01.04.2017 in the demat suspense account/ unclaimed suspense account. Out of the above 1100 equity shares, in terms of the provisions of Companies Act, 2013, 900 shares were transferred to Investors Education and Protection Fund (IEPF) during the year 2017-18. As on 31st March, 2018, 200 shares (for which necessary claim has been received) are lying in the above account pending completion of formalities.

Material Changes affecting financial position occurring between the end date of financial year and the date of the Report - Nil.

Sexual harassment of women at work place

A separate Committee is in place for looking into the complaints relating to sexual harassment of women at workplace. During the year 2017-18, no complaint was received in this regard.

Auditors

Statutory Audit

Chandran & Raman, Chartered Accountants, Chennai and P.K.K.G. Balasubramaniam & Associates, Chartered Accountants, Tiruvannamalai were appointed by the Comptroller and Auditor General of India (C&AG) as Joint Statutory Auditors for the year 2017-18 under Section 139 of the Companies Act, 2013. The Board of Directors of your Company has fixed ₹ 24 lakh plus applicable taxes as the Statutory Audit fees, to be shared equally by the Joint Statutory Auditors.

Branch Audit

Bhandawat & Company, Chartered Accountants, Jaipur has been appointed as the Branch Auditor for the year 2017-18 by C&AG for conducting the audit of Mine and Thermal Units at Barsingsar.

Secretarial Audit

A.K. Jain & Associates, Practicing Company Secretaries, Chennai was appointed as the Secretarial Auditor for the year 2017-18. The Secretarial Audit report for the year 2017-18 and the reply to observations of the Secretarial Auditors are furnished in Annexure - 7.

Cost Audit

Bandyopadhyaya Bhaumik & Co, Cost Accountants, Kolkata was appointed as the Cost Auditor for the year 2017-18 to conduct cost audit for Mines & Power Stations of the Company. The cost audit report for the year 2016-17 was filed with Ministry of Corporate Affairs on 7th September, 2017 against the due date 11th September, 2017.

C&AG's Comments

C&AG's Comments on the accounts for the year ended 31st March, 2018 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, 2013 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. Suresh Kumar, Additional Secretary, Ministry of Coal, Shri Indrajit Pal, Independent Director and Shri Nadella Naga Maheswar Rao, Director (Planning & Projects) were inducted into the Board of Directors w.e.f. 09.06.2017, 06.09.2017 and 29.06.2018 respectively. Shri. R.P. Gupta, relinquished his position as a Director w.e.f. 09.06.2017. Shri. P. Selvakumar, relinquished as a Director Planning & Projects on 31.05.2018 on superannuation. The Board places on record its appreciation for the valuable contribution made by them during their tenure as a Director on the Board of the Company.

Shri. V. Thangapandian and Shri. R. Vikraman, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

Acknowledgement

The Board of Directors of your Company places on record its sincere appreciation for the continued support and guidance extended by the Ministry of Coal, Ministry of Power, Ministry of New and Renewable Energy, Ministry of Finance, Ministry of Environment, Forest & Climate Change, Ministry of Industry, Ministry of Labour, Ministry of Heavy Industries and Public Enterprises, NITI Aayog, DIPAM, 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 cooperation 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, 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 : Neyveli
Date : 29.06.2018

Dr. Sarat Kumar Acharya
Chairman and Managing Director

Annexure - 1

1. **A brief outline of NLCILs 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 Nations growth.
   - NLCILs mission is to play an important role in the society.
   - NLCIL has adopted a CSR Policy, under which new/ongoing CSR projects/ programme /activities are undertaken. The Policy is available in the 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, 2013. 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 of the Company monitors to ensure that at least two percent of the average net profit of the last three years is spent on CSR.

2. **The Composition of the CSR Committee**

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**

   ₹ 1865.87 crore

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above)**

   ₹ 37.32 crore.

5. **Details of CSR spent during the financial year**

   a) **Total amount to be spent for the financial year :**

   ₹ 43.59 crore. (₹ 37.32 crore + ₹ 6.27 crore of carry forward amount from 2016-17)

   b) **Amount unspent :** Nil

   c) **Manner in which the amount was spent during the financial year is detailed below.**

CSR EXPENDITURE FOR THE YEAR 2017-18

(₹ 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 up to the reporting period.		Amount Spent; (1) Direct or (2) Through implementing agency (*Details Given below)
(1)	(2)	(3)		(4)	(5)		(6)	(7)		(8)
1. Promoting Health										
1.1	NLCI - Arogya Camps	Health care/ Preventive Health care	(1)	Local	43.650	(1)	33.082	44.840	(1)	23.082
			(2)	Cuddalore - Tamil Nadu, Bikaner- Rajasthan		(2)	11.758		(2)	9.999
1.2	Poshak - Nutritious Food Supplements	Health care/ Preventive Health care	(1)	Local	38.700	(1)	31.257	31.362	(1)	16.694
			(2)	Cuddalore, Tamil Nadu		(2)	0.104		(2)	14.563
1.3	Health care and Sanitation	Health care/ Preventive Health care	(1)	Local	540.900	(1)	537.832	563.048	(1)	537.832
			(2)	Cuddalore - Tamil Nadu, Bikaner- Rajasthan		(2)	25.216		(2)	0.00
1.4	Distribution of Drinking water and Buttermilk	Safe Drinking water	(1)	Local	217.164	(1)	205.412	206.912	(1)	205.412
			(2)	Cuddalore - Tamil Nadu, Bikaner- Rajasthan, Sambalpur - Odisha		(2)	1.500		(2)	0.00
2.	Promoting Education and Enhancing Vocation Skills									
2.1	Formal Education	Promoting Education	(1)	Local	711.585	(1)	740.321	741.282	(1)	740.321
			(2)	Cuddalore - Tamil Nadu, Bikaner- Rajasthan		(2)	0.961		(2)	0.00
2.2	SHRAVANEE - Education to the hearing and speech impaired	Special Education	(1)	Local	35.199	(1)	28.105	28.105	(1)	28.105
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00
2.3	Skill/ Entrepreneurial Development Training	Vocational Skills	(1)	Local	280.150	(1)	221.730	224.064	(1)	221.730
			(2)	Cuddalore - Tamil Nadu, Bikaner- Rajasthan		(2)	2.334		(2)	0.00
3.	Promoting Gender Equality, Empowering Women & Old Age Homes									
3.1	Skill / Entrepreneurial Development Training to Women	Women Empowerment	(1)	Local	65.000	(1)	49.603	50.439	(1)	49.603
			(2)	Cuddalore, Tamil Nadu		(2)	0.836		(2)	0.00
3.2	Caring Elders	Setting up Old age Homes	(1)	Local	81.000	(1)	81.202	81.487	(1)	81.202
			(2)	Cuddalore, Tamil Nadu		(2)	0.284		(2)	0.00

CSR EXPENDITURE FOR THE YEAR 2017-18

(₹ 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 up to the reporting period.		Amount Spent; (1) Direct or (2) Through implementing agency (*Details Given below)
(1)	(2)	(3)		(4)	(5)		(6)	(7)		(8)
4.	Promoting Environmental Sustainability									
4.1	Plantation of trees and conservation of natural resources	Environmental Sustainability	(1)	Local	289.296	(1)	302.724	303.329	(1)	302.724
			(2)	Cuddalore, Tamil Nadu and Bikaner, Rajasthan		(2)	0.605		(2)	0.00
5.	Promoting Rural Sports									
5.1	Sports development	Promoting Sports'	(1)	Local	65.520	(1)	55.046	55.046	(1)	55.046
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00
6.	Rural Development Projects									
6.1	Water Resouces Augmentation	Rural Development Projects	(1)	Local	891.900	(1)	959.434	961.463	(1)	959.434
			(2)	Cuddalore - Tamil Nadu, Bikaner- Rajasthan, Sambalpur - Odisha		(2)	2.029		(2)	0.00
6.2	Community Assets	Rural Development Projects	(1)	Local	791.100	(1)	787.140	789.036	(1)	787.140
			(2)	Cuddalore, Tamil Nadu and Bikaner, Rajasthan		(2)	1.896		(2)	0.00
7.	Protection of National Heritage, Art & Culture									
7.1	Socio cultural events	Heritage, Art & Culture	(1)	Local	42.336	(1)	12.151	12.151	(1)	12.151
			(2)	Bikaner, Rajasthan		(2)	0.00		(2)	0.00
8.	Welfare of SC, ST & OBC									
8.1	Tuition Fees to SC/ST/OBC students	Welfare of SC, ST & OBC	(1)	Local	265.500	(1)	266.208	266.208	(1)	266.208
			(2)	Cuddalore, Tamil Nadu		(2)	0.00		(2)	0.00
					4,359.000	(1)	4,311.247	4,358.77	(1)	4,286.684
									(2)	24.562
						(2)	47.524			47.524
					TOTAL		4,358.77			4,358.77

Details of implementing Agency

(₹ in lakh)

Sl. No.	Name of Project / Programme / Activity	Implementing Agency	Amount Spent through Implementing Agency
1	NLCI - Arogya Camps project	Pondicherry Institute of Medical Sciences, Puducherry	9.999
2	Poshak project	Sri Lalithambigai Mahalir Thondu Niruvanam, A-Block, NLC Rehabilitation Centre, Neyveli	14.563
		TOTAL	24.562

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

   Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of NLCIL.

   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 NLCIL.

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 equipments and through innovative ideas using in-house expertise.
2. Energy Audit conducted in Barsingsar Thermal Power Station and the recommendations are being implemented.
3. National Energy Conservation Week was observed from 14.12.2017 to 20.12.2017 to inculcate the culture of Energy Conservation.
4. Various training programmes were organised in observance with promotion of energy conservation.
5. Initiatives were taken to replace the conventional lights with contemporary energy saving LED lights.
6. Measures taken to reduce the consumption of diesel in various sectors (surface transport, mining equipment, cranes etc.). During this financial year there has been a reduction of about 0.5% in the consumption of diesel compared to previous year.
7. R&D Projects:
   - Township Administration and CARD jointly carried out a pilot project of Installing Remote Sensing Energy Meters on the concept of Smart City Development.
   - 4x5 kW Micro Hydel project was commenced at TPS - II.
   - Dynamic Loading of conveyors in Mine-II was carried out.
   - Actions initiated for 10 kW Roof Top Solar PV Panels with Hybrid appliances.
   - CARD initiated for Smart city concept in Neyveli Township as a pilot project and have been completed. It covers automation of street lights and smart metering installation, online power measurement system. The Real time power measurement is web-based SCADA with the features of Trend analysis; History logging, total energy consumption and SMS message against power failure etc.
8. During the Financial Year 2017-18, by adopting energy conservation measures about 22.42 MU 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 minimize the consumption of energy. The following measures were implemented in various Industrial/Service units and Township.

1. Solar panels are erected in Library, TPS-I Expansion, Mine-II etc.
2. Solar Heaters are erected in General Hospital and Guest House.
3. 51 MW Wind Mills were commissioned inside Tamil Nadu.
4. 10 MW & 130 MW Solar Power Plants were installed inside Neyveli Township and synchronized with Grid.
5. Installation of balance 200 MW out of 500 MW & 709 MW Solar Power Plants in Tamil Nadu and the work is under implementation.
6. Actions initiated to erect and install 20 MW Solar Power Plants in Andaman & Nicobar Islands.
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 implementation. Preparatory works are in progress.

iii. The capital investment on energy conservation equipment

During the Financial Year 2017-18, for implementing various Energy Conservation measures, the Company has invested ₹ 4.52 crore in the Industrial and Service Units.

B. Technology Absorption

(i) The efforts made towards technology absorption

a. Solar Lignite Drying

R&D initiatives were taken up to conduct Techno Economic Feasibility for solar drying of lignite and to analyze the possibility to install Demonstration model for Solar Drying of Lignite. The Parabolic Trough Collectors follows the path of the sun's to get heat energy and the same is used for drying Lignite. The benefits of the project to decrease energy consumption, pollutants and greenhouse gas emissions of low rank coals during the utilisation process, efficient and appropriate drying. MoU has been signed with Institute of Energy Studies, Anna University, Chennai.

Lab scale solar drying system have been installed and demonstrated by IES, AU at CARD with a capacity of 10 -25 kg/hr. During the trial run, maximum temperature of 150-degree C and lignite moisture reduction of 32 % was observed. To improve the efficiency further Pilot scale study is proposed.

b. Matmor & Coldry process

It is proposed to take up a pilot scale study for producing composite pellets from Neyveli lignite and iron ore through Matmor process.

A tripartite agreement has been entered into with Environmental Clean Technologies (ECT) Australia, NMDC Ltd., and your Company for conducting feasibility study on setting up an integrated pilot project of Coldry Matmor process at Neyveli.

c. Development of Micro Hydro Power Generation.

R&D initiatives were taken up for hydel power generation using the free-flowing water discharge points in Thermal power stations & Mines. The Micro hydel technology is identified for power generation from free-flowing water with low velocity. It is proposed to take up a pilot study and on success it will be implemented in all such possible sites. MoU has been signed with Energy Management Centre, Govt. of Kerala. In this pilot scale 4x5 kW Micro kinetic/velocity turbine equipment installation at cooling tower for bay area in TPS-II has been commissioned. The green hydro power produced from the free-flowing water of the cooling tower to fore bay was 63,200 kWhr produced up to 31.03.2018. Further study to identify the potential in Neyveli campus is in progress.

d. Development of alternative materials for pebbles using waste materials

The pebbles are from natural material, considerable difficulties are faced in procurement. Due to demand, the pebbles are not available as per specification. Scarcity of pebbles for bore wells construction is experienced in all mines. To find alternative material, this study is undertaken. MoU has been signed with IIT Madras (IITM), Chennai. IITM has developed different size of pebble and the properties are tested in the lab. Further lab studies on the developed pebbles are in progress at IITM.

e. Floating Solar PV plant at Thermal Lake, Neyveli

Neyveli Mines & Thermal are having lakes to store the groundwater for industrial purposes. Water evaporation in extreme summers caused a big loss to the society. In order to reduce the same and also to get clean power, floating solar paves the way for double benefits of water conservation by 30% and minimum land use in power generation (roughly 3.5 acres/MW) apart from green energy. It is planned to set up a floating solar system to generate electricity to run the pump for drawing water from lake and for lighting applications for which a Pilot Project of 200kWhas been proposed.

f. **Electronification of GWC bore wells & Conveyor Systems**

CARD has initiated projects in energy conservation and automation of bore well and conveyor systems. Ground water control bore wells level measurement is carried out manually facing more difficulties in Mines due to vast area and hence by introducing electronification of the system, real-time measurement would be taken. It is proposed to take up the project in association with NIT, Trichy.

g. **The following new initiatives have been taken up during this year**

- Studies on Solar Cold Storage at CARD
- Studies on the effects of Humic Acid on aquaculture
- Studies on Zeolite based catalyst for mitigation of exhaust gas pollution
- Development of green cement from fly ash
- Extraction of construction grade sand from overburden materials
- Lignite to liquid.

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

- ➢ The benefits will be generation of clean renewable energy by utilising the perennial water resource available in Neyveli for generating hydropower around 1,08,000 kWhr/Annum. Till date around 63,200 kWhr energy generated by the system installed.
- ➢ The benefits of the solar drying of lignite is projected to decrease energy consumption, pollutants and greenhouse gas emissions of low rank coals during the utilisation process, efficient and appropriate drying.
- ➢ Scarcity of pebbles for bore wells construction is experienced in all mines. It can be compensated by alternate material in place of natural pebbles using the waste materials being generated from mines and Thermal.
- ➢ Automation/monitoring of seepage pumps benefits the productivity & safety.
- ➢ Being an innovative technology, Matmor project opens a new avenue for lignite diversification and can save huge foreign exchange for the country by way of reduction in import of coking coal.

(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 was ₹ 2.25 crore

(v) Foreign Exchange earnings and outgo

Foreign Exchange inflow	:	Nil
Foreign Exchange Outflow	:	₹ 48.93 crore

For and on behalf of the Board of Directors

Place : Neyveli
Date : 29.06.2018

Dr. Sarat Kumar Acharya
Chairman and Managing Director

Annexure - 3

Management Discussion and Analysis Report

Industry structure and Development

Energy

India is the fourth largest consumer of energy in the World after USA, China and Russia but it is not endowed with abundant energy resources. It must, therefore, meet its development needs by using all available domestic resources of coal, uranium, oil, hydro and other renewable resources, and supplementing domestic production by imports. Meeting the energy needs of achieving 8-9%, economic growth while also meeting energy requirements of the population at affordable prices therefore presents a major challenge. It calls for a sustained effort at increasing energy efficiency to contain the growth in demand for energy while increasing domestic production as much as possible to keep import dependence at a reasonable level.

Energy intensity, defined as the energy input associated with a unit of Gross Domestic Product (GDP), is a measure of the energy efficiency of a Nation’s economy. India’s energy intensity has been declining over the years. National Mission on Energy Efficiency (NMEE) has been launched to improve energy efficiency in all areas of the economy including power, transport, urban housing and consumer goods. As a part of Clean Energy Mechanism which is a global initiative, a number of measures are being planned for improving efficiency in lighting by use of Light-Emitting Diodes (LEDs) and super efficient appliances.

In the Evolving Transition (ET) scenario, World GDP more than doubles by 2040, driven by increasing prosperity in fast-growing emerging economies. This rising prosperity leads to an increase in global energy demand, although the extent of this growth is offset by accelerating gains in energy efficiency. Industrial demand for energy accounts for around half of the increase in energy consumption. The world continues to electrify, with almost 70% of the increase in primary energy is met by the power sector. China and India account for half of the growth in global energy demand. Renewable energy is the fastest-growing energy source, accounting for 40% of the increase in primary energy. The energy mix by 2040 will be the most diversified the world would have ever seen.

Coal continues to provide the main source of energy supporting India’s economy, accounting for 45% of the energy demand, as India seeks to provide access to electricity to its entire population. In the ET scenario, the broad structure of the fuel mix in the Indian power sector in 2040 is broadly similar to the global trend with renewable energy sector growing rapidly in the years to come.

Power

According to the IMF World Economic Outlook, the growth projections of India are at 7.4% for the year 2018-19 and 7.8% for the year 2019-20. Development of an efficient power generation and distribution system could pave a way for achieving the sustained economic growth. Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India is taking all initiatives to make India as a global manufacturing hub so as to attain the sustained economic growth by implementing the ‘Power for all’ scheme with an objective to strengthen the power supply infrastructure and make 24x7 reliable and quality power available to all households, industry, commercial businesses, public needs, agriculture and any other electricity consuming entity in the competitive business environment.

Power- Installed Capacity

Total installed capacity of power sector in India is 3,44,002 MW (31st March, 2018), of which thermal sector contributes 2,22,906 MW constituting to 65% and Renewable Energy (RE) sector contributes 69,022 MW constituting to 20.10%. In the thermal sector, Coal & lignite share is 1,97,172 MW constituting 57.3%. During the XII Plan period, up to March, 2017, the capacity addition was 99.21 GW against the target of 88.54 GW. The share of power from Renewable Energy Sources (RES) has increased substantially with a capacity addition of 114.32 GW of as on 31.03.2018.In order to promote power generation through RES, the Government of India is offering various incentives based on generation of power, capital and interest subsidies, viability gap funding etc. The Renewable Purchase Obligations (RPO) stipulated by the Government, waiving off of Transmission System charges and losses for inter-state sale of solar and wind power for projects to be commissioned by March 2019 are also the major driving force in India to promote the renewable energy sector.

Demand and Production

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 overall generation (generation from grid connected renewable sources) in the country has been increased from 1110.458 BU during 2014-15 to 1306.614 BU during 2017-18.

The performance of category-wise power generation during the year 2017-18 was that thermal increased by 4.27 %, Hydro reduced by 3.07 %, Nuclear increased by 0.87% and Renewable increased by 23.48%. The energy generation from conventional sources during the year 2017-18 was 1205.921 BU (provisional), with a growth of 3.95% over the previous year, with an average PLF of 60.67 %, meeting the demand of 1212.134 BU leaving a deficit of 8.567 BU.

The GOI has also planned to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power and also is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022.

Coal and Lignite

India is the largest growth market for coal, with its share of global coal demand more than doubling from a little over 10% in 2016 to around a quarter by 2040.

Fossil fuels remain the dominant source of energy powering the global economy, providing around 60% of the growth in energy and accounting for almost 80% of total energy supply in 2035.

Coal, Oil and Gas are the primary commercial energy sources with coal being the largest source of energy in India. About 70% of the coal reserves of the country are from the States of Odisha, Jharkhand and Chhattisgarh. Coal also produced from mines available in the States of Andhra Pradesh. Madhya Pradesh, Maharashtra, Paschim Banga and Bihar. The most abundant fossil fuel of India, the coal, continues be the dominant fuel in electricity generation capacity mix firing.

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, Odisha, Chhattisgarh, Paschim Banga, Madhya Pradesh, Telangana and Maharashtra.

The details of Coal Resources as on 01.04.2017 are as follows: **(in Million tonnes)**

State	Measured (proved)	Indicated	Inferred	Total	% to Tatal
Andhra Pradesh	0.00	1149.05	431.65	1580.70	0.50
Arunachal Pradesh(T)	31.23	40.11	18.89	90.23	0.03
Assam	464.78	57.21	3.02	525.01	0.17
Bihar	0.00	0.00	1353.5	1353.50	0.43
Chhattisgarh	19997.11	34462.15	2201.9	56661.16	17.98
Jharkhand	44340.59	31876.40	6222.53	82439.52	26.16
Madhya Pradesh	11268.69	12759.67	3644.84	27673.20	8.78
Maharashtra	7038.20	3157.75	2063.21	12259.16	3.89
Meghalaya (T)	89.04	16.51	470.93	576.48	0.18
Nagaland (T)	8.76	0.00	401.69	410.45	0.13
Odisha	34809.86	34059.77	8415.21	77284.84	24.52
Sikkim	0.00	58.25	42.98	101.23	0.03
Uttar Pradesh	884.04	177.76	0.00	1061.80	0.34
Paschim Banga	13723.15	12954.46	4989.61	31667.22	10.05
Telangana	10402.26	8542.20	2519.85	21464.31	6.81
Total	**143057.71**	**139311.29**	**32779.81**	**315148.81**	**100.00**

Source: Indian Coal and Lignite Resource Inventory 2017 by Geological Survey of India (GSI).

Coal Production

Total Coal Production during the year 2017-18 in India was 677.48 MT against a target of 731.10 MT.

Lignite

Lignite reserves

In India lignite deposits is confined in the States of Tamil Nadu, Gujarat, Rajasthan, Puducherry, Jammu & Kashmir and Kerala where the coal is almost completely absent. Tamilnadu contributes major share of lignite resources.

The projected capacity of lignite based power stations at the end of XII Plan (2017) was 7491 MW against which the capacity of 6585 MW achieved till March 2018.

The details of State-wise resources of lignite as on 01.04.2018 (Provisional) are as under.

(in Million tonnes)

State	Measured (Proved)	Indicated	Inferred	Total	% to Total
Pondicherry	0.00	405.61	11.00	416.61	0.92
Tamil Nadu	4093.53	22648.33	9147.87	35889.74	79.02
Rajasthan	1168.53	3029.78	2150.76	6349.07	13.98
Gujarat	1278.65	283.70	1159.70	2722.05	5.99
Jammu & Kashmir	0.00	20.25	7.30	27.55	0.06
Kerala	0.00	0.00	9.65	9.65	0.02
Paschim Banga	0.00	1.13	2.80	3.93	0.01
Grand Total	**6540.71**	**26388.80**	**12489.08**	**45418.60**	**100.00**

Demand and Production

As per the Report of the Working Group on Coal & Lignite for formulation of XII Five Year Plan 2016-17, the projected demand of lignite at the terminal year of XIII Plan (2021-22) is 108.62 MT and projected lignite production for the same period is 104.55 MT.

Your Company produced 25.15 MT of lignite from its Neyveli and Barsingsar mines, others accounted for 21.15 MT, thus totalling to 46.65 MT in India for the year 2017-18 against a total production of 45.32 MT for the year 2016-17 registering a growth of 2.93%. 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)

For developing UCG projects in India, your Company has signed a MOU with ONGC for carrying out preliminary studies in some of the lignite blocks located in Rajasthan and Gujarat and to assess the suitability of UCG. Recently, on the direction of MOC, your Company has identified some lignite blocks for UCG in the States of Rajasthan and Gujarat.

The Ministry of Coal, GOI vide Gazette notification dated 25.11.2016 has reserved the following lignite blocks in favour of your Company for the purpose of Underground Coal Gasification (UCG).

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

To assess the suitability of the UCG lignite blocks, your Company has initiated action for engaging an expert agency for carrying out technical suitability study and UCG pilot project in the above blocks.

SWOT Analysis

Strength

- Availability of lignite and water to facilitate lignite based thermal power generation in Neyveli.
- Assured fuel security to its planned downstream coal based thermal power stations
- The Company has best exposure in operation & maintenance in open-cast mining, power generation (both in thermal and renewable energy sectors).
- Harmonious industrial relations.
- Pioneering position in open-cast lignite mining with Continuous Mining Technology (i.e utilising Specialised Mining Equipments- SME) and lignite fired & coal fired power station.
- Experienced Management team with committed and experienced work force.
- Continuous increase in per capita electrical power consumption.
- Sound financial health.

Weakness

- Lignite Mines in Neyveli moving to the areas of tougher geo-mining conditions necessitating pumping of the ground water occurring below the lignite seam for safe mining
- Aging thermal power plants

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.
- Requirements of Charging Stations for eCart.

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.
- Challenges posed by Discoms in not honouring the signed PPA's

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. Your Company and its Subsidiary have been allotted with the Coal Blocks to meet the fuel requirements of the downstream coal based power plants as detailed in this report. The strength of the Company lies in having the dedicated fuel security for both lignite based and coal based power plants, which minimises the risk to a great extent.

Your Company is presently operating five Thermal Power Stations, four at Neyveli and one at Barsingsar and taking into account the renewable energy projects of 491 MW, commissioned so far, the total installed capacity is 3731 MW on Standalone basis and including its Subsidiary, the total power generating capacity is 4731 MW.

The Corporate Plan Document envisages for increasing the overall Lignite production to 62.15 MT, Coal production to 31.00 MT and Power generation to 21011 MW by the year 2025.

The details of Projects under construction / implementation / formulation are as under:

Mining Sector

Lignite Mining

Bithnok Mine Project (2.25 MTPA)

Your Company is developing Bithnok Mine of 2.25 MTPA at a cost of ₹ 513.63 crore to supply lignite to the Bithnok Thermal Power Station of 250 MW capacity. The Mining Plan and the Mine Closure Plan have been approved by the Ministry of Coal (MoC). The Ministry of Environment, Forest & Climate Change (MoEF&CC) 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, 2018 was ₹ 170.82 crore.

Hadla Mine Project (1.90 MTPA)

As Members may be aware your Company is implementing a 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 Ministry of Coal. MoEF&CC has accorded Environmental Clearance. The cumulative expenditure incurred up to 31st March 2018 was ₹ 7.47 crore.

Expansion of Mine-I - (10.50 MTPA) (Area Expansion) & Expansion of Mine-IA (from 3.00 MTPA to 7.00 MTPA) and Barsingsar Expn. of 0.40 MTPA

Your Company is implementing area expansion of 10.50 MTPA of Mine-I and Expansion of Mine-IA from 3.00 MTPA to 7.00 MTPA by adding contiguous lignite blocks to meet the fuel requirement of the Neyveli New Thermal Power Plant, TPS-I Expansion and TAQA at a cost of ₹ 709.06 crore. It is also proposed to expand the existing Barsingsar Mine marginally from 2.1 MTPA to 2.5 MTPA.

Ministry of Coal has accorded approval for the mining plan for the above project and Ministry of Environment Forest & Climate Change (MoEF&CC) has accorded Environmental Clearance. Mine development activities in Mine-IA are under progress and the cumulative expenditure incurred up to 31st March, 2018 was ₹ 380.26 crore.

Mine-III Project (11.50 MTPA)

As stated in the last year's Directors' Report, in order to meet the fuel requirement of Thermal Power Station-II Second Expansion (1320 MW) Project (Phase I), your Company has proposed to develop Mine –III at Neyveli, South of Mine II (11.50 MTPA) at an estimated cost of ₹ 2130.30 crore. Mining Plan and Feasibility Report have been submitted to MoC for approval. Environmental Appraisal Committee of MoEF & CC has approved the Terms of Reference (TOR). The cumulative expenditure incurred up to 31st March, 2018 was ₹ 25.51 crore.

South of Vellar & Palayamkottai (11.50 MTPA)

In order to meet the fuel requirement of Phase II of TPS-II Second Expn. of 1320 MW, it is proposed to develop South of Vellar & Palayamkottai lignite blocks for a capacity of 11.50 MTPA.

Coal Mining

Talabira II and III Coal Block (20.00 MTPA)

Members may be aware that the Government of India has allotted Talabira II & III Coal Block of capacity 20.00 MTPA in the State of Odisha to meet the fuel requirements of the proposed Odisha TPS and NTPL. It is proposed to develop the Mines at an updated estimated cost of ₹ 2401.07 crore (Oct. 2017 base).

In order to develop and operate the above Coal Blocks, Talabira (Odisha) Mining Private Limited has been appointed as the Mine Developer Operator (MDO) and as per the agreement entered into with the MDO, the coal production from the above Mines is expected to be commenced from the year 2019-20. The cumulative expenditure incurred up to 31st March, 2018 was ₹157.35 crore.

Pachwara South Coal Block (11.00 MTPA)

NUPPL, the Subsidiary of your Company has been allotted with the Pachwara South Coal Block, in the State of Jharkhand, with a capacity of 11.00 MTPA. This block is proposed to be developed by NUPPL through MDO. The cumulative expenditure incurred up to 31st March 2018 was ₹ 4.83 crore.

Power Sector

Lignite based Projects

Neyveli New Thermal Power Project (2 x 500 MW)

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 revised sanctioned capital cost of ₹ 7080.41 crore and with a revised schedule of commissioning of Unit- I in October, 2018 and Unit – II in December, 2018, though all out efforts are being made to commission the Units by July 2018 and September 2018, respectively. The cumulative expenditure incurred in the project up to 31st March, 2018 was ₹ 5455.94 crore.

Bithnok Thermal Power Project (250 MW) & Barsingsar Thermal Power Station Extension (250 MW)

Members may be aware that the Company is in the process of setting up the Bithnok Thermal Power Project (1 x 250 MW) in the State of Rajasthan, at a cost of ₹ 2196.30 crore and Barsingsar Thermal Station Extension Project at a cost of ₹ 2112.59 crore through Engineering Procurement Construction (EPC) mode, with the commissioning of both the Projects by August, 2020. The cumulative expenditure incurred up to 31st March, 2018 was ₹170.99 crore in respect of Bithnok Project and ₹156.28 crore for the Barsingsar Extn. Project.

As informed in the last Directors' Report, both the above 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. As Members are aware, the issue has been deliberated at the level of Committee of Secretaries (CoS) under the Chairmanship of Cabinet Secretary, Government of India and the COS has suggested for exploring the possibility of reduction in the power tariff taking into accounts on its viability. The Power Purchase Agreement (PPA) entered into by Discoms and the matter relating to the claim, if any, that could be made by the EPC Contractor are also being deliberated with the Discoms/ COS and that the Discoms are expected to review their earlier decision shortly.

Thermal Power Station–II Second Expansion (2 x 660 MW) - Phase - I and (2x660 MW) - Phase - II

Your Company has also proposed to set up 2 x 660 MW (Phase I) with super-critical technology at an estimated cost of ₹ 8733.49 crore. As per the Feasibility Report, the Unit I of the Phase-I of the Project is expected to be commissioned within 50 months from the sanction of the Project and the second Unit at an interval of 6 months. Public hearing is completed and the environmental clearance is awaited. The tender floated for the Package Contracts are in the process of evaluation. The cumulative expenditure incurred up to 31st March, 2018 was ₹ 14.11 crore.

Ministry of Power has granted exemption from the tariff based competitive bidding for the above project and has also allowed allocating 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 except Karnataka DISCOMs.

Coal based Projects

Talabira Thermal Power Project (4000 MW)

Your Company is implementing 3 x 800 MW (Phase-I) with Ultra Super Critical Technology as a pithead power station to the Talabira II & III Coal blocks, at an estimated cost of ₹ 17636.78 crore and further proposed to install 2 x 800 MW as Phase II in Tareikela and Kumbhari villages of Jharsuguda District, Odisha.

As per the Feasibility Report, the Unit I of the Project is expected to be commissioned within 52 months from the sanction of the Project and the second & the third Units at an interval of 6 months each thereafter. Out of the proposed capacity of 2400 MW, 1500 MW will be supplied to Tamilnadu, 400 MW to Kerala, 100 MW to Puducherry and for the balance 400 MW, the State of Odisha has expressed interest in availing the same. Ministry of Power is being approached, seeking exemption from tariff based bidding and approval for the above allocation of power.

Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) has issued the 'in-principle' approval for land and water for the project while the Rehabilitation & Periphery Development Advisory Committee (RPDAC) of Government of Odisha has accorded approval for the proposed R & R Policy besides the updated Socio-Economic Survey Report, the proposed R & R Site and site for Office & Township. Ministry of Environment, Forest & Climate Change has issued Terms of Reference for conducting EIA Study. The cumulative expenditure incurred up to 31st March, 2018 was ₹ 1.01 crore.

Renewable Energy Projects

Tamil Nadu 500 MW Solar Power Project

As was stated in the last Directors' Report, in order to enter into renewable energy in a major way, your Company is implementing 500 MW Solar Power Projects in various parts in the State of Tamil Nadu under the Solar Developer & Operator (SDO) Mode at a cost of ₹ 2072.95 crore (including O & M for 15 years after the warranty period). The SDO contracts have been awarded to six firms and the scope of the contract includes land procurement and power evacuation establishments apart from installation of the projects. As stated earlier, as on date 300 MW of Solar Power Projects out of 500 MW have been commissioned and the balance capacity of 200 MW is expected to be commissioned in the current year. The cumulative expenditure incurred up to 31st March, 2018 was ₹ 1509.11 crore.

Tamil Nadu 709 MW Solar Power Project

It is a pleasure to share with the Members that for the first time in the history, your Company had participated in the tariff based bidding floated by TANGEDCO for procurement of 1500 MW solar power and your Company was awarded for 709 MW. PPA has been signed with TANGEDCO and as per the same the projects are to be commissioned before September, 2019.

As was done in the case of 500 MW Solar Projects, Six SDOs have been awarded to set up the Solar Projects at the cost of ₹ 3035.93 (including O&M for 15 years after the warranty period). As per the terms and conditions of the contract with SDOs, the entire 709 MW is required to be commissioned within 15 months from the date of award viz., by April, 2019. The cumulative expenditure incurred up to 31st March, 2018 was ₹ 39.40 crore.

Andaman Solar Power Project (20 MW)

Further to the action plan issued by the Ministry of New & Renewable Energy (MNRE) for the Andaman & Nicobar Islands and based on the tripartite MoU signed by your Company with MNRE and Andaman & Nicobar Islands

Administration, Solar PV Power Projects of 2 x 10 MW, integrated with 8 MWhr. Battery Energy Storage System (BESS) is proposed to be set up at South Andaman. The tender floated for setting up of the above Project is under finalisation. The cumulative expenditure incurred up to 31st March 2018 was ₹ 0.41 crore.

Roof Top Solar Power Project (1 MW)

Your Company has signed a MoU with Rajasthan Electronic 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 and REIL has notified the award to Enrich Energy Pvt. Ltd., Pune for installation of 1.06 MW Roof Top Solar at a value of ₹ 5.49 crore. The project is scheduled to be completed by August 2018.

Other 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.

As stated in the Directors' Report of the last year, your Company has initiated discussions with the State Governments of Karnataka, Madhya Pradesh, Odisha 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. As, GRIDCO, Govt. of Odisha was reluctant to sign PPA and preferred to adopt the tariff based bidding route for the purchase of solar power, it has been decided to cancel the tender exercise for the installation of 250 MW Solar Project in the State of Odisha.

Acquisition of Power Assets

Members may be aware that 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. The power assets of GMR Chhattisgarh Energy Limited (2 x 685 MW)(GMRCL) and Ind-Bharath Energy Utkal Limited (2x350 MW) (Ind Bharat), were under consideration and accordingly Due Diligence Study was initiated. Since Ind Bharat was not keen on the transaction, the Due Diligence Study on GMRCL was completed and the same is under scrutiny.

Acquisition of Damodar Valley Corporation's (DVC) - RTPS Project (2 X 600 MW)

As Members may be aware, earlier the Company had plans to acquire Raghunathpur Thermal Power Station (RTPS) (Phase I) of Damodar Valley Corporation (DVC), through the Joint Venture between your Company and DVC and the JV agreement was also signed in this regard. Necessary proposal was also made for obtaining sanction of Government of India through Ministry of Coal. In the meantime DVC had conveyed that they are no more interested in pursuing the JV and wanted to call off the same citing that their financial strength has improved and also that they have subsequently closed down / will be closing down few of their vintage plants. In view of the above development, it has been decided not to pursue the JV proposed with DVC.

Risks and Concerns

- Resistance to acquisition of land for mining and power projects and demand for employment by project affected persons.
- Stringent Environment norms.
- Combustion nature of Coal / Lignite.
- 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.
- DISCOMs not honouring the signed PPA's
- Higher Cost of Mining
- Ageing thermal power plants

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.

The effectiveness of compliance of Service Rules and Office Orders is subjected to periodical HR audit carried out with an objective to identify the deficiency/deviations and for initiating appropriate corrective measures. HR audit has been carried out Unit wise, during the year focusing on evaluating the correctness / accuracy in complying with the rules and procedures on identified areas in HR in respect of a pre-determined percentage of total Service Books.

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 : Neyveli
Date : 29.06.2018

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, 2018, the Board of Directors of your Company comprised an Executive Chairman, five Executive Directors and two Non-executive Directors and six Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2018 and other details are furnished below:

Sl. No.	Name (Sarvashri/Ms.)	Designation	Other Directorships held as on 31.03.2018	Other Committee * Memberships held as on 31.03.2018	
				As Member	As Chairman
	Executive Directors				
1	Dr. S.K.Acharya	Chairman and Managing Director	2	-	-
2	Rakesh Kumar	Director (Finance)	2	1	-
3	Subir Das	Director(Mines)	1	-	-
4	V.Thangapandian	Director(Power)	2	1	-
5	P.Selvakumar	Director (Planning & Projects)	1	1	-
6	R.Vikraman	Director(Human Resource)	-	-	-
	Non-executive Directors				
7	Suresh Kumar	Additional Secretary to Government of India, Ministry of Coal - Part-time official Director	-	-	-
8	Vikram Kapur	Principal Secretary to Government of Tamil Nadu , Energy Department- Part-time official Director	9	-	-
	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	3	-	1
13	Monika Arora	Part-time Non-official Director	3	-	-
14	Indrajit Pal	Part-time Non-official Director	-	-	-

* Audit Committee and Stakeholders Relationship Committee

Dates of Board Meetings & Directors' Attendance

During the financial year 2017-18, ten meetings of the Board of Directors were held on the following dates:

5th May, 2017, 30th May,2017, 20th July,2017, 12th August, 2017, 14th September, 2017, 27th September, 2017, 14th November, 2017, 23rd January,2018, 14th February, 2018 and 19th March, 2018.

The details of attendance of Directors at the Board Meetings held during the financial year 2017-18, 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	10	
V.Thangapandian	10	
P.Selvakumar	10	
R.Vikraman	10	
Suresh Kumar	7	Appointed w.e.f.09.06.2017
Vikram Kapur	5	
Chandra Prakash Singh	9	
Azad Singh Toor	10	
K.Madhavan Nair	7	
Nalini Padmanabhan	10	
Monika Arora	4	
Indrajit Pal	5	Appointed w.e.f.06.09.2017
R.P.Gupta	2	Relinquished w.e.f.09.06.2017

Annual General Meeting

Dr. S.K. Acharya, CMD, Shri. Rakesh Kumar, Shri. Subir Das, Shri. V. Thangapandian, Shri. P. Selvakumar, Shri. R. Vikraman, Shri. Chandra Prakash Singh, Shri. Azad Singh Toor, Ms. Nalini Padmanabhan, Directors attended the last AGM held on 27th September, 2017.

Disclosures- Relationship between Directors inter-se

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31.03.2018.

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

Familiarization 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 Chairman**

The composition of the Committee as on 31.03.2018 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 2017-18, eight meetings of the Audit Committee were held on 5th May, 2017, 30th May, 2017, 12th August, 2017, 25th September, 2017, 7th November, 2017, 14th November, 2017, 14th February, 2018 and 19th March, 2018.

The details of number of meetings and attendance of members for the Audit Committee meetings held during the year 2017-18 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
K.Madhavan Nair	8	6
Azad Singh Toor	8	8
Subir Das	8	8
Chandra Prakash Singh	8	7

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. Sitting fees are paid to Independent Directors. 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 recognized unions under the Industrial Disputes Act.

(ii) **Composition, Name of Members and Chairman**

The composition of the Committee, as on 31.03.2018 comprised two Independent Directors and a Part-time Official Director. Shri. Azad Singh Toor, Director is the Chairman, Shri. Chandra Prakash Singh, Director, Shri. Vikram Kapur are the Members while Director (Human Resource) and Director (Finance) are permanent invitees.

The requirements that the Committee to comprise at least three directors, were not complied with during the period from 01.04.2017 to 12.04.2017.

(iii) **Meetings and Attendance**

During the financial year 2017-18, three meetings of the Nomination and Remuneration Committee were held on 5th May, 2017, 30th October, 2017 and 5th March, 2018.

The details of number of meetings and attendance of members for the Nomination and Remuneration Committee meetings held during the year 2017-18 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Azad Singh Toor	3	3
Chandra Prakash Singh	3	2
Vikram Kapur	3	3

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) were 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 2017-18 are as under:

Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits (₹)	Performance Related Pay (PRP)* (₹)
Dr. Sarat Kumar Acharya	46,57,930	6,27,090	7,37,680
Rakesh Kumar	31,12,591	6,02,016	5,98,530
Subir Das	32,70,674	4,87,257	5,50,104
V.Thangapandian	30,77,061	2,74,453	2,71,553
P.Selvakumar	28,15,105	5,37,747	2,05,259
R.Vikraman	27,43,694	5,22,126	2,16,907

* PRP for 2016-17 .

Note: **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 2017-18, 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 2017-18 are as under:

Name of the Director (Sarvashri / Ms.)	Sitting fee paid for (₹)	
	Board Meetings	Committee Meetings
Chandra Prakash Singh	1,80,000	1,80,000
Azad Singh Toor	2,00,000	2,70,000
K.Madhavan Nair	1,40,000	90,000
Nalini Padmanabhan	2,00,000	30,000
Monika Arora	80,000	-
Indrajit Pal	1,00,000	-

Stakeholders Relationship Committee

The composition of the Committee as on 31.03.2018 comprised Shri. Azad Singh Toor, Director as its Chairman, Shri. Rakesh Kumar and Shri. V. Thangapandian, Directors as its Members, to look into the redressal of Stakeholders / Investors grievances and review the action taken by the Company.

During the financial year 2017-18, four meetings of the Stakeholders Relationship Committee were held on 5th May, 2017, 12th August, 2017, 14th November, 2017 and 14th February, 2018.

The details of number of meetings and attendance of members for the Stakeholders Relationship Committee meetings held during the year 2017-18 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Azad Singh Toor	4	4
Rakesh Kumar	4	4
V.Thangapandian	4	4

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

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

During the year 2017-18, 251 complaints were received from the shareholders/investors, generally pertaining to non-receipt of dividend and Annual Report and five complaints received from shareholders were pending as on 31.03.2018 and all have been redressed during the month of April, 2018. As reported by the STA&DR, all share transfers received up to 31st March, 2018 have been processed.

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 Chairman**

The Composition of the Committee as on 31.03.2018 comprised two Independent Directors and four Executive Directors. Shri. Azad Singh Toor, Director as its Chairman, Shri. Chandra Prakash Singh, Shri. Rakesh Kumar, Shri. Subir Das, Shri. V. Thangapandian and Shri. R. Vikraman, Directors as its Members.

(iii) **Meetings and Attendance**

During the financial year 2017-18, three Meetings of the Corporate Social Responsibility Committee were held on 30th May, 2017, 12th August, 2017 and14th February, 2018.

The details of number of meetings and attendance of members for the Corporate Social Responsibility Committee meetings held during the year 2017-18 are as under:

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

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 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.
AGM 2016-17	27.09.2017, 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 2017-18, 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) Enhancement of Borrowing Powers of the Company (2) Creation of Security on the Properties of the Company in favour of the Lenders (3) Amendment to Object Clause of Memorandum of Association of the Company. The Postal Ballot Notice dated 7th Otober,2017 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 11th October,2017, being the cut-off date. Shri. Balu Sridhar, Partner, A.K. Jain& Associates, Company Secretaries was appointed as the scrutiniser to conduct the above Postal Ballot.

The details of the voting are as under:

1. Enhancement of Borrowing Powers of the Company

Resolution No.1	Enhancement of the borrowing powers of the Company						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	136,54,94,378	538	7,32,88,342	149	143,87,82,720	687	
Less : Invalid votes	3,951	23	0	0	3,951	23	
Net Valid votes	136,54,90,427	515	7,32,88,342	149	143,87,78,769	664	100
Votes favouring the resolution - (A)	136,54,86,632	493	7,32,84,039	130	143,87,70,671	623	99.9994
Votes against the resolution - (B)	3,795	22	4,303	19	8,098	41	0.0006
Total Votes received -(A)+(B)	136,54,90,427	515	7,32,88,342	149	143,87,78,769	664	100

Note:

1. 78 Shareholders holding 20,654 shares as on the cut-off date have abstained from voting through postal ballot in Resolution No. 1.
2. 11 Shareholders holding 2,029 shares as on cut-off date have cast their votes through postal ballot for 1,194 shares in aggregate.

2. Creation of Security on the properties of the Company in favour of the lenders

Resolution No.2	Creation of Security on the properties of the Company in favour of the lenders						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	136,54,91,552	522	7,32,88,292	148	143,87,79,844	670	
Less : Invalid votes	3,951	23	0	0	3,951	23	
Net Valid votes	136,54,87,601	499	7,32,88,292	148	143,87,75,893	647	100
Votes favouring the resolution -(A)	136,54,83,806	473	7,32,82,514	127	143,87,66,320	600	99.9993
Votes against the resolution - (B)	3,795	26	5,778	21	9,573	47	0.0007
Total Votes received -A)+(B)	136,54,87,601	499	7,32,88,292	148	143,87,75,893	647	100

Note:

1. A Shareholder holding 50 shares has abstained from e-voting in Resolution No. 2.
2. 94 Shareholders holding 23,405 shares as on the cut-off date have abstained from voting through Postal Ballot in Resolution No. 2.
3. 10 Shareholders holding 1,829 shares as on cut-off date have cast their votes through postal ballot for 919 shares in aggregate.

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

Resolution No.3	Amendment to Object clause of Memorandum of Association of the Company						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	136,54,91,252	521	7,32,88,042	148	143,87,79,294	669	
Less : Invalid votes	3,951	23	0	0	3,951	23	
Net Valid votes	136,54,87,301	498	7,32,88,042	148	143,87,75,343	646	100
Votes favouring the resolution - (A)	136,54,84,706	481	7,32,84,986	131	143,87,69,692	612	99.9996
Votes against the resolution - (B)	2,595	17	3,056	17	5,651	34	0.0004
Total Votes received -(A)+(B)	136,54,87,301	498	7,32,88,042	148	143,87,75,343	646	100

Note:

1. A Shareholder holding 300 shares has abstained from e-voting in Resolution No. 3.
2. 95 Shareholders holding 23,605 shares as on the cut-off date have abstained in voting through Postal Ballot for Resolution No. 3.
3. 10 Shareholders holding 1,829 shares as on cut-off date have cast their votes through postal ballot for 819 shares in aggregate.

The Special Resolutions as mentioned in the notice of the postal ballot dated 7th October, 2017 had been passed with the requisite majority on 14th November, 2017.

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

General Shareholder Information:

AGM : Date, Day, Time and Venue : 30th July, 2018, Monday, 14.00 hours
"Sathguru Gnanananda Hall", Narada Gana Sabha,
No.314, T.T.K. Road, Alwarpet, Chennai - 600 018.

Financial Calendar for the year 2018-19

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.

Dividend Payment Date

The Final Dividend, if declared at the AGM, would be paid to the shareholders within 30 days from the date of AGM.

Unclaimed Dividend Account Details

Unclaimed Dividend Account details as on 31st March, 2018:

Sl.No	Dividend Account	Unclaimed Amount in ₹	Due date for transfer to IEPF Authority
1	2010-11	1418117.90	13.10.2018
2	2011-12	1818409.60	14.10.2019
3	2012-13 (Interim)	776569.00	29.03.2020
4	2012-13 (Final)	1247160.60	08.10.2020
5	2013-14 (Interim)	835770.00	20.04.2021
6	2013-14 (Final)	1294907.00	29.10.2021
7	2014-15 (Interim)	1397280.60	17.03.2022
8	2014-15 (Final)	806264.00	21.10.2022
9	2015-16 (1st Interim)	1564252.50	28.02.2023
10	2015-16 (2nd Interim)	354221.10	27.03.2023
11	2015-16 (Final)	1313856.00	19.10.2023
12	2016-17 (Interim)	6739793.68	19.04.2024
13	2017-18 (Interim)	10107965.54	17.04.2025

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 up to the year 2018-19.

Stock code

Name and Address of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	513683
National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	NLCINDIA

Stock Market Data

The monthly high and low market price of the Company's shares during each month in 2017-18 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 2017	111.50	101.40	111.45	101.00	30184.22	29241.48	9367.15	9075.15
May 2017	112.00	96.95	111.80	95.00	31255.28	29804.12	9649.60	9269.90
June 2017	112.20	97.40	112.00	98.00	31522.87	30680.66	9709.30	9448.75
July 2017	114.00	96.00	119.00	97.60	32672.66	31017.11	10114.85	9543.55
August 2017	102.90	91.10	102.85	91.20	32686.48	31128.02	10137.85	9685.55
September 2017	103.55	88.00	104.00	87.50	32524.11	31081.83	10178.95	9687.55
October 2017	102.00	92.65	102.40	92.55	33340.17	31440.48	10384.50	9831.05
November 2017	110.45	95.00	110.70	95.00	33865.95	32683.59	10490.45	10094.00
December 2017	113.35	101.50	113.45	101.25	34137.97	32565.16	10552.40	10033.35
January 2018	119.75	101.60	119.40	102.00	36443.98	33703.37	11171.55	10404.65
February 2018	106.45	96.00	106.60	95.05	36256.83	33482.81	11117.35	10276.30
March 2018	101.50	82.55	101.30	83.50	34278.63	32483.84	10525.50	9951.90

Depository Registrar and Share Transfer Agent

Integrated Registry Management Services Pvt. Ltd., is the Depository Registrar and Share Transfer Agent for the Company. The details of their address, contact numbers are as under:

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

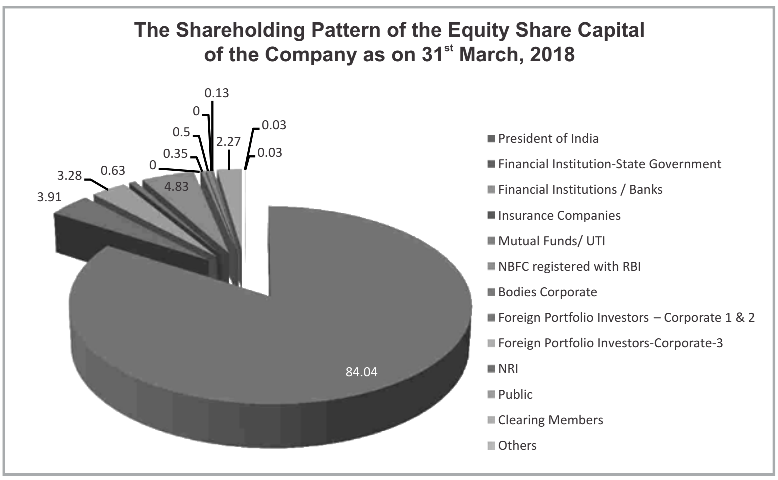
Share Transfer System

Integrated Registry Management Services Pvt. Ltd., Chennai attend to transfers / transmission requests lodged with the Company. The STA & DR also co-ordinate with NSDL & CDSL, the Depositories and attend to Investors complaints besides also by the Company and the activities of the STA & DR are under the supervision of the Compliance Officer.

Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2018 is as under:

Category	No.of Shares	% to total
President of India	1284603208	84.04
Financial Institution-State Government	59701260	3.91
Financial Institutions / Banks	50199753	3.28
Insurance Companies	9607871	0.63
Mutual Funds/ UTI	73875928	4.83
NBFC registered with RBI	9751	0.00
Bodies Corporate	5372698	0.35
Foreign Portfolio Investors – Corporate 1 & 2	7604128	0.50
Foreign Portfolio Investors-Corporate-3	52909	0.00
NRI	1966519	0.13
Public	34719858	2.27
Clearing Members	444118	0.03
Others	410426	0.03
Total	**1528568427**	**100.00**



Distribution of Shareholding as on 31.03.2018

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of shareholding
1 - 500	88118	89.87	11490130	0.75
501 - 1000	5085	5.19	4261392	0.28
1001 - 2000	2456	2.50	3909702	0.26
2001 - 3000	827	0.84	2110079	0.14
3001- 4000	329	0.34	1197473	0.08
4001- 5000	350	0.36	1672750	0.11
5001 -10000	456	0.47	3364895	0.22
10000 and above	424	0.43	1500562006	98.16
Total	**98045**	**100.00**	**1528568427**	**100.00**

Dematerialisation of shares and liquidity

The equity shares of the Company are equity shares numbering to 1526200602 **(99.85%)** have been dematerialised by the shareholders. The Company's equity shares are actively traded on the Stock Exchanges.

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.

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. Solar Power Plants are located in Neyveli, Seliyanallur (Tirunelveli District), Sethupuram & Thoppalakarai (Virudhunagar District) and 51 MW WTGs in Kazhuneerkulam (Tirunelveli District) all in the State of Tamilnadu. Neyveli New Thermal Power Station presently is under construction at Neyveli. 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 in operation 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 at 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/SUBSIDIARY-POLICY.pdf.

During the year, the Company did not enter into any contracts/arrangements/transactions with any Related Party which are not an arms length basis and no material contracts/arrangements were entered into with them at an arms 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:

- Networth 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 web link 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, foreign exchange risks and commodity hedging activities:

For FY 2017-18, 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.

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 newspapers having wide circulation all over India and also in a vernacular newspaper having a wide circulation in the State of Tamil Nadu and hence the financial results are not being sent individually to the shareholders. Further, as required under the Listing Regulations, the results of the Company are also furnished immediately to the Stock Exchanges and also uploaded in the Company’s web site www.nlcindia.com for the information of shareholders and other investors.

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 2017-18 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 : Neyveli
Date : 29.06.2018

Dr. Sarat Kumar Acharya
Chairman and Managing Director

Annexure - 5

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

M/s. P K K G BALASUBRAMANIAM & ASSOCIATES,
Chartered Accountants,
Door No. 10/2, Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606 602.

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, 2018 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. During the period from 01.04.2017 to 11.04.2017, the Composition of Nomination and Remuneration Committee comprised of two Non-executive Directors, instead of three, as prescribed under the Listing Regulations and DPE Guidelines.

We state that as required by Listing Regulations, the Chairman of the Audit Committee is required to be present to answer the queries of shareholders. In the 61st Annual General Meeting of the Company held on 27th September, 2017 the Chairman of Audit Committee was not present. However as per DPE Guidelines on Corporate Governance, the Chairman of the Audit Committee had nominated one of the Members of the 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 CHANDRAN & RAMAN
Chartered Accountants
Firm Regn No. 000571S

S. PATTABIRAMAN
Partner
M No. 014309

FOR P K K G BALASUBRAMANIAN & ASSOCIATES
Chartered Accountants
Firm Regn No. 001547S

C. SURESH
Partner
M No. 204602

Date : Chennai
Place : 28th May 2018

Annexure - 6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[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 : corpserv@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Power	35102	94.85

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NLC Tamilnadu Power Limited Regd.Office: No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai - 600 031.	U40102TN2005 GOI058050	Subsidiary Company	89	Section 2 (87) of the Companies Act, 2013
2.	Neyveli Uttar Pradesh Power Limited 6/42, Vipul Khand, Gomti Nagar, Lucknow.	U40300UP2012 GOI053569	Subsidiary Company	51	Section 2 (87) of the Companies Act, 2013
3.	MNH Shakti Limited Anand Vihar, PO. Jagruti Vihar, Burla, Sambalpur - 768 020.	U10100OR2008 GOI010171	Associate Company	15	Section 2 (6) of the Companies Act, 2013

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

i) Category–wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year (As on 01.04.2017)				No.of Shares held at the end of the year (As on 31.03.2018)				% 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	1365392374	0	1365392374	89.32	1284603208	0	1284603208	84.04	-5.28
(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)	1365392374	0	1365392374	89.32	1284603208	0	1284603208	84.04	-5.28
(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)	1365392374	0	1365392374	89.32	1284603208	0	1284603208	84.04	-5.28
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	154893	48300	203193	0.01	73874428	1500	73875928	4.83	4.82
b) Banks / FI	62073077	2500	62075577	4.06	50199753	-	50199753	3.28	-0.78
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	59701260	0	59701260	3.91	59701260	0	59701260	3.91	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	14652348	0	14652348	0.96	9607871	0	9607871	0.63	-0.33
g) FIIs	182490	0	182490	0.01	-	-	-	-	-0.01
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)- Foreign Portfolio Investors	384418	0	384418	0.03	7657037	0	7657037	0.50	0.47
Sub-total (B)(1):-	137148486	50800	137199286	8.98	201040349	1500	201041849	13.15	4.18

i) Category–wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year (As on 01.04.2017)				No.of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	total	% of Total Shares	Demat	Physical	total	% of total shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2895965	2500	2898465	0.19	5381349	1100	5382449	0.35	0.16
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	15817373	2237978	18055351	1.18	23877194	2055925	25933119	1.70	0.52
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3624904	66400	3691304	0.24	8739539	47200	8786739	0.57	0.33
c) Others (specify)									
Clearing Members	133174	0	133174	0.01	444118	0	444118	0.03	0.02
Trusts	94465	0	94465	0.01	65710	0	65710	0.00	-0.01
NRI	830679	262100	1092779	0.07	1704419	262100	1966519	0.13	0.06
Limited Liability Partnership	10129	0	10129	0.00	134213	0	134213	0.01	0.01
Unclaimed Securities Suspense Account	1100	0	1100	0	200	0	200	0	0.00
IEPF Authority	-	-	-	-	210303	-	210303	0.01	0.01
Sub-total (B)(2):-	23407789	2568978	25976767	1.70	40557045	2366325	42923370	2.81	1.10
Total Public Shareholding (B)=(B)(1)+ (B)(2)	160556275	2619778	163176053	10.68	241597394	2367825	243965219	15.96	5.28
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1525948649	2619778	1528568427	100.00	1526200602	2367825	1528568427	100	0

(ii) Shareholding of Promoters

Sl. no.	Shareholder's name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			
		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	1365392374	89.32	0	1284603208	84.04	0	-5.28

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

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2017)		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	1365392374	89.32	-	-
2.	Date wise Increase / Decrease in Promoters Share holding during the year.				
	24.10.2017	-76428421	-5.00	1288963953	84.32
	08.11.2017	-386080	-0.02	1288577873	84.30
	14.11.2017	-3691771	-0.24	1284886102	84.06
	21.11.2017	-282894	-0.02	1284603208	84.04
3.	At the end of the year (As on 31.03.2018)	1284603208	84.04	1284603208	84.04

(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 01.04.2017)**		**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	4.01		0			
	Date wise Increase / Decrease in Share holding during the year							
				21.07.2017	-447804	Transfer	60869249	3.98
				28.07.2017	-628443	Transfer	60240806	3.94
				04.08.2017	-77164	Transfer	60163642	3.94
				18.08.2017	-61063	Transfer	60102579	3.93
				25.08.2017	-124641	Transfer	59977938	3.92
				01.09.2017	-296000	Transfer	59681938	3.90
				08.09.2017	-1027633	Transfer	58654305	3.84
				15.09.2017	-1286572	Transfer	57367733	3.75
				20.09.2017	-438033	Transfer	56929700	3.72
				22.09.2017	-403261	Transfer	56526439	3.70
				30.09.2017	-542095	Transfer	55984344	3.66
				06.10.2017	-1039860	Transfer	54944484	3.60
				13.10.2017	-667240	Transfer	54277244	3.55
				20.10.2017	-239256	Transfer	54037988	3.54
				27.10.2017	-413000	Transfer	53624988	3.51
				03.11.2017	-500000	Transfer	53124988	3.48
				10.11.2017	-904085	Transfer	52220903	3.42
				17.11.2017	-595915	Transfer	51624988	3.38
				09.02.2018	-500000	Transfer	51124988	3.35
				16.02.2018	-876978	Transfer	50248010	3.29
				23.02.2018	-870093	Transfer	49377917	3.23
	At the end of the year						49377917	3.23

1	2	3	4	5	6	7	8	9
2.	State Industries Promotion Corporation of Tamilnadu Ltd At the beginning of the year	26865567	1.76		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2017-18						
	At the end of the year						26865567	1.76
3.	Reliance Capital Trustee Co.Ltd Reliance Mutual Fund and its sub accounts							
	At the beginning of the year	0.00	0.00					
	Date wise Increase / Decrease in Share holding during the year			08.09.2017	758919	Acquisition	758919	0.05
				15.09.2017	500000	Acquisition	1258919	0.08
				27.10.2017	18160000	Acquisition	19418919	1.27
				31.10.2017	2900000	Acquisition	22318919	1.46
				03.11.2017	2340000	Acquisition	24658919	1.61
				17.11.2017	905544	Acquisition	25564463	1.67
				24.11.2017	894456	Acquisition	26458919	1.73
				15.12.2017	-1306650	Transfer	25152269	1.65
				22.12.2017	-293350	Transfer	24858919	1.63
				05.01.2018	-500000	Transfer	24358919	1.59
				19.01.2018	-500000	Transfer	23858919	1.56
				09.02.2018	960300	Acquisition	24819219	1.62
				23.02.2018	1087703	Acquisition	25906922	1.70
				02.03.2018	705399	Acquisition	26612321	1.74
	At the end of the year						26612321	1.74
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
4	SBI Mutual Fund and its sub accounts							
	At the beginning of the year	0	0.00					
	Date wise Increase / Decrease in Share holding during the year			27.10.2017	13280000	Acquisition	13280000	0.87
				31.10.2017	664615	Acquisition	13944615	0.91
				26.01.2018	962732	Acquisition	14907347	0.98
				02.02.2018	2037268	Acquisition	16944615	1.11
	At the end of the year						16944615	1.11
5	Tamilnadu Industrial Development Corporation Limited							
	At the beginning of the year	14925315	0.98		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2017-18						
	At the end of the year				0		14925315	0.98

1	2	3	4	5	6	7	8	9
6	UTI Mutual Fund and its sub accounts	0	0.00	06.10.2017	1109708	Acquisition	1109708	0.07
				13.10.2017	552258	Acquisition	1661966	0.11
				20.10.2017	375586	Acquisition	2037552	0.13
				27.10.2017	472605	Acquisition	2510157	0.16
				31.10.2017	888525	Acquisition	3398682	0.22
				10.11.2017	547522	Acquisition	3946204	0.26
				17.11.2017	301597	Acquisition	4247801	0.28
				01.12.2017	1310103	Acquisition	5557904	0.36
				08.12.2017	1292695	Acquisition	6850599	0.45
				15.12.2017	1420668	Acquisition	8271267	0.54
				22.12.2017	1778528	Acquisition	10049795	0.66
				29.12.2017	1784755	Acquisition	11834550	0.77
				19.01.2018	577239	Acquisition	12411789	0.81
				26.01.2018	279338	Acquisition	12691127	0.83
				02.02.2018	935806	Acquisition	13626933	0.89
				09.03.2018	172805	Acquisition	13799738	0.90
				23.03.2018	450000	Acquisition	14249738	0.93
				30.03.2018	286740	Acquisition	14536478	0.95
	At the end of the year						14536478	0.95
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
7	ICICI Prudential Mutual Fund and its sub accounts	0	0.00	27.10.2017	11607975	Acquisition	11607975	0.76
	At the beginning of the year			31.10.2017	41865	Acquisition	11649840	0.76
	Date wise Increase / Decrease in Share holding during the year			17.11.2017	-248287	Transfer	11401553	0.75
				24.11.2017	3974665	Acquisition	15376218	1.01
				01.12.2017	-480220	Transfer	14895998	0.98
				08.12.2017	-384340	Transfer	14511658	0.95
				15.12.2017	144100	Acquisition	14655758	0.96
				22.12.2017	-387744	Transfer	14268014	0.93
				29.12.2017	-333060	Transfer	13934954	0.91
				05.01.2018	-196033	Transfer	13738921	0.90
				12.01.2018	-92264	Transfer	13646657	0.89
				19.01.2018	-125968	Transfer	13520689	0.89
				26.01.2018	-110400	Transfer	13410289	0.88
				02.02.2018	-141556	Transfer	13268733	0.87
				09.02.2018	-6216	Transfer	13262517	0.87
				16.02.2018	-6168	Transfer	13256349	0.87
				23.02.2018	294451	Acquisition	13550800	0.89
				02.03.2018	-310695	Transfer	13240105	0.87
				09.03.2018	-71282	Transfer	13168823	0.86
				16.03.2018	-87094	Transfer	13081729	0.86
				23.03.2018	-982071	Transfer	12099658	0.79
				27.03.2018	494	Acquisition	12100152	0.79
				30.03.2018	-388	Transfer	12099764	0.79
	At the end of the year						12099764	0.79

1	2	3	4	5	6	7	8	9
8	The New India Assurance Company Limited							
	At the beginning of the year	` 7152585	0.47		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2017-18						
	At the end of the year						7152585	0.47
9	Tamilnadu Power Finance and Infrastructure Development Corporation Limited							
	At the beginning of the year	5970126	0.39		0		59701260	0.39
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2017-18						
	At the end of the year						5970126	0.39
10	The Tamilnadu Industrial Investment Corporation Limited							
	At the beginning of the year	5970126	0.39		0			
	Date wise Increase / Decrease in Share holding during the year	NA –as there is no change in the shareholding during the year 2017-18						
	At the end of the year						5970126	0.39

(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 01.04.2017)		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 ofthe year	0	0	0	0
2.	Date wise Increase /Decrease in Share holding during the year	Not applicable			
3.	At the End of the year(As on 31.03.2018)	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 31.03.2017)				
i) Principal Amount	49,560,000,000	4,570,546,445	-	54,130,546,445
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	98,702,466	8,569,775	-	107,272,241
Total (i+ii+iii)	49,658,702,466	4,579,116,220	-	54,237,818,686
Change in Indebtedness during the financial year				
Addition				
i) Principal Amount	11,500,000,000	10,734,045,072	-	22,234,045,072
iii) Interest accrued but not due	105,187,397	10,063,008	-	115,250,405
Reduction				
i) Principal Amount	3,500,000,000	244,503,750	-	3,744,503,750
iii) Interest accrued but not due	98,702,466	8,569,775	-	107,272,241
Indebtedness at the end of the financial year (As on 31.03.2018)				
i) Principal Amount	57,560,000,000	15,060,087,767	-	72,620,087,767
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	105,187,397	10,063,008	-	115,250,405
Total (i+ii+iii)	57,665,187,397	15,070,150,775	-	72,735,338,172

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Amount in ₹)

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager (Sarvashri)						
		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)	Total
1.	Gross salary; (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5395610	3711121	3820778	3348614	3020364	2960601	22257088
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	92070	82980	65633	-	57750	52063	350496
	(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.,	535020	519036	421624	274453	479997	470063	2700193
	Total (A)	6022700	4313137	4308035	3623067	3558111	3482727	25307777
	Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA

B. Remuneration to other Directors: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors (Sarvashri / Ms.)						Total Amount
3.	Independent Directors	Chandra Prakash Singh	Azad Singh Toor	K.Madhavan Nair	Nalini Padmanabhan	Monika Arora	Indrajit Pal	
	• Fee for attending board/ committee Meetings	360000	470000	230000	230000	80000	100000	1470000
	• Commission	0	0	0	0	0		0
	• Others, please specify	0	0	0	0	0		0
	• Total (1)	360000	470000	230000	230000	80000	100000	1470000
4.	Other Non-Executive Directors							
	• Fee for attending board/ committee Meetings	NA	NA	NA	NA	NA	NA	0
	• Commission	NA	NA	NA	NA	NA	NA	0
	• Others, please specify	NA	NA	NA	NA	NA	NA	0
	Total(2)	NA	NA	NA	NA	NA	NA	0
	Total(B)=(1+2)	NA	NA	NA	NA	NA	NA	0
	Total Managerial Remuneration	360000	470000	230000	230000	80000	100000	1470000
	Overall Ceiling as per the Act	NA	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

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	3498059
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	56138
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - As % of Profit	
	- Others, specify	
5.	Others, please specify viz., PF Contribution, Pension etc.,	464849
	Total (A)	4019046

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : Nil

For and on behalf of the Board of Directors

Place : Neyveli
Date : 29.06.2018

Dr. Sarat Kumar Acharya
Chairman and Managing Director

Annexure - 7

A.K.JAIN & ASSOCIATES
Company Secretaries

No. 2 (New No. 3), Raja Annamalai Road,
First Floor, Purasawalkam, Chennai - 600 084.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NLC India Limited (Formerly known as NEYVELI LIGNITE CORPORATION LIMITED) (CIN: L93090TN1956GOI003507) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 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:

We 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, 2018 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.

We 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.

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

We have also examined the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

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

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

3. The Chairman of the Audit Committee was not present at the 61st Annual General Meeting of the Company held on 27th September, 2017, as required under the Listing Regulations.

We further report that:

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

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

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

We further report that during the period under review the Company had obtained

(i) Consent of the members for enhancement of borrowing powers of the Company u/s 180 (1) (c) of the Companies Act, 2013.

(ii) Consent of the members for creation of security on the properties of the Company in favour of the Lenders u/s 180 (1) (a) of the Companies Act, 2013.

(iii) Consent of the members for amendment to object clause of Memorandum of Association of the Company.

Place : Chennai
Date : 20th June, 2018

For A.K.JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550

Reply to the Observations of Secretarial Auditor

Secretarial Auditor's Observations	Company's Explanation
The Board of Directors of the Company did not comprise with the required number of Independent Directors as prescribed under the Listing Regulations and DPE Guidelines.	The Company is a Government Company and as per Articles of Association of the Company, the power to appoint Directors vests with the President of India. Ministry of Coal, the Administrative Ministry are being apprised of the requirements and requested for taking necessary action.
For a part of the year, the composition of the Nomination & Remuneration Committee did not comply with the requirements as prescribed under the Act, Listing Regulations & DPE Guidelines.	Due to relinquishment of one of the Committee Members, this requirement could not be complied with for a brief period, till 11th April, 2017 during the Financial Year 2017-18. This Committee was reconstituted as per the requirements w.e.f.12th April, 2017 in compliance of the requirements.
The Chairman of the Audit Committee was not present at the 61st Annual General Meeting of the Company held on 27th September, 2017, as required under the Listing Regulations.	The Chairman of the Audit Committee was abroad on the day of the meeting and hence could not be present on the day of Annual General Meeting. However, the Chairman of the Committee had authorized one of the Members of the Committee to attend the meeting.

For and on behalf of the Board of Directors

Place : Neyveli
Date : 29.06.2018

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, 2018

The preparation of financial statements of NLC India Limited for the year ended 31 March, 2018 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 28 May 2018.

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 2018. 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

(R. AMBALAVANAN)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board, Chennai

Place : Chennai
Date : 29 June, 2018

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, 2018

The preparation of consolidated financial statements of NLC India Limited for the year ended 31 March, 2018 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 28 May, 2018.

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, 2018. We conducted a supplementary audit of the financial statements of NLC India Limited, NLC Tamilnadu Power Limited, Neyveli Uttar Pradesh Power Limited and MNH Shakti Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

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

(R. AMBALAVANAN)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board, Chennai

Place : Chennai
Date : 29 June, 2018

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

M/s. P K K G BALASUBRAMANIAM & ASSOCIATES,
Chartered Accountants,
Door No. 10/2, Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606 602.

INDEPENDENT AUDITORS' REPORT

To

The Members of NLC INDIA LIMITED
(Formerly Neyveli Lignite Corporation Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NLC INDIA LIMITED** (Formerly Neyveli Lignite Corporation Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 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 Indian accounting standards (Ind AS) specified under section 133 of the Act read with companies (Indian Accounting standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit, total comprehensive income, changes in equity and its Statement of cashflows for the year ended on that date.

Emphasis of Matter

We draw attention to the Note No-31 -Net Movement in regulatory deferral account balances Income/expenses -to the Standalone financial statements:

a) The incremental Cost of ₹542.07 crore attributable to enhancement of the Gratuity ceiling limit from ₹10 lakh to ₹ 20 lakh and also the additional liability of ₹156.73 crore on account pay revision respectively as explained in the said note have been reckoned as regulatory deferral asset in accordance with the expert legal opinion pending the filing of petition with CERC for the consequent tariff revision.

Our opinion is not modified in respect of the said matter.

Other Matter

We did not audit the financial statements of One (1) Branch included in the Standalone financial statements of the Company whose financial statement reflects a total asset of ₹2117.90 crore as at March 31, 2018 and total revenue of ₹ 540.64 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements of this Branch has been audited by the Branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this Branch, is based solely on the report of such Branch Auditor. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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 the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section143(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 reports on accounts of the Branch Office of the Company audited under Sec 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, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

(e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(f) As per Notification No: G.S.R 463(E) dated 05.06.2015, subsection (2) of Sec 164 of the Companies Act, 2013 is not applicable to Government Companies.

(g) With respect to adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, we give our report in Annexure II. Our report expresses a unmodified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.

(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, as amended, 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 financial statements Refer to Note 51 to 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.

3. As required by Sec 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 CHANDRAN & RAMAN
Chartered Accountants
Firm Regn No. : 000571S

S. PATTABIRAMAN
Partner
M No. 014309

FOR PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn No.: 001547S

C SURESH
Partner
M No. 204602

Place : Chennai
Date : 28th May 2018

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

The Annexure referred to in our report to the members of **NLC INDIA LTD**, (the Company) for the year ended on 31.03.2018, we report that:

1. **Fixed Assets**

   a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. The Company had a policy of verifying all the fixed assets once in five years up to the FY 2016-17. Accordingly, the Company completed the physical verification of all fixed assets for the cycle 2011-12 to 2015-16 during FY 2016-17.The process of reconciliation of discrepancies observed on the physical verification with the book balance was completed during the FY 2017-18 and a sum of ₹ 9.37 crore consisting of difference arrived at on completion of reconciliation has been provided for in the FY 2017-18.

   As informed to us the Company has revised the policy for physical verification of fixed assets once in two years with effect from 01.04.2017 which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Company is yet to complete the verification of all its assets as per the revised policy of verification of assets and we are being informed that the Company will be undertaking the physical verification of all the assets before completion of the cycle ending on 31.03.2019.

   c. According to the information and explanations given to us, the Company is in possession of title deeds/assignment deeds/GOs in respect of immovable 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 31.03.2018	Net Block as on 31.03.2018	Remarks, if any
Building - Leasehold	1	2.10	1.26	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 of loans 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, GST 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, GST and any other statutory dues were outstanding as at 31st March 2018 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, Cess and GST 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	
		199.92	99.96	2011-12	
		199.92	99.96	2012-13	
Customs Act, 1969	Customs Duty	2685.00	983.00	-	CESTAT
Income Tax Act	Income Tax	7481.82	-	AY 2013-14	ITAT
		6814.83	-	AY 2014-15	ITAT
		3089.11	617.82	AY 2011-12	CIT(A)
		12936.47	2587.29	AY 2015-16	CIT(A)
Finance Act, 1994	Service Tax	89.56	6.72	Apr 2009 to Jun 2012	CESTAT
		10.18	-	Apr 2009 to Jun 2012	CEC(A)
		51.34	3.85	Jul 2012 to Mar 2014	CEC(A)
		1.11	0.08	Apr 2012 to Jun 2012	CEC(A)
		852.59	63.94	Jul 2012 to Mar 2015	CESTAT
		366.59	27.94	Jul 2012 to Mar 2014	CESTAT
		205.62	-	Jun 2008 to Mar 2012	CESTAT
		35.70	2.68	Apr 2014 to Mar 2015	CEC(A)
		9.24	0.69	Apr 2014 to Mar 2015	CEC(A)
		121.37	9.10	Apr 2014 to Mar 2015	CEC(A)
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 way 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 in section 197 read with Schedule-V to the Companies Act, 2013 and accordingly requirements as to obtaining requisite approval under 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 subsection (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 CHANDRAN & RAMAN	**FOR PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants	Chartered Accountants
Firm Regn No. : 000571S	Firm Regn No.: 001547S
S. PATTABIRAMAN	**C SURESH**
Partner	Partner
M No. 014309	M No. 204602

Place : Chennai
Date : 28th May 2018

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, 2018 in connection with our audit of the standalone 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, to the best of our information and according to the explanations given to us, 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, 2018, 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 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 CHANDRAN & RAMAN	**FOR PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants	Chartered Accountants
Firm Regn No. : 000571S	Firm Regn No.: 001547S
S. PATTABIRAMAN	**C SURESH**
Partner	Partner
M No. 014309	M No. 204602

Place : Chennai
Date : 28th May 2018

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	Availability of clear title / lease deeds
From incorporation to 1977	The Land Acquisition Act, 1894	Assignment Deeds	Conditional ownership	The assignment deeds given by the GoTN constitutes the title deed. However as per the legal opinion obtained by the Company the ownership does not vest with the Company absolutely and the same is subject to the conditions attached to the assignment deed.
1978 to 1996	The Land Acquisition Act, 1894	Government Notifications	Absolute owner of the land	Title deeds is available with the Company.
1997 to 2001	The Tamil Nadu Acquisition of Land for Industrial Purposes, Act, 1997	Government Notifications	Conditional ownership	The assignment deeds given by the GoTN constitutes the title deed. However as per the legal opinion obtained by the Company the ownership does not vest with the Company absolutely and the same is subject to the conditions attached to the assignment deed.
2001 to 31.03.2018	The Tamil Nadu Acquisition of Land for Industrial Purposes, Act, 1997	Government Notifications	Absolute owner of the land	Title deeds is available with the Company.

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 CHANDRAN & RAMAN
Chartered Accountants
Firm Regn No. : 000571S

S. PATTABIRAMAN
Partner
M No. 014309

FOR PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn No.: 001547S

C SURESH
Partner
M No. 204602

Place : Chennai
Date : 28th May 2018

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in crore)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	10,567.85	9,622.39
(b) Intangible Asset	3	6.26	2.64
(c) Capital Work-In-Progress	4	6,876.12	4,962.69
(d) Asset under Development	5	199.05	151.96
(e) Financial Assets	6		
i) Investments	a	2,421.37	2,421.37
ii) Loans	b	67.45	99.42
(f) Other non-current assets	7	1,165.10	1,289.45
		21,303.20	18,549.92
(2) Current Assets			
(a) Inventories	8	1,688.90	1,813.24
(b) Financial Assets	9		
i) Trade receivables	a	3,366.15	3,750.09
ii) Cash and cash equivalents	b	12.63	22.07
iii) Other bank balances	c	266.02	451.63
iv) Loans	d	1,989.74	638.49
v) Other financial assets	e	48.93	54.78
(c) Current year tax (Net)	10	777.72	645.29
(d) Other Current Assets	11	1,984.77	1,333.17
		10,134.86	8,708.76
(3) Regulatory Deferral Account Debit Balances	12	1,068.35	250.69
Total Assets and Regulatory Deferral Account Debit Balances		32,506.41	27,509.38
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	1,528.57	1,528.57
(b) Other Equity	14		
i) Retained earnings	a	9,551.61	8,463.80
ii) Other reserves	b	2,254.40	2,206.25
		13,334.58	12,198.62
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	6,050.29	5,040.62
(b) Deferred tax liabilities (Net)	16	1,877.42	1,538.38
(c) Other non-current liabilities	17	1,010.64	632.85
		8,938.35	7,211.85
(2) Current Liabilities			
(a) Financial liabilities	18		
(i) Borrowings	a	1,457.80	1,546.09
(ii) Trade payables	b	495.24	707.44
(iii) Other financial liabilities	c	1,222.60	383.17
(b) Other current liabilities	19	1,915.98	1,403.00
(c) Provisions	20	657.78	249.66
		5,749.40	4,289.36
(3) Regulatory Deferral Account Credit Balances	21	4,484.08	3,809.55
Total Equity and Liabilities and Regulatory Deferral Account Credit Balances		32,506.41	27,509.38
Significant Accounting Policies	1		

The Accompanying Notes 1 to 59 forms an integral part of the Financial Statements.

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 : 28.05.2018

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

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

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S
C. SURESH
Partner
M.No. : 204602

Place : Chennai
Date : 28.05.2018

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2018

(₹ in crore)

Sl. No	Particulars	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
I	Revenue from Operations	22	8,496.20	8,652.59
II	Other Income	23	586.85	674.57
III	Total Income (I+II)		9,083.05	9,327.16
IV	EXPENSES			
	Changes in Inventories	24	67.44	(436.71)
	Employee benefit expenses	25	3,081.96	2,294.54
	Finance costs	26	204.98	169.06
	Depreciation and Amortization expenses	27	861.15	683.07
	Other expenses	28	2,262.21	3,425.60
	Less: expenses capitalised	29	24.95	16.05
	Total Expenses (IV)		6,452.79	6,119.51
V	Profit / (loss) before Regulatory, exceptional items and tax (III-IV)		2,630.26	3,207.65
VI	Exceptional Items	30	59.44	(180.08)
VII	Profit / (loss) after exceptional item and before tax (V+VI)		2,689.70	3,027.56
VIII	Tax expense:			
	(1) Current tax			
	- Current Year Tax		603.58	337.96
	- MAT Credit		(139.50)	(337.96)
	- Previous year		(0.24)	(19.77)
	- Tax Expenses/(savings) on Rate Regulated Account		(11.00)	-
	(2) Deferred tax		339.05	(195.04)
IX	Profit / (loss) for the period before regulatory deferral account balances (VII - VIII)		1,897.81	3,242.37
X	Net Movement in regulatory deferral account balances income/ (expenses)	31	(49.03)	(873.56)
XI	Profit / (loss) for the period (IX+X)		1,848.78	2,368.81
XII	Other Comprehensive Income			
	(A) Items not reclassified to profit or loss: (Net of Tax)	32		
	1. Re-measurements of defined benefit plans		61.03	(26.61)
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising profit (loss) and other comprehensive income)		1,909.81	2,342.20
XIV	Earnings per equity share (before adjustment of net regulatory deferral balances):			
	(1) Basic (in ₹)	33	12.42	19.35
	(2) Diluted (in ₹)		12.42	19.35
XV	Earnings per equity share (after adjustment of net regulatory deferral balances):			
	(1) Basic (in ₹)	33	12.09	14.14
	(2) Diluted (in ₹)		12.09	14.14

The Accompanying Notes 1 to 59 forms an integral part of the Financial Statements.

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 : 28.05.2018

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

For **M/s. CHANDRAN & RAMAN**	For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants	Chartered Accountants
Firm Regn No.: 000571S	Firm Regn No.:001547S
S. PATTABIRAMAN	**C. SURESH**
Partner	Partner
M.No. : 014309	M.No. : 204602

Place : Chennai

Date : 28.05.2018

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	As at 01.04.2017		Movement during the year		As at 31.03.2018	
	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)
Equity Share Capital	1,528,568,427	1,528.57	-	-	1,528,568,427	1,528.57

B. Other Equity

(₹ in crore)

Particulars	Retained earnings and other Reserves							Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained earning	
Balance as at 01.04.2017	322.23	80.00	1,457.00	135.00	149.14	62.88	8,463.80	10,670.05
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year								
Profit or loss	-	-	-	-	-	-	1,848.78	1,848.78
Other comprehensive income	-	-	-	-	-	-	61.03	61.03
Total Comprehensive Income	-	-	-	-	-	-	1,909.81	1,909.81
Dividend including dividend Tax	-	-	-	-	-	-	(774.25)	(774.25)
Appropriations	12.28	10.00	-	15.00	0.00	10.87	(47.75)	0.40
Any other changes (Remeasurement Loss)	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Balance as at 31.03.2018	334.51	90.00	1,457.00	150.00	149.14	73.75	9,551.61	11,806.01

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 : 28.05.2018

This is Statement of Changes in Equity referred to in our report of even date.

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

S. PATTABIRAMAN
Partner
M.No. : 014309

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S

C. SURESH
Partner
M.No. : 204602

Place : Chennai

Date : 28.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		2,689.70		3,027.56
Adjustments for:				
Less:				
Profit on Disposal of Asset	0.64		0.78	
Dividend from NTPL	19.47		-	
Interest Income	108.57		231.19	
	128.69		231.97	
Add:				
Depreciation	861.15		683.07	
Buyback Expenses	-		3.11	
Other non cash charges	413.12		40.27	
Fixed asset written off	0.18		-	
Provision for loss on asset	9.37		-	
Interest expense	204.98		169.06	
	1,488.79	1,360.10	895.51	663.54
Operating Profit before working capital changes		4,049.80		3,691.10
Adjustments for :				
Trade receivables		382.25		(2,055.12)
Loans & advances		(196.49)		(86.83)
Inventories & other current assets		(397.93)		(606.25)
Trade payables & other current liabilities		353.69		369.75
Cash Flow generated from Operations		4,191.32		1,312.65
Direct Taxes paid		(463.42)		(503.91)
Cash Flow Before Extraordinary Items		3,727.90		808.74
Grants received		94.82		1.06
Net Cash from operating activities		3,822.72		809.80
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment / preliminary expenses		(3,294.36)		(3,480.97)
Sale of property, plant and equipment / Projects		(0.08)		9.44
From continuing operations				
Sale/Purchase of Investments		0.00		(472.25)
Dividend Received		19.47		-
Interest Received		114.42		362.34
Net Cash used in investing activities		(3,160.54)		(3,581.44)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings (Net)		(88.29)		116.20
Long Term Borrowings (Net)		1,848.94		3,288.35
Loans to subsidiary		(1,170.00)		-
Interest paid		(487.60)		(320.98)
Buyback of Equity Shares including Buyback Expenses		-		(1,479.61)
Dividend (including Dividend Tax)		(774.66)		(1,590.94)
Net Cash used/received in financing activities		(671.61)		13.03
Net increase, decrease ( ) Cash and Cash equivalents		(9.44)		(2,758.61)
Cash and cash equivalents as at the beginning of the year		22.07		2,780.68
Cash and cash equivalents as at the end of the year		12.63		22.07
NOTE : ( ) INDICATES CASH OUTFLOW.				
DETAILS OF CASH AND CASH EQUIVALENTS	As at March 31, 2018		As at March 31, 2017	
Cash In Hand		0.01		0.01
Cash At Bank In Current Accounts		2.62		12.06
Cash At Bank In Deposit Accounts		10.00		10.00
Total		12.63		22.07

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 : 28.05.2018

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

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

S. PATTABIRAMAN
Partner
M.No. : 014309

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S

C. SURESH
Partner
M.No. : 204602

Place : Chennai
Date : 28.05.2018

Note No. 1

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

(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 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.

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 synchronization.

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 ₹ 0.50 crore and above are treated as Property, Plant & Equipment.

Land

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 / Amortisation

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:-

Depreciation 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) Wind Turbine Generator (WTG) and Solar Power Plants.	As per the estimated life of the plant in line with guidelines issued by Ministry of New and Renewable Energy ('MNRE') / CERC/ SERC as applicable.
(c) Life Extension Program ('LEP') Assets.	At residuary life not exceeding 15 years / as approved by CERC / SERC from the date of synchronization.
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 theCompanies 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 cost till achievement of quantity parameters as approved for each project. Such expenditure are to be amortized over the estimated life of the mine from the period of commencement of production or the life originally /initially approved for the linked power plant i.e. 25 years, whichever is lesser.

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 ₹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 ₹ 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.

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 recognised 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

Terminal 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 items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

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 of material nature 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

XV. Revenue Recognition

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. However the orders of CERC when contested sale of power continued to be accounted as per petition filed based on the guidelines issued by CERC / Ministry of Coal pending disposal of appeal by APTEL. 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 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.

Consultancy and management services

Revenue from consultancy / management services is recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the agreement with service recipient.

Other Income

Interest income

Interest income with respect to advances provided to employees is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognised in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognised in the period in which there is acceptance of the claim/certainty of realisation, as the case may be.

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognised based on agreement with beneficiaries. On renewable power the same is recognised based on realisation / certainty of realisation.

Dividends

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

Others

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.

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 recognised 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 recognised 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 recognised 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 and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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. However the orders of CERC when contested, sale of power continued to be accounted as per petition filed based on the guidelines issued by CERC / Ministry of Coal pending disposal of appeal by APTEL. In case 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’ (i.e. consisting of regulatory deferral debit balances and regulatory deferral credit balances). Relevant income / expenses are recognised in the statement of profit and loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations / other Guidelines. 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.

FOR CHANDRAN & RAMAN	**FOR PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants	Chartered Accountants
Firm Regn No. : 000571S	Firm Regn No.: 001547S
S. PATTABIRAMAN	**C SURESH**
Partner	Partner
M No. 014309	M No. 204602

Place : Chennai
Date : 28th May 2018

Notes to Standalone Financial Statements

NON-CURRENT ASSETS
Property, Plant and Equipment
Tangible Assets

(₹ in crore)

Note No.	Description	Gross Block				Depreciation				Net Block	
		As at 01.04.2017	Additions Transfers	Disposals/ Trans./Adjt.	**As at 31.03.2018**	As at 01.04.2017	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2018	As at 31.03.2018	As at 01.04.2017
2	Land *	664.85	115.53	-	780.38	-	-	-	-	780.38	664.85
	Roads	92.98	13.73	-	106.70	23.82	-	16.57	40.39	66.31	69.16
	Buildings ++	388.12	39.40	0.04	427.48	23.01	0.01	11.74	34.74	392.74	365.11
	Electrical Installations	175.80	12.20	0.02	187.98	50.97	-	25.58	76.55	111.43	124.83
	Water Supply & Drainage	91.42	10.81	-	102.23	21.73	-	11.74	33.47	68.76	69.69
	Plant & Machinery **	8,606.64	1,616.80	12.26	10,211.18	1,010.81	0.43	678.15	1,688.53	8,522.65	7,595.83
	Furniture & Equipment	40.79	4.62	0.30	45.11	6.36	0.15	4.58	10.79	34.32	34.43
	Vehicles	38.71	2.34	0.16	40.89	9.71	0.02	6.96	16.65	24.24	29.00
	Assets Costing ₹ 5000 and below	0.57	0.33	0.01	0.89	0.57	0.01	0.33	0.89	-	-
	Mine Development @										
	Mine-I	206.97	-	-	206.97	48.72	-	23.26 @	71.98	134.99	158.25
	Mine-IA	91.74	-	-	91.74	5.60	-	8.61 @	14.21	77.53	86.14
	Mine-II	348.50	0.01	-	348.51	28.12	-	64.46 @	92.58	255.93	320.38
	Barsingsar Mine	110.85	-	-	110.85	6.12	-	6.16 @	12.28	98.57	104.73
		10,857.94	1,815.76	12.79	12,660.91 #	1,235.54	0.62	858.15	2,093.07	10,567.85	9,622.39
	Previous Year	10,290.83	662.83	10.26	10,943.40	636.72	0.33	684.61	1,321.00	9,622.39	

* 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 ₹ 0.34 crore (Previous year ₹ 71.76 crore).

@ Represents provisions for amortisation which is based on initial estimated life of linked power plant.

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.

Intangible Assets

(₹ in crore)

Note No.	Description	Gross Block				Depreciation				Net Block	
		As at 01.04.2017	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2018	As at 01.04.2017	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2018	As at 31.03.2018	As at 01.04.2017
3	Software	2.90	5.07	-	7.97	0.26	-	1.45	1.71	6.26	2.64
	Total	2.90	5.07	-	7.97	0.26	-	1.45	1.71	6.26	2.64
	Previous Year	0.29	2.61	-	2.90	0.17	-	0.09	0.26	2.64	

There is no impairment loss identified for the assets.

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)		
4	Capital work-in-progress	As at March 31, 2018		As at March 31, 2017	
	Plan Expenditure				
	i) TPS-II Expansion				
	Supply and Erection	11.02		19.83	
	Capital Goods in Stock	3.72		3.72	
	Expenditure during Construction	15.95	30.69	0.00	23.55
	ii) Mine-II Expansion				
	Supply and Erection	1.01		5.85	
	Capital Goods in Stock	1.10	2.11	1.10	6.95
	iii) Neyveli New Thermal Plant				
	Supply and Erection	4657.49		3,779.83	
	Expenditure during Construction	187.57		88.03	
	Interest during Construction	516.93	5361.99	253.89	4,121.75
	iv) Wind Power Project				
	Supply and Erection	0.00		36.08	
	Expenditure during Construction	0.00	0.00	1.16	37.24
	v) Solar Power Project				
	Supply and Erection	1064.46		391.22	
	Expenditure during Construction	1.24		1.70	
	Interest during Construction	0.85	1066.55	0.15	393.07
	vi) Bithnok Project				
	Supply & Erection	24.27		23.97	
	Revenue Expenditure	18.14	42.41	7.66	31.63
	vii) Barsingsar Extension & Halda Mines				
	Supply & Erection	7.85		7.59	
	Revenue Expenditure	13.98	21.83	5.12	12.71
	viii) Mine-IA Expansion				
	Supply & Erection	10.65		21.12	
	Revenue Expenditure	297.82	308.47	172.99	194.11
	Non-Plan Expenditure				
	Supply and Erection	32.40		114.04	
	Capital Goods in Stock	9.42		26.90	
	Capital Goods in Transit	0.25	42.07	0.74	141.68
			6,876.12		4,962.69

Notes to Standalone Financial Statements

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
		(₹ in crore)	
5	Assets under Development	**As at March 31, 2018**	As at March 31, 2017
	Preliminary Project Expenditure	231.06	181.85
	Less: provisions	32.01	29.89
		199.05	151.96
6	Financial Assets		
	a) Investments	**As at March 31, 2018**	As at March 31, 2017
	Investments in equity instruments		
	a) Non-Trade Un Quoted Investments		
	(i) Subsidiaries		
	In equity shares fully paid up 194,73,57,380 shares (previous year 194,73,57,380) @ ₹10 per share of NLC Tamilnadu Power Ltd. (89% stake)	1,947.36	1,947.36
	In equity shares fully paid up 46,12,44,000 shares (previous year 46,12,44,000) @ ₹ 10 per share of NUPPL Ltd. (51% Stake)	461.24	461.24
	(ii) Associate		
	In equity shares fully paid up 1,27,65,000 @ ₹ 10 per share of MNH Shakti (15% Stake)	12.77	12.77
		2,421.37	2,421.37
	b) Loans	**As at March 31, 2018**	As at March 31, 2017
	Loans to Employees		
	Secured	50.63	72.99
	Unsecured, considered good	16.82	26.43
		67.45	99.42
	Loans to Employees are measured at amortised cost and the said deferred Interest Expenditure representing the benefits accruing to Employees is amortised on straight line basis over the remaining period of the loan.		
7	Other non-current assets	**As at March 31, 2018**	As at March 31, 2017
	Unsecured considered good		
	Capital Advances	495.98	528.14
	MAT Credit entitlement	606.61	746.11
	Others	62.51	15.20
		1,165.10	1,289.45
	Current Assets		
8	Inventories	**As at March 31, 2018**	As at March 31, 2017
	Raw Materials- Lignite	1,153.53	1,220.77
	Stores and Spares	517.83	561.02
	Goods-in-transit	17.53	32.84
	Less: Provision for stores and materials	(7.42)	(6.12)
	Solid/Hollow/Fly Ash Bricks	7.43	4.73
		1,688.90	1,813.24

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	Inventory valuation - Inventories are valued at the lower of cost or net realisable value. Cost for these purposes are as follows :		
	(i) Lignite - At absorption cost excluding share of common charges and social overhead.		
	(ii) Stores & Spares - At weighted average acquisition cost.		
	(iii) Fly ash bricks - At absorption cost.		
	(iv) Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition		
	(v) Waste prodcts, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.		
9	Financial Assets		
	a) Trade receivables	As at March 31, 2018	As at March 31, 2017
	a. Unsecured considered good	3,366.15	3,750.09
	b. Unsecured considered doubtful	10.46	8.77
		3,376.61	3,758.86
	Less: Provision for Doubtful Debts	10.46	8.77
		3,366.15	3,750.09
	b) Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
	Bank balance		
	- Current Account	2.62	12.06
	- Short term Deposit	10.00	10.00
	Cash on hand #	0.01	0.01
		12.63	22.07
	# Stamps on hand as on 31.03.2018 - ₹ 71,113/-		
	c) Other bank balances	As at March 31, 2018	As at March 31, 2017
	Unpaid dividend account balance	2.97	3.38
	Fixed deposits account		
	i. Staff security deposit	0.01	0.01
	ii. Endowment fund in the name of NLC schools	0.37	0.35
	iii. Mine closure deposit*	171.73	368.48
	iv. PRMA deposit	73.75	62.90
	v. Lien for guarantee	17.19	16.51
		266.02	451.63
	* In the name of "Coal Controller Escrow Account NLC Ltd. Mine"		
	d) Loans	As at March 31, 2018	As at March 31, 2017
	a) Secured		
	Staff Advances	16.21	12.61
	b) Unsecured		
	i. Considered good		
	- Related Party	1,750.00	580.00
	- Others	223.53	45.87
	ii. Considered doubtful	2.12	2.21
	Less: Provision for doubtful advances	2.12	2.21
		1,989.74	638.49
	Loans to Employees are measured at amortised cost and the said deffered Interest Expenditure representing the benefits accruing to Employees is amortised on straight line basis over the remaining period of the loan.		

Notes to Standalone Financial Statements

Note No.	Particulars	As at March 31, 2018 (₹ in crore)	As at March 31, 2017 (₹ in crore)
	(i) Due by Officers	0.04	0.04
	(ii) Maximum amount due at any time during the year	0.05	0.05
	(i) Due by Directors	0.07	0.08
	(ii) Maximum amount due at any time during the year	0.08	0.08
	(i) Due from Subsidiary Companies -		
	(a) NTPL Bridge Loan ₹750 crore (previous year ₹180 crore)	1750.00	580.00
	(b) NTPL Other Loan ₹Nil (previous year ₹340 crore)	-	-
	(c) NUPPL Loan ₹1000 crore (previous year ₹60 crore)	-	-
	(ii) Maximum amount due at any time during the year	1971.71	728.35
	e) Other financial assets	As at March 31, 2018	As at March 31, 2017
	Interest accrued	48.93	54.78
		48.93	54.78
10	Current Year Tax (Net)	As at March 31, 2018	As at March 31, 2017
	Advance Income Tax	2,923.88	2,320.97
	Less : Provision for Tax	2,146.16	1,675.68
		777.72	645.29
11	Other current assets	As at March 31, 2018	As at March 31, 2017
	Disposable/Dismantled assets, Spares	3.97	0.62
	Prepaid expenses	20.74	16.60
	Deposit with Central Excise, Port Trust and Customs authorities	0.04	0.04
	Unbilled Revenue	1,959.12	1,315.91
	Others	0.90	-
		1,984.77	1,333.17
	Unbilled Revenue includes lignite transfer price difference and for billing done after March 31.		
12	Regulatory Deferral Account Debit Balances	As at March 31, 2018	As at March 31, 2017
	Deferred foreign currency fluctuation	136.30	58.27
	Gratuity	542.07	-
	Wage Revision	156.73	60.99
	CERC Order	0.38	0.38
	Overburden Removal	11.91	11.91
	Others	220.96	119.14
		1,068.35	250.69

EQUITY

Note No.	Particulars	As at March 31, 2018 (₹ in crore)	As at March 31, 2017 (₹ in crore)
13	Equity Share Capital		
	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
	Issued:		
	1,52,85,68,427 Equity shares of ₹10 each fully paid	1,528.57	1,528.57
	{1,28,46,03,208 Equity Shares being 84.04% (previous year 1,36,53,92,374 shares being 89.32%) are held by the President of India.}		
		1,528.57	1,528.57

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
14	Other Equity	As at March 31, 2018	As at March 31, 2017
	a) Retained Earnings	9,504.57	8,477.79
	b) Other Reserves		
	KfW Interest Differential Reserve	334.51	322.23
	General Reserve	1,457.00	1,457.00
	Contingency Reserve	90.00	80.00
	Bond Redemption Reserve	150.00	135.00
	Capital Redemption Reserve	149.14	149.14
	PRMA Reserve Fund	73.75	62.88
	Other Comprehensive Income		
	Remeasurement of actuarial gains/ losses and interest cost	47.04	(13.99)
		11,806.01	10,670.05
	i) Retained Earnings	As at March 31, 2018	As at March 31, 2017
	Opening Balance	8,477.79	9,221.02
	Addition During the year	1,910.21	2,342.32
	Retained Earning Available for Appropriation	10,388.00	11,563.34
	Less : Appropriations		
	Transfer to/from Interest Differential Fund Reserve	12.28	11.12
	Transfer to Bond Redemption Reserve	15.00	15.00
	Transfer to General Reserve	-	-
	Transfer to Contingency Reserve	10.00	10.00
	Transfer to PRMA Reserve Fund	10.87	6.85
	Transfer to Capital Redemption Reserve	0.00	149.14
	Buy Back Premium	-	1,327.36
	Interim Dividend	646.58	1,121.97
	Tax on Interim Dividend	127.67	228.42
	Proposed Final Dividend for FY 2015-16 paid in FY 2016-17	-	242.30
	Other Comprehensive Income		
	Remeasurement of Acturial Gain	61.03	(26.61)
	Closing Balance	9,504.57	8,477.79
	ii) KfW Interest Differential Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	322.23	311.11
	Transfer from retained earnings	30.25	29.21
	Less : Withdrawal/Adjusted during the year	17.97	18.08
	Closing Balance	334.51	322.23
	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.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	iii) General Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	1,457.00	1,457.00
	Transfer from retained earnings	-	-
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	1,457.00	1,457.00
	iv) Contingency Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	80.00	70.00
	Transfer from retained earnings	10.00	10.00
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	90.00	80.00
	Apportionment of profits amounting to ₹ 10 cr every year to secure contingency payments in the future periods.		
	v) Bond Redemption Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	135.00	120.00
	Transfer from retained earnings	15.00	15.00
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	150.00	135.00
	Apportionment of profits over the period of the bond to secure repayment to the creditors of the Company.		
	vi) Capital Redemption Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	149.14	-
	Transfer from retained earnings	-	149.14
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	149.14	149.14
	Towards nominal value of shares bought back		
	vii) PRMA Reserve Fund	As at March 31, 2018	As at March 31, 2017
	Opening Balance	62.88	56.04
	Transfer from retained earnings	10.87	6.84
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	73.75	62.88
	Reserve towards post retirement medical assistance provided to retired employees and their spouse.		
	Non-current Liabilities		
	Financial Liabilities		
15	Borrowings	As at March 31, 2018	As at March 31, 2017
	A) Secured Loans		
	(i) Neyveli Bonds - 2009'	-	600.00
	Term Loans		
	- Term Loans from Banks	1,757.90	1,006.00
	- Power Finance Corporation Ltd	3,000.00	3,000.00
	B) Unsecured Loans		
	(i) Inter Corporate Loan :		
	- Loan from Mahanadi Coal Fields Limited	812.50	-
	(ii) Foreign Currency loan from KfW-Germany##		
	8.116 Million Euro (8.56 Million Euro) - I	61.91	56.21
	54.646 Million Euro (57.45 Million Euro) - II	417.98	378.41
	## Guaranteed by the Government of India.		
		6,050.29	5,040.62

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
	i. 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).		
	ii. Term Loan from bank includes Rupee Term Loan amounting to ₹ 525 crore (PY ₹ 875 crore) as at the year end out of total sanction amount of ₹1400 crore, (from SBI ₹ 467 crore @ 7.95% p.a.), (from HDFC Bank ₹ 466.50 crore @ 8.15% p.a.) and (from ICICI Bank ₹ 466.50 crore @ 7.85% p.a.). Interest Rate are based on 3 months MCLR rate and the loan shall be repaid in remaining 3 half-yearly instalments. The last instalment falls due on August'2019. This loan is secured by a. Pari-Passu charge on the immovable assets of Mine-II Expansion, TS-II Expansion, Barsingsar Mines and Barsignsar TPS projects & b. Pari-Passu charge by way of hypothecation on the movable assets both present and future pertaining to Mine-II Expansion, TS-II Expansion, Barsingsar Mines and Barsingsar TPS projects.		
	iii. Rupee Term Loans (RTL) of ₹ 3000 crore @ 7.89% p.a. (on the basis of 3 year AAA Reuter rate) from M/s. Power Finance Corporation for NNTPS project secured by pari passu charge on NNTPS 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.		
	iv. Rupee Term Loan of ₹1135 crore @ 8.36% p.a. (on the basis of 5 year G-Sec rate) from HDFC Bank for NNTPS project secured by pari-passu charge on NNTPS project fixed asset, repayable in 20 equal bi-annual instalments commencing from 30.06.2019. Out of this facility, the loan drawn ₹750 crore has been grouped under Term Loan from Banks.		
	v. 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 @ 8.20% p.a (on the basis of 5 year G-Sec Rate). Full amount was drawn on 29.03.2017 and the same has been grouped under Term Loans from Banks. The Loan is secured by charge on project fixed asset to the extent of the loan amount, repayable in 10 equal bi-annual instalments commencing from October' 2018.		
	vi. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with Axis Bank for an amount of ₹ 500 crore @ 7.83% p.a (on the basis of 5 Year G-Sec rate). Out of which ₹ 400 crore was drawn and the same has been grouped under Term Loans from Banks. The loan is secured by pari-passu charge on the project assets to the extent of the facility. Repayment for the loan starts from September'2019 in 10 equal half-yearly instalments		
	vii. To meet the General Funding arrangement, a Rupee Loan Agreement was tied up with Mahanadi Coalfields Limited for ₹2000 crore. This is Unsecured loan repayable in 48 equal monthly instalments starting from July'2018. Out of which ₹1000 crore was drawn as at the end of Financial Year. This loan carries a Fixed Interest rate at 7% p.a.		
	viii. Bi- annual equal repayment(€ 0.44 Million) of Foreign Currency loan - I from KfW Germany @ 0.75% p.a, commenced from 30-12-2001, ending on 30-06-2036.		
	ix. Bi-annual equal repayment(€ 2.80 Million) of Foreign Currency loan -II from KfW Germany, @ 0.75% commenced from 30-06-2002, ending on 30-06-2037.		
16	Deferred Tax Liabilities (Net)	As at March 31, 2018	As at March 31, 2017
	Deferred Tax Liabilities		
	Depreciation	2,296.16	1,957.12
	Deferred Tax Assets		
	Provisions	418.74	418.74
	Deferred Tax Liabilities (Net)	1,877.42	1,538.38
17	Other non-current liabilities	As at March 31, 2018	As at March 31, 2017
	Capital purchase, Capital works-in-progress and other liabilities	739.80	501.87
	Mine Closure Liability *	173.75	129.33
	Deferred income (Capital Grant)	97.09	1.64
		1,010.64	632.85
	* 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 Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
	CURRENT LIABILITIES		
18	Financial Liabilities		
	a) Borrowings	As at March 31, 2018	As at March 31, 2017
	Secured loan - Cash credit facility from bank*	1,457.80	1,546.09
		1,457.80	1,546.09
	* Secured by hypothecation of entire current assets of the Company. Rate of Interest for Cash Credit @ 8.15% p.a.		
	b) Trade payables	As at March 31, 2018	As at March 31, 2017
	Trade payables	277.07	537.09
	Others	218.17	170.35
		495.24	707.44
	Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 17.88 crore(previous year ₹ 8.84 crore).Refer detailed disclosure in Note No-54.		
	c) Other financial liabilities	As at March 31, 2018	As at March 31, 2017
	Current maturities of Long Term Debt		
	Secured		
	i. Neyveli Bonds - 2009'	600.00	-
	ii. Term Loans		
	- Banks	398.10	350.00
	Unsecured		
	i. Foreign Currency loan from KfW	26.12	22.45
	ii. Inter Corporate Loan-MCL Ltd.	187.50	-
	Interest Accrued but not due on borrowing		
	i. Neyveli Bonds	9.87	9.87
	ii. KfW-Germany	0.95	0.86
	iii. Inter Corporate Loan-MCL Ltd.	0.06	
		1,222.60	383.17
19	Other current liabilities	As at March 31, 2018	As at March 31, 2017
	Unclaimed dividend	2.97	3.38
	Unutilised revenue grant	5.45	6.08
	Staff security deposit	0.01	0.01
	Other liabilities*		
	- Employees	468.55	296.93
	- Statutory	86.47	500.33
	- Others	1,352.53	596.27
		1,915.98	1,403.00
	*Other liabilities include LD, EMD/ASD 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.		
20	Provisions	As at March 31, 2018	As at March 31, 2017
	Short term benefit of leave salary	79.89	143.94
	Post Retirement medical benefit	18.90	19.29
	Provision for gratuity	530.75	40.67
	Provision for loss on assets	10.66	1.38
	Provision for Contingencies	17.58	44.39
		657.78	249.66

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
21	Regulatory Deferral Account Credit Balances	As at March 31, 2018	As at March 31, 2017
	Deferred foreign currency fluctuation	42.06	22.37
	CERC Order / Petition filled with APTEL	4,442.02	3,787.18
		4,484.08	3,809.55

REVENUE

Note No.	Particulars		(₹ in crore)
22	Revenue from Operations	For the year ended March 31, 2018	For the year ended March 31, 2017
	Power	8,086.10	8,266.18
	Lignite	372.57	371.84
	Consultancy charges	25.51	-
	Miscellaneous	39.34	34.84
		8,523.52	8,672.87
	Less: Transfer to Capital Work in Progress	0.13	0.03
	Less: Rebates	27.19	20.25
		8,496.20	8,652.59
23	Other Income	For the year ended March 31, 2018	For the year ended March 31, 2017
	(a) Interest on		
	(i) Bank Deposit	1.04	150.99
	(ii) Employees Loans	11.94	15.83
	(iii) Mine closure Deposit	12.12	23.41
	(iv) Others		
	- Loans to Subsidiary	73.53	37.96
	- Others	9.94	2.99
	(b) Recoveries Towards		
	(i) Rent	17.00	14.66
	(ii) Others	0.69	0.70
	(c) Profit on Sale of assets	0.64	0.78
	(d) Reversal of Mine closure Liability	-	244.33
	(e) Provision written back	1.65	0.16
	(f) Surcharge *	285.95	62.10
	(g) Dividend from Subsidiary		
	- NTPL	19.47	-
	(h) FE fluctuation	0.22	-
	(i) Income from Govt. Grant	2.19	0.16
	(j) Miscellaneous	165.34	126.46
		601.72	680.54
	(Add) / Less: Transfer to Capital Work-in-Progress	7.01	(9.34)
	Less: Transfer to Mine Closure Liability	7.86	15.31
		586.85	674.57

*Surcharge for the year 2016-17 does not include ₹ 6.87 crore due to uncertainty in realistaion.

Notes to Standalone Financial Statements

EXPENSES

Note No.	Particulars		(₹ in crore)
24	Changes in inventories of raw material	For the year ended March 31, 2018	For the year ended March 31, 2017
	OPENING STOCK		
	Raw Material		
	Lignite	1,220.77	784.06
	CLOSING STOCK		
	Raw Material		
	Lignite	1,153.33	1,220.77
	Increase (-) /Decrease in Stock	67.44	(436.71)
25	Employee benefit expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Salaries, Wages and Incentives	2,237.69	1,938.31
	Contribution to Provident and other funds	330.90	308.35
	Gratuity	560.47	13.69
	Welfare expenses	105.95	134.54
		3,235.01	2,394.90
	Less: Transfer to Capital Work-in-Progress	47.78	22.19
	Less: Expenditure Transferred to Asset	105.27	78.17
		3,081.96	2,294.54
26	Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest Expenses		
	KfW -Foreign currency loan	3.65	3.73
	NLC Bonds	52.98	52.98
	Loan from Banks	121.61	99.90
	Loan from Power Finance Corporation	238.93	151.79
	Others-(includes interest on cash credit)	55.30	6.21
	Inter Corporate Loan	-	-
	- Mahanadi Coal Fields Ltd. (MCL)	9.80	
	Guarantee Fees on KfW loan	5.48	6.24
		487.75	320.85
	Less: Transfer to Capital Work-in-Progress	282.77	151.79
		204.98	169.06
27	Depreciation and Amortisation expense	For the year ended March 31, 2018	For the year ended March 31, 2017
	Property, Plant and Equipment	756.88	640.28
	Mine Development and other Amortisations	102.49	45.57
		859.37	685.85
	Less: Transfer to Capital Work in Progress	(1.78)	2.78
		861.15	683.07

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
28	Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Consumption of Stores and Spares	505.76	619.74
	Fuel	84.47	59.92
	Mine closure	36.56	34.82
	Excise Duty	6.44	91.36
	Rent	1.47	1.40
	Rates and taxes		
	Electricity tax	0.55	0.60
	Clean energy cess	-	1,103.02
	Others	3.04	3.05
	Repairs and Maintenance		
	Plant and Machinery	271.85	205.76
	Buildings	17.38	21.35
	Others	258.56	328.98
	Overburden Removal Expenditure	382.25	332.94
	Insurance	21.27	7.68
	Payments to Auditors		
	Audit fees	0.26	0.26
	Tax Audit fees	0.20	0.01
	Other Certification Fees	0.56	0.46
	Reimbursement of expenses	0.32	0.25
	Travelling expenses	21.69	19.82
	Training expenses	10.48	10.18
	Family Welfare expenses	10.25	9.72
	Selling expenses - Commissions	11.29	6.20
	Afforestation expenses	14.78	14.69
	Royalty	477.04	478.38
	Central Industrial Security Force expenses	138.43	117.54
	Corporate Social Responsibility (Refer Note -40)	43.59	37.19
	Miscellaneous expenses	40.31	43.68
	Buy back Expenses	-	3.11
	Loss on disposal of assets	0.05	0.79
	Fixed assets written off/discarded	0.18	0.32
	Provision for Stores & Materials	2.37	0.70
	Provision for Loss on Assets	9.37	0.10
	Provision for Preliminary expenses	2.80	0.34
	Provision - Others	1.71	-
		2,375.28	3,554.36
	Less: Transfer to Capital Work in Progress	113.07	128.76
		2,262.21	3,425.60
29	Expenses capitalised	For the year ended March 31, 2018	For the year ended March 31, 2017
	Lignite Consumption during construction	0.06	1.87
	Power Consumption during construction	7.26	2.57
	Service Charges	4.80	3.24
	Land Acquisition Expenses	12.83	8.37
		24.95	16.05

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)	
30	Exceptional items	For the year ended March 31, 2018	For the year ended March 31, 2017
	Employee remuneration -VRS compensation	-	(60.01)
	Other Expenses - DMF & NMET *	59.44	(120.07)
		59.44	(180.08)
	*Represents the reversal of provision ₹ 59.44 crore towards District Mineral Fund (DMF) liability made in the previous year 2016-17 for the period prior to 19.05.2017 consequent upon the orders of hon'ble Supreme Court that there is no liability prior to the said date.		
31	Net Movement in regulatory deferral account balances income/ (expenses) net	For the year ended March 31, 2018	For the year ended March 31, 2017
	Income		
	i) Unbilled Power sales /CERC Orders	13.38	69.87
	ii) Wage Revision*	156.73	60.99
	iii) Gratuity*	542.07	-
	iv) Deferred foreign currency	76.38	11.65
	v) Others	19.77	12.29
	Expenses		
	i) Deferred foreign currency	14.41	43.77
	ii) CERC Order/Appeal in APTEL #	842.95	984.59
	Net Movement	(49.03)	(873.56)
	*During the financial year 2017-18 notification has been issued by Department of Public Enterprise (DPE) for increasing the gratuity ceiling limit of ₹ 0.10 crore to ₹ 0.20 crore and also for the implementation of Pay revision of Executives. The incremental liability on account of the above notification for the upward revision of gratuity ceiling limit has been factored in the acturial valuation for gratuity liability, which has been considered in the statement of profit and loss. The incremental cost on account of the notification of increasing the gratuity ceiling limit as stated above and also the notification of pay revision (including the additional liability towards companies contribution of provident fund) has been reckoned as a regulatory asset based on expert legal opinion obtained by the company pending the filing of petition for revision of tariff before CERC. # Includes transfer price difference on CERC order and period cost of appeals pending with APTEL/Other Authorities.		
32	Other Comprehensive Income	For the year ended March 31, 2018	For the year ended March 31, 2017
	Remeasurement of actuarial gains / (losses)	61.03	(26.61)
		61.03	(26.61)
33	Earning per share - Basic and Diluted (Before net regulatory deferral adjustments)	For the year ended March 31, 2018	For the year ended March 31, 2017
	Profit after tax (₹ in crore)	1,897.81	3,242.37
	Weighted Avg. Number of Shares	1,52,85,68,427	1,67,56,66,570
	Face Value of Share (₹)	10.00	10.00
	Earning Per Share - Basic and Diluted (₹)	12.42	19.35
	Earning per share - Basic and Diluted (After net regulatory deferral adjustments)	For the year ended March 31, 2018	For the year ended March 31, 2017
	Profit after tax (₹ in crore)	1,848.78	2,368.81
	Weighted Avg. Number of Shares	1,52,85,68,427	1,67,56,66,570
	Face Value of Share (₹)	10.00	10.00
	Earning Per Share - Basic and Diluted (₹)	12.09	14.14
	The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.		

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
34	Effect of Foreign Exchange Fluctuation	For the year ended March 31, 2018	For the year ended March 31, 2017
	a) The amount of exchange rate difference debited/(credited) to the Statement of Profit & Loss	0.57	(0.31)
	b) The amount of exchange rate difference adjusted and debited /(credited) to the carrying amount of fixed assets & WIP	116.43	(61.48)

As per the Guidance Note on Rate Regulated Activity issued by ICAI , exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations and MoC guidelines on Lignite Transfer price are accounted as Deferred foreign currency fluctuation asset / liability. Accordingly necessary adjustment is made in the current year in depreciation and interest expenditure.

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
35	Expenditure on Research & Development		
	Capital Expenditure	0.18	2.26
	Revenue Expenditure	2.07	11.09
		2.25	13.35

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

Movements in provisions:

Provision	As at 31.03.2017	Additions	Withdrawals	As at 31.03.2018
Provision for loss on Assets	1.38	9.53	0.25	10.66
Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	16.60
Power Tariff adjustment - Deemed export benefit	24.90	-	26.81	(1.91)
Miscellaneous provision	2.89	-	-	2.89
	45.77	9.53	27.06	28.24

a. In all these cases, outflow of economic benefits is expected within next one year

b. The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
37	Consumption of Raw Material and Spare Parts		
	Value of Indigenous and Imported Spares consumed		
	a. INDIGENOUS		
	Spare parts	389.71	505.72
	Percentage	91.20%	93.70%
	b. IMPORTED		
	Spare parts	37.61	34.01
	Percentage	8.80%	6.30%

Notes to Standalone Financial Statements

Note No.	Particulars		(₹ in crore)
38	C.I.F. Value of Imports	For the year ended March 31, 2018	For the year ended March 31, 2017
	Capital Goods	-	5.01
	Components and Spares	22.35	64.01
39	Expenditure in Foreign Currency	For the year ended March 31, 2018	For the year ended March 31, 2017
	Travelling Expenses	0.18	0.13
	Professional and Consultancy	-	0.43
	Interest Charges	1.95	0.17
40	CSR expenditure	For the year ended March 31, 2018	For the year ended March 31, 2017
	Medical-health & family welfare	5.57	6.94
	Safe drinking water supply	1.55	0.00
	Education & scholarship	7.33	10.48
	Formation of link road	4.10	2.39
	Promotion of sports	0.41	0.33
	Community development center	0.20	0.11
	Afforestation & environment sustainablity	1.36	0.14
	Sanitation & other Basic Aminities	0.94	1.44
	Construction of school ,library & hostel	1.72	1.35
	Vocational skill Centre development	1.76	0.44
	Irrigation facilities	11.06	8.11
	Electricity including solar & non conventional energy	0.85	-
	Relief on natural calamities	-	0.06
	Promoting old age home	1.84	0.42
	Contribution To Armed Forces	0.05	-
	Others	4.85	4.98
		43.59	37.19

41 **Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:**

a) List of related parties

i) Key Managerial Personnel (KMP):

Shri. Sarat Kumar Acharya		- Chairman and Managing Director
Shri. Rakesh Kumar		- Director / Chief Financial Officer
Shri. Subir Das	Shri. Azad Singh Toor	Directors
Shri. V. Thangapandian	Shri. K.Madhavan Nair	
Shri. P. Selvakumar	Shri. Chandra Prakash Singh	
Shri. R. Vikraman	Ms. Nalini Padmanabhan	
Shri. R.P. Gupta (Relinquished w.e.f. 09/06/2017)	Ms. Monika Arora	
	Shri. Suresh Kumar (Appointed w.e.f. 09/06/2017)	
Shri. Vikram Kapur	Shri. Indrajit Pal (Appointed w.e.f .06/09/2017)	
Shri. K. Viswanath		Company Secretary

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

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

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:

(₹ in crore)

i) Key management personnel compensation	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Short-term employee benefits	2.64	2.01
Post-employment benefits	0.17	0.46
Other long-term benefits	0.40	0.18
Termination benefits	-	-
Share-based payments	-	-
	3.21	2.65

ii) Transactions with Subsidiaries and Associate:	NTPL		NUPPL	
	2017-18	2016-17	**2017-18**	2016-17
i) Reimbursement of Expenses (including Management Service Charges)	13.70	0.00	23.10	2.76
ii) Loans issued	1100.00	520.00	1000.00	60.00
iii) Loans repaid	870.00	320.00	60.00	0.00
iv) Equity contributions	0.00	200.93	0.00	271.32
v) Dividend Received	19.47	0.00	0.00	0.00
vi) Interest on loans	46.62	37.90	26.91	0.06

iii) Transaction with Post employment benefit plans :	**2017-18**	2016-17
NLC PF Trust		
- Contributions made during the year	309.04	294.29

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

iv) Transactions with the related parties under the control of the same government:

Name of the Company	Nature of transaction	2017-18	2016-17
Bharat Heavy Electricals Limited	Purchase of Stores and spares	4.39	19.13
Bharat Heavy Electricals Limited	Package contracts	611.43	711.75
Bharat Heavy Electricals Limited	Purchase of Stores and spares	6.30	40.17
Bharath Earth Movers Limited	Payment for FMC contract	5.06	-
Bharath Earth Movers Limited	Payment for procuring CMEs	21.98	-
Hindustan Petroleum Corporation Limited	Purchase of furnance oil	64.68	142.54
Bharath Petroleum Corporation Limited	Purchase of furnance oil	50.07	-
Indian Oil Corporation Limited	Purchase of furnance oil	51.28	69.41
National Buildings Construction Corporation Limited	Purchase/Construction of Asset	5.07	14.14
Steel Authority of India Limited	Purchase of Steel	16.81	12.26
Rashtriya Ispat Nigam Limited	Purchase of Steel	1.04	-
Balmer Lawrie & Co. Limited	Purchase of Lubricants	6.13	4.95
Balmer Lawrie & Co. Limited	Purchase of Air Ticket	2.46	-
MSTC Limited	E-auction agent Commission	0.49	0.59
Mecon Limited	Consultancy Services-MOEF norms	0.45	-
Instrumentation Limited	Supply of spares	0.36	-
Mahanadi Coalfields Limited	Loan	1,000.00	-
Power Grid Corporation of India Limited	Maintenance Contract	1.06	0.09

c) Outstanding balances with related parties are as follows:

i) Key Management Personnel

Particulars	Transactions value for the year ended March 31		Balance outstanding as at March 31	
	2018	2017	2018	2017
Mr.Rakesh Kumar- Director/Finance towards HBA	-	-	0.07	0.08
Mr.Viswanath K.- Company Secretary towards Car Loan	-	-	0.04	0.04

ii) Subsidiaries and Associate

Particulars	March 31, 2018	March 31, 2017
a) NTPL		
Receivable		
- towards Bridge Loan	-	180.00
- towards Other Loan & Advances	750.00	340.00
- Others	21.04	3.66
Payable	-	-
b) NUPPL		
Receivable towards Loan		
- towards Loan & Advances	1,000.00	60.00
- Others	7.87	2.76
Payable	-	-
c) MNH Shakti		
There were no transactions during the year with MNH Shakti.	-	-

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)
	iii) Post Employement Benifit Plan:	

NLC PF Trust	March 31, 2018	March 31, 2017
- Receivable	-	-
- Payable	13.50	12.69

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 of Subsidiaries and Associate at the year-end other than Loans are unsecured and interest free.
4. For the year ended March 31, 2018 and March 31, 2017 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.
5. Consultancy/Management services provided by the Company to Subsidiaries and Associates are generally on nomination basis at the terms, conditions and principles applicable for consultancy/management services provided to other parties.

42 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 longivity 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 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 & Leave Benefit

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 * last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore on superannuation, resignation, termination, disablement or on death. The maximum ceiling of ₹ 0.10 crore has been now enhanced to ₹ 0.20 crore by the Report of the 3rd Pay Revision Committee appointed by the GOI. The Company has carried out acturial valuation of gratuity benefit considering the enhanced ceiling.

The Company provide for earned leave benefit and half pay leave to the employees of the company, which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation upto maximum of 240 days. However total number of leave that can be encashed on superannuation shall be restricted to 300 days and no cummutation of half pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

Notes to Standalone Financial Statements

Note No.	Particulars						(₹ in crore)
		Gratuity			Leave Benefit		
		Defined benefit Obligations	Fair value of plan asset	Net Amount	Defined benefit Obligations	Fair value of plan asset	Net Amount
	Balance as at April 1, 2017	830.46	796.53	33.93	506.72	478.34	28.38
	Included in profit and loss						
	Current Service Cost	58.51	-	58.51	20.79		20.79
	Past service cost and gain or loss on settlement	517.11	-	517.11	-		-
	Interest cost (Income)	60.48	60.54	(0.06)	37.39	36.35	1.04
	Included in OCI						
	Remeasurement of loss (gain) :						
	Actuarial loss (gain) arising from	-	-	-	-	-	-
	Demographic assumptions	-	-	-	-	-	-
	Financial assumptions	(36.42)	-	(36.42)	(14.66)	-	(14.66)
	Experience adjustment	(42.79)	-	(42.79)	1.24	-	1.24
	Return on plan asset excluding interest income	-	(0.53)	0.53	-	3.82	(3.82)
	Change in the effect of the asset ceiling	-	-	-	-		
	Other						
	Contributions Paid by the employer	-	0.07	(0.07)		18.00	(18.00)
	Benefits paid	(69.33)	(69.33)	-	(29.59)	(29.59)	-
	Balance as at March 31, 2018	1,318.02	787.28	530.74	521.89	506.92	14.97

	Gratuity		Leave Benefit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Represented by :				
Net defined benefit asset	787.28	796.53	506.92	478.34
Net defined benefit liability	1,318.02	830.46	521.89	506.71

I. Plan Asset

	Gratuity		Leave Benefit	
Plan assets comprises the followings:	March 31, 2018	March 31,2017	March 31, 2018	March 31, 2017
Equity Securities	5.00%	5.00%	5.00%	5.00%
Govt Bonds	95.00%	95.00%	95.00%	95.00%

Details of the employee benefits and plan assets are provided below :

	Gratuity		Leave Benefit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Present value of funded obligation	1,318.02	830.46	521.89	506.71
Fair value of plan assets	787.28	796.53	506.92	478.34
Present value of net obligations	530.74	33.93	14.97	28.37
Unrecognised past service cost	-	-	-	-

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)

II. Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	Gratuity		Leave Benefit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate per annum	7.60%	7.10%	7.60%	7.10%
Expected return per annum on plan asset	7.60%	7.10%	7.60%	7.10%
Salary escalation per annum	5.00%	5.00%	5% for first 5 years and 3% thereafter	5% for first 5 years and 3% thereafter
Mortality	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT
Attrition rate	1 % to 3 %	1 % to 3 %	1%	1%

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.

	Gratuity				Leave Benefit			
	March 31, 2018		March 31, 2017		March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	1,283.05	1,354.66	806.26	855.90	507.54	536.93	491.97	522.20
Salary escalation per annum (+/- 50 BP)	1,338.88	1,283.61	835.27	825.37	537.25	507.13	522.47	491.60
Mortality (+/- 10%)	1,318.09	1,317.94	836.27	824.61	522.00	521.78	506.78	506.65
Attrition rate (+/- 10%)	1,325.54	1,310.46	830.79	830.12	522.14	506.44	507.00	506.43

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

Expected maturity analysis of the defined benefit plans in future years

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2018					
Gratuity	183.73	186.07	496.98	1,260.81	2,127.60
Leave Benefit	64.55	71.84	206.68	510.98	854.05
Total	248.29	257.92	703.66	1,771.79	2,981.65

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2017					
Gratuity	92.32	102.11	306.44	864.78	1,365.66
Leave Benefit	42.08	60.07	201.80	521.08	825.04
Total	134.40	162.18	508.24	1,385.86	2,190.70

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. Futher, contribution to employee pension scheme is paid to the appropriate authorities.

Based on the actuarial valuation obtained in this respect, the following table sets out the same of the provident fund plan as at balance sheet date :

	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2018	2017	2018	2017	2018	2017
Balance as at April 1	2,514.78	2,231.96	2,583.88	2339.75	(69.10)	(107.79)
Current Service Cost	308.37	282.92	-	-	308.37	282.92
Interest cost (income)	208.80	190.83	-	-	208.80	190.83
Actuarial loss (gain)	163.11	143.64	-	85.99	163.11	57.65
Expected return on plan assets	-	-	320.90	198.41	(320.90)	(198.41)
Contributions Paid by the employer	-	-	313.30	294.29	(313.30)	(294.29)
Benefits paid	(453.80)	(334.56)	(453.80)	(334.56)	-	-
Balance as at March 31	2,741.26	2,514.78	2,764.28	2,583.88	(23.03)	(69.09)

Pursuant to para 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 para 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, Para 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
	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 ₹ 23.03 crore (Previous year ₹ 69.09 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, 2018		March 31, 2017	
	(₹ in crore)	% of total assets	(₹ in crore)	% of total assets
Equity Securities	55.84	2.02%	52.11	2.02%
Fixed Income / Debt Securities	2,708.44	97.98%	2,531.76	97.98%
	2,764.28	100.00%	2,583.87	100.00%

II) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	March 31, 2018	March 31, 2017
Discount rate per annum	8.55%	8.65%
Expected return per annum on plan asset	8.55%	8.48%
Super annuation 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

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 gradewise 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.

	March 31, 2018	March 31, 2017
Diclosure 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	15.05	14.75
ii. Liability provided for the fixed Medical Assistance	10.11	9.34

43 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 disclosures as per Ind AS 113 is not applicable.

Notes to Standalone Financial Statements

Note No.	Particulars				(₹ in crore)
	March 31, 2018	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	2,057.19	-	-	2,057.19
	Trade Receivables	3,366.15	-	-	3,366.15
	Cash and Cash equivalents	12.63	-	-	12.63
	Other Bank balances	266.02	-	-	266.02
	Other financial assets	48.93	-	-	48.93
	B. Financial Liabilities				
	Borrowings	7,085.39	-	-	7,085.39
	Trade Payable	495.24	-	-	495.24
	Other financial liabilities	1,457.80	-	-	1,457.80
	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	3,750.09	-	-	3,750.09
	Cash and Cash equivalents	22.07	-	-	22.07
	Other Bank balances	451.63	-	-	451.63
	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
44	Disclosure as per Ind AS 23 on 'Borrowing Costs'				
	Borrowing costs capitalised during the year is ₹ 282.77 crore (previous year ₹ 151.79 crore).				

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
45	Disclosure as per Ind AS 17 'Leases'

I) Operating Lease

a) as Lessee

Expenses on operating leases of the premises for offices are included Note 28 – Other Expenses. Such leases entered into by the Company are non cancellable.

Details of lease rental payable over the remaining contract period is provided below:

Particulars	March 31, 2018	March 31, 2017
Less than one year	0.23	0.76
Between one and five years	-	0.23
More than five years	-	-

46 Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

(a) Subsidiaries

The Company's subsidiaries as at 31 March 2018 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
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
NLC Tamilnadu Power Limited (NTPL)	India	89%	89%	11%	11%	Generation of energy
Neyveli Uttar Pradesh Power Limited (NUPPL)	India	51%	51%	49%	49%	Generation of energy

(b) Associate

The Company's associate as at 31 March 2018 are listed below:

Name of entity	Place of business/country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2018	March 31, 2017	
MNH Shakti Limited	India	15%	15%	Coal mining project

The Company's investments do not contain any restrictions on disposal within a stipulated period of time.

47 Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'

(I) Nature of rate regulated activities

The Company is engaged in the business of mining of lignite and generation of power by using lignite as well as renewable energy sources. The price to be charged by the Company for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC) and the lignite transfer price is determined by the Ministry of Coal (MoC) guidelines. The CERC and MoC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity and transfer of lignite.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

(ii) Recognition and measurement

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114. When the Company prefers appeal in APTEL / Other authorities the impact of the same along with period cost if any required is considered under the Regulatory Deferral Account. The Lignite price difference between CERC approved rate, other recoverable / payable in future through Tariff are also considered under Regulatory Deferral Account.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

(iii) 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 derecognition 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.

(iv) 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

Particulars	March 31, 2018	March 31, 2017
A. Opening balance	250.69	151.31
B. Recognised during the current year	813.61	99.38
C. Amount adjusted/collected/refunded during the year	7.68	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	813.61	99.38
E. Closing balance	1,068.35	250.69

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, 2018	March 31, 2017
A. Opening balance	3,809.55	2,836.61
B. Recognised during the current year	862.64	972.94
C. Amount adjusted/collected/refunded during the year	(188.11)	-
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	862.64	972.94
E. Closing balance	4,484.08	3,809.55

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
	c) Total amount recognised in the Statement of Profit & Loss during the year

Particulars	March 31, 2018	March 31, 2017
Total amount recognised in the Statement of Profit & Loss during the year	49.03	873.56

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 / or upon passing of orders by Appellate / Other Authorities.

48 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 15(a), 18 (c) 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.

Gearing Ratio

	March 31, 2018	March 31, 2017
Debt	8,719.81	6,959.16
Less: Cash and bank balances*	12.63	22.07
Net debt	8,707.18	6,937.09
Total equity*	12,822.64	11,754.64
Net debt to total equity ratio	0.68	0.59

* excludes earmarked deposits/reserves

49 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.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
49	Credit risk

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.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2018, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd. (TANGEDCO) accounted for ₹ 2428.09 crore of the trade receivables carrying amount (₹ 2199.10 crore of the trade receivables as at March 31, 2017).

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 employees through settlement of dues against full & final payment to employees.

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.

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

The ageing analysis of the trade receivables is as below:

Period	Ageing as at March 31, 2018	Ageing as at March 31, 2017
Thermal debtors		
0-30 days past due	449.43	2,537.33
31-60 days past due	451.29	425.33
61-90 days past due	349.49	54.51
91-120 days past due	265.90	46.36
More than 120 days past due	1,545.79	530.34
Total	3,061.90	3,593.87
Mine and other debtors	304.25	156.22
Total debtors	3,366.15	3,750.09

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.

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:

Particulars	March 31, 2018	March 31, 2017
Floating rate borrowings		
- Expiring within one year		
Working capital Loan (SBI)	742.20	1,453.91
Axis Bank - Solar 500 MW	100.00	-
HDFC NNTPS_1135 crore	385.00	-
Fixed-rate borrowings		
- Exipiring within one year		
Rupee Loan from MCL Ltd.	1,000.00	-
Total	2,227.20	1,453.91

Notes to Standalone Financial Statements

Note No.	Particulars					(₹ in crore)
	(ii) Maturitites of financial liabilities					
	The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:					

March 31, 2018	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)	13.06	13.06	26.12	78.36	375.40	506.01
Bonds 2009	-	600.00	-	-	-	600.00
PFC - NNTPS	-	-	300.00	900.00	1,800.0	3,000.00
RTL - SBI	-	116.75	58.38	-	-	175.13
RTL - HDFC	-	116.63	58.31	-	-	174.94
RTL - ICICI	-	116.63	58.31	-	-	174.94
RTL - HDFC Solar	-	48.10	96.20	336.70	-	481.00
RTL - Axis Bank - Solar 500 MW	-	-	100.00	300.00	-	400.00
RTL - HDFC - NNTPS	-	-	113.50	340.50	296.00	750.00
Rupee Loan - Mahanadhi Coal Fields	-	375.00	500.00	125.00	-	1,000.00
TOTAL	13.06	1,386.16	1,310.82	2,080.56	2,471.40	7,262.01

March 31, 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 Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

March 31, 2018	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	1.85	3.55	9.48	20.94	37.71
Bonds 2009	-	52.98	-	-	-	52.98
PFC - NNTPS	59.01	177.69	224.87	532.58	426.06	1,420.20
RTL - SBI	3.47	7.18	1.83	-	-	12.48
RTL - HDFC	3.55	7.36	1.88	-	-	12.79
RTL - ICICI	3.42	7.09	1.81	-	-	12.32
RTL - HDFC NNTPS	15.63	47.07	57.96	116.94	-	237.60
RTL - Axis Solar 500MW	7.81	23.51	28.84	37.08	33.49	130.73
RTL - HDFC Solar-130MW	9.83	27.58	29.58	53.25	-	120.24
Mahanadhi Coalfields	17.45	42.66	26.80	1.23	-	88.14
TOTAL	122.07	394.96	377.12	750.55	480.49	2125.19

March 31, 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 Standalone Financial Statements

	Note No.	Particulars (₹ in crore)
	49	Market risk

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which 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 benefeciaries. 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 benefiaries 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, 2018, March 31, 2017.

Particulars	March 31, 2018	March 31, 20 17
Financial liabilities		
Borrowings - KfW *	506.01	457.06

* KfW Germany loan is taken in Euro and converted into reporting currency.

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 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, 2018	Profit and loss	
10% movement	Strengthening	Weakening
Borrowings - KfW	50.60	(50.60)
March 31, 2017	Profit and loss	
10% movement	Strengthening	Weakening
Borrowings - KfW	45.71	(45.71)

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 change as per CERC Regulations.

Notes to Standalone Financial Statements

Note No.	Particulars (₹ in crore)
49	At the reporting date, the interest rate profile of the Company's interest - bearing financial instrument is as follows:

Particulars	March 31, 2018	March 31, 2017
Financial assets		
Fixed-rate instruments		
Employee Loans	83.65	112.03
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	2,156.00	1,356.00
- Power Finance Corporation (PFC)	3,000.00	3,000.00
Fixed-rate instruments		
Rupee term loans		
- Cash Credit	1,457.80	1,415.28
Foreign Currency Loan		
- KfW	506.01	457.06

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.

	Profit or loss	
	50 bp increase	50 bp decrease
March 31, 2018		
Rupee term loans		
- From Banks	(10.78)	10.78
- Power Finance Corporation (PFC)	(15.00)	15.00
	(25.78)	25.78
March 31, 2017		
- From Banks	(6.78)	6.78
- Power Finance Corporation (PFC)	(15.00)	15.00
	(21.78)	21.78

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.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Company, none of the investments in equity shares are quoted in the market and does not expose the Company to equity price risks.

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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.

b) Performance Achieve Trade (PAT)- TPS-I, exemption from PAT liability was granted upto 31st March, 2017. The Company has requested for extention of time to Ministry of Coal (MOC) and Ministry of Power (MOP) , pending such extention the company has provided penalty as applicable under Sec-26 of Energy Conservation Act, 2001.

Notes to Standalone Financial Statements

Note No.	Particulars				(₹ in crore)
51	Contingencies and Commitments	As at March 31, 2017	Additions	Deletions/ Settlement	As at March 31, 2018
	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	429.18	692.33	1,064.37
	(iv) From Statutory Authorities/State Govt/ Govt Departments	1,319.64	421.52	3.37	1,737.78
	(v) From CPSEs	-	-	-	-
	(vi) From Others	1,875.85	115.33	102.47	1,888.71
		4,523.00	966.03	798.17	4,690.85
	2. Guarantees issued by Company	422.05	141.83	-	563.88
	B. Commitment				
	(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	5,574.89	2,124.27	1,213.74	6,485.42
		10,519.94	3,232.13	2,011.91	11,740.15
	NQ : Not Quantifiable				

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 Standalone Financial Statements

Note No.	Particulars (₹ in crore)

B. Information about reportable segments:

Particulars	Lignite Mining		Power Generation		Inter-segment adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
REVENUE								
External Sales	388.84	384.30	8107.36	8268.29			8496.20	8652.59
Inter-segment sales	5214.04	6190.12	545.34	576.01	5759.38	6766.13		
Total Revenue	5602.88	6574.42	8652.70	8844.30	5759.38	6766.13	8496.20	8652.59
RESULT								
Segment Result	1012.17	1669.54	1379.37	1236.72			2391.54	2906.26
Other Income							476.63	443.22
Unallocated Corporate expenses							141.51	203.97
Operating Profit							2726.66	3145.51
Interest Expense							204.98	169.06
Interest Income							108.57	231.19
Exceptional Items							59.44	(180.08)
Income taxes							791.88	(214.81)
Profit from Ordinary activities							1897.81	3242.37
Net Movement in regulatory deferral account balance income/(expenses)							(49.03)	(873.56)
Other Comprehensive Income							61.03	(26.61)
Net Profit							1909.81	2342.20
OTHER INFORMATION	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Segment Assets	5937.56	6186.56	11805.88	11188.15			17743.44	17374.71
Unallocated Corporate assets(Including Capital Work-in Progress)							14762.97	10134.67
Total Assets							32506.41	27509.38
Segment liabilities	1354.94	1784.70	1852.09	1085.35			3207.03	2870.05
Unallocated Corporate liabilities							15964.80	12440.71
Total liabilities							19171.83	15310.76
Capital Expenditure	189.47	243.85	827.38	128.63			1016.85	372.48
Depreciation	387.36	266.21	440.51	388.27			827.87	654.48
Non-cash expenses other than depreciation	6.09	0.39	5.78	2.02			11.88	2.41

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 Standalone Financial Statements

Note No.	Particulars (₹ in crore)
	C. Information about major customers:
	Revenue from one major customer under 'generation of energy' segment is ₹ 3,356.39 crore (31 March 2017: ₹ 4,348.75 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, 2018	March 31, 2017
Current tax expense		
Current year	621.23	-
Adjustment for MAT credit	(139.50)	-
Adjustment for earlier years	(0.24)	(19.77)
Pertaining to regulatory deferral account balances	(11.00)	-
Total current tax expense	470.48	(19.77)
Deferred tax expense		
Origination and reversal of temporary differences	(22.46)	75.89
Less: Deferred asset for deferred tax liability	(361.50)	270.93
Total deferred tax expense	339.05	(195.04)
Total income tax expense	809.52	(214.81)

ii) Income tax recognised in other comprehensive income

Particulars	March 31, 2018			March 31, 2017		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net actuarial gains/(losses) on defined benefit plans	78.68	17.65	61.03	(26.61)	-	(26.61)

iii) Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate

Particulars	March 31, 2018	March 31, 2017
Profit before tax	2,719.34	2,127.38
Tax using the Company tax rate of 34.608 % (31 March 2017 - 34.608%)	941.11	736.24
Tax effect of:		
Non-deductible tax expenses	325.35	294.01
Foreign exchange differences	-	-
Tax deductions/allowances	(319.69)	(1,221.98)
Business Tax losses	(345.23)	191.73
Previous year tax liability	-	(19.77)
Minimum alternate tax adjustments	(139.50)	-
Interest	8.69	-
Total tax expense in the Statement of Profit and Loss	470.72	(19.77)

Notes to Standalone Financial Statements

Note No.	Particulars	(₹ in crore)

(b) Tax losses carried forward

Particulars	March 31, 2018	Expiry date	March 31, 2017	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 ₹ 41.27 crore (March 31, 2017: NIL). The dividend distribution tax on this proposed dividend amounting to ₹ 8.48 crore (March 31, 2017: NIL crore) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

54 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2018	March 31, 2017
a) Amount remaining unpaid to any supplier:		
Principal amount	17.88	8.84
Interest due thereon	0.12	0.12
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act 2006	-	-

55 Disclosure as per Ind AS 33 'Earnings per Share'

(i) Basic and diluted earnings per share for the year ended (in ₹)

	March 31, 2018	March 31, 2017
From operations including regulatory deferral account balances (a)	12.09	14.14
From regulatory deferral account balances (b)	(0.32)	(5.21)
From operations excluding regulatory deferral account balances (a)-(b)	12.42	19.35
Nominal value per share	10.00	10.00

(ii) Profit attributable to equity shareholders (used as numerator)

	March 31, 2018	March 31, 2017
From operations including regulatory deferral account balances (a)	1,848.78	2,368.81
From regulatory deferral account balances (b)	(49.03)	(873.56)
From operations excluding regulatory deferral account balances (a)-(b)	1,897.81	3,242.37

Notes to Standalone Financial Statements

Note No.	Particulars
	(iii) Weighted average number of equity shares (used as denominator)

	March 31, 2018	March 31, 2017
Opening balance of issued equity shares	1,528,568,427	1,677,709,600
Effect of shares issued during the year, if any	-	20,43,030
Weighted average number of equity shares for Basic and Diluted EPS	1,528,568,427	1,675,666,570

56 Capital Employed (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Employed	15197.76	12,501.17

57 Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as other-wise stated. Certain amounts which do not appear due to rounding off are disclosed separately. Figures of the corresponding Previous period have been regrouped wherever necessary.

58
a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

59 Recent accounting pronouncements

Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying the standard Ind AS 115 'Revenue from contracts with customers' and amendments to Ind AS 21 'The effects of changes in foreign exchange rates'. The notified standard and the amendment are applicable to the Company from 1 April 2018.

Ind AS 115 'Revenue from contracts with customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly. The Company is currently evaluating the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application will be done on completion of evaluation of the potential impact.

Ind AS 21 'The effects of changes in foreign exchange rates'

The amendment to Ind AS 21 applies to entities for foreign currency consideration paid or received in advance. The amendment requires such advance paid or deferred liability to be restated using the spot rate as of the date of such a transaction.

The Company is evaluating the requirements of the amendment after which the effect on the financial statements will be evaluated.

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

M/s. P K K G BALASUBRAMANIAM & ASSOCIATES,
Chartered Accountants,
Door No. 10/2, Eighth Street,
Gandhi Nagar,
Thiruvannamalai - 606 602

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 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 associate and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (Including other comprehensive income), Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its Associate and Jointly controlled entity in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015,as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group and of its associate and jointly controlled entity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind As and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at 31st March, 2018, and their consolidated profit, Consolidated total comprehensive income, consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the Following Matters in the notes to the Consolidated financial statements:

a) Note No.33 (Net Movement in regulatory deferral account balances income / expenses) - The Incremental Cost of ₹542.07 crore attributable to enhancement of the Gratuity ceiling limit from ₹10 lakh to ₹20 lakh and also the additional liability of ₹156.73 crore on account of pay revision respectively as explained in the said note have been reckoned as Regulatory Deferral Asset in accordance with the expert legal opinion pending filing of petition with CERC for the consequent tariff revision.

b) Note No.53C regarding balances of sundry creditors, debtors, loans and advances and deposits which are subject to confirmation and reconciliation.

Our opinion is not modified in respect of said matter.

Other Matter

We did not audit the financial statements of TWO (2) subsidiaries, and ONE (1) Associate and jointly controlled entity, whose financial statements reflect total assets of ₹10213.11 crore as at 31st March, 2018, total revenues of ₹ 2899.83 crore and net cash flows amounting to ₹49.66 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹146.33 crore for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of aforesaid TWO (2) subsidiaries, and ONE (1) Associate and jointly Controlled entity whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, Associate and jointly controlled entity 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, associate and jointly controlled entity , is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by 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,(Including other comprehensive income), the Consolidated Cash Flow Statement and the dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

(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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity – Refer Note 52

ii. The Group, its associate and jointly controlled entity 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 Company and jointly controlled entity incorporated in India.

2. 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 CHANDRAN & RAMAN
Chartered Accountants
Firm Regn No. : 000571S

S. PATTABIRAMAN
Partner
M No. 014309

FOR PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn No.: 001547S

C SURESH
Partner
M No. 204602

Place : Chennai
Date : 28th May 2018

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 connection with our audit of the consolidated financial statements of the Company for the year ended March 31, 2018, 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 and jointly controlled entity, 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 and jointly controlled entity, 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 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 Holding Company, its subsidiary Companies, and its associate and jointly controlled entity, 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, 2018, 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) associate and jointly controlled entity, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such Companies incorporated in India.

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn No. : 000571S

S. PATTABIRAMAN
Partner
M No. 014309

FOR PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn No.: 001547S

C SURESH
Partner
M No. 204602

Place : Chennai
Date : 28th May 2018

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. Whether the Company has clear title or lease deeds for free hold and lease hold land respectively? If not, please state the area of free hold and lease hold land for which the title or lease deeds are not available?

In respect of the NLC India Ltd (Holding Company)

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	Availability of clear title / lease deeds
From incorporation to 1977	The Land Acquisition Act, 1894	Assignment Deeds	Conditional ownership	The assignment deeds given by the GoTN constitutes the title deed. However as per the legal opinion obtained by the Company the ownership does not vest with the Company absolutely and the same is subject to the conditions attached to the assignment deed.
1978 to 1996	The Land Acquisition Act, 1894	Government Notifications	Absolute owner of the land	Title deeds is available with the Company.
1997 to 2001	The Tamil Nadu Acquisition of Land for Industrial Purposes, Act, 1997	Government Notifications	Conditional ownership	The assignment deeds given by the GoTN constitutes the title deed. However as per the legal opinion obtained by the Company the ownership does not vest with the Company absolutely and the same is subject to the conditions attached to the assignment deed.
2001 to 31.03.2018	The Tamil Nadu Acquisition of Land for Industrial Purposes, Act, 1997	Government Notifications	Absolute owner of the land	Title deeds is available with the Company.

In respect of NLC Tamilnadu Power limited (Subsidiary):

The Company has paid advances for acquisition of land for construction of ash dyke and the transfer of title deeds and the documentation process are in progress.

2. Whether there are any cases of waiver or right of debts or loans or interests etc., if yes, the reasons thereof and amount involved ?

During the year under audit, there were no cases of waiver/write off of debts/loans/interest etc., in respect of the Group and its associate and jointly controlled entity

3. Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from the government or other authorities?

In respect of the NLC India Ltd (Holding Company)

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 NLC Tamilnadu Power Limited (Subsidiary)

For inventories lying with the third party - Coal, which is sent to washery under the contract of M/s. Sical Logistics limited, the Company maintains adequate records.

The Company has not received any assets as gift/grant(s) from the government or other authorities.

FOR CHANDRAN & RAMAN
Chartered Accountants
Firm Regn No. : 000571S

S. PATTABIRAMAN
Partner
M No. 014309

FOR PKKG BALASUBRAMANIAM & ASSOCIATES
Chartered Accountants
Firm Regn No.: 001547S

C SURESH
Partner
M No. 204602

Place : Chennai
Date : 28th May 2018

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in crore)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	**16,758.95**	15,994.55
(b) Intangible Asset	3	**6.37**	2.64
(c) Capital Work-In-Progress	4	**8,197.50**	5,074.99
(d) Asset under Development	5	**199.05**	143.65
(e) Financial Assets	6		
i) Investments	a	**12.69**	12.69
ii) Loans	b	**67.45**	99.42
(f) Other non-current assets	7	**1,983.63**	2,073.46
		27,225.64	23,401.40
(2) Current Assets			
(a) Inventories	8	**2,089.42**	2,336.00
(b) Financial Assets	9		
i) Trade receivables	a	**4,558.03**	4,793.45
ii) Cash and cash equivalents	b	**101.93**	63.42
iii) Other bank balances	c	**266.54**	451.63
iv) Loans	d	**211.31**	146.77
v) Other financial assets	e	**49.12**	54.85
(c) Current year tax (Net)	10	**781.97**	645.29
(d) Other Current Assets	11	**2,095.44**	1,343.59
		10,153.76	9,835.00
(3) Regulatory Deferral Account Debit Balances	12	**1,068.35**	250.69
Total Assets and Regulatory Deferral Account Debit Balances		**38,447.75**	33,487.09
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	**1,528.57**	1,528.57
(b) Other Equity	14		
i) Retained earnings	a	**9,569.00**	8,391.65
ii) Other reserves	b	**2,254.40**	2,206.26
		13,351.97	12,126.48
c) Non - Controlling Interest	15	**685.68**	674.08
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	**9,380.34**	8,536.56
(b) Deferred tax liabilities (Net)	17	**1,912.17**	1,501.11
(c) Other non-current liabilities	18	**1,010.64**	632.84
		12,303.15	10,670.51
(2) Current Liabilities			
(a) Financial liabilities	19		
(i) Borrowings	a	**2,130.53**	2,125.23
(ii) Trade payables	b	**1,023.68**	1,257.70
(iii) Other financial liabilities	c	**1,715.38**	827.58
(b) Other current liabilities	20	**2,085.40**	1,745.09
(c) Provisions	21	**667.88**	250.87
		7,622.87	6,206.47
(3) Regulatory Deferral Account Credit Balances	22	**4,484.08**	3,809.55
Total Equity and Liabilities and Regulatory Deferral Account Credit Balances		**38,447.75**	33,487.09
Significant Accounting Policies	1		

The Accompanying Notes 1 to 61 forms an integral part of the Financial Statements.

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 : 28.05.2018

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

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

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S
C. SURESH
Partner
M.No. : 204602

Place : Chennai
Date : 28.05.2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Sl. No	Particulars	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
I	Revenue from Operations	23	11,288.39	11,185.73
II	Other Income	24	575.95	713.78
III	Total Income (I+II)		11,864.34	11,899.51
IV	EXPENSES			
	Changes in Inventories	25	67.44	(436.71)
	Cost of fuel consumed	26	1,661.46	1,543.45
	Employee benefit expenses	27	3,163.05	2,343.58
	Finance costs	28	547.85	588.28
	Depreciation and Amortisation expenses	29	1,231.62	1,043.53
	Other expenses	30	2,407.61	3,490.49
	Less: expenses capitalised	31	24.95	16.05
	Total Expenses (IV)		9,054.08	8,556.57
V	Profit / (loss) before Regulatory, exceptional items and tax (III-IV)		2,810.26	3,342.93
VI	Exceptional Items	32	59.44	(180.08)
VII	Profit / (loss) before tax (V+VI)		2,869.70	3,162.84
VIII	Tax expense:			
	(1) Current tax			
	- Current Year Tax		648.10	366.96
	- MAT Credit		(139.50)	(366.96)
	- Previous year		(0.24)	(19.77)
	- Tax Expenses / (Savings) on Rate Regulated Account		(11.00)	-
	(2) Deferred tax		366.53	(147.61)
IX	Profit / (loss) for the period before movement in deferral account balances (VII - VIII)		2,005.81	3,330.23
X	Net Movement in regulatory deferral account balances income/(expenses)	33	(49.03)	(873.56)
XI	Profit / (loss) for the period (IX+X)		1,956.78	2,456.66
XII	Other Comprehensive Income			
	A (i) Items not reclassified to profit or loss:	34		
	1. Re-measurements of defined benefit plans		61.03	(26.61)
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising profit/(loss) and other comprehensive income)		2,017.81	2,430.06
XIV	Profit Attributable to			
	- Owners of the Company		1,942.76	2,447.00
	- Non Controlling Interest (NCI)		14.02	9.66
XV	Total Comprehensive income attributable to			
	- Owners of the Company		2,003.79	2,420.39
	- Non Controlling Interest (NCI)		14.02	9.66
XVI	Earnings per equity share before movement in Regulatory balances:			
	(1) Basic (in ₹)	35	13.12	19.87
	(2) Diluted (in ₹)		13.12	19.87
XVII	Earnings per equity share after movement in Regulatory balances:	35		
	(1) Basic (in ₹)		12.80	14.66
	(2) Diluted (in ₹)		12.80	14.66

The Accompanying Notes 1 to 61 forms an integral part of the Financial Statements.

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 : 28.05.2018

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

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

S. PATTABIRAMAN
Partner
M.No. : 014309

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S

C. SURESH
Partner
M.No. : 204602

Place : Chennai

Date : 28.05.2018

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	As at 01.04.2017		Movement during the year		As at 31.03.2018	
	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)
Equity Share Capital	1,52,85,68,427	1,528.57	-	-	1,52,85,68,427	1,528.57

B. Other Equity **(₹in crore)**

Particulars	Retained earnings and other Reserves							Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Bond Redemption Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained earning	
Balance as at 01.04.2017	322.23	80.00	1,457.00	135.00	149.14	62.88	8,391.65	10,597.91
Changes in accounting policy or prior period errors	-	-	-	-	-	-		-
Total Comprehensive Income for the year								
Profit or loss	-	-	-	-	-	-	1,956.78	1,956.78
Other comprehensive income							61.03	61.03
Total Comprehensive Income	-	-	-	-	-	-	2,017.81	2,017.81
Transactions with owners, recorded directly in equity								
Dividend							(781.11)	(781.11)
Appropriations	12.28	10.00	-	15.00		10.87	(59.35)	(11.20)
Any other changes (Remeasurement Loss)	-	-	-	-	-	-		-
Other changes	-	-	-	-	-	-		-
Balance as at 31.03 2018	334.51	90.00	1,457.00	150.00	149.14	73.75	9,569.00	11,823.40

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 : 28.05.2018

This is Consolidated statement of changes in Equity referred to in our report of even date.

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

S. PATTABIRAMAN
Partner
M.No. : 014309

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S

C. SURESH
Partner
M.No. : 204602

Place : Chennai

Date : 28.05.2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		**2,869.70**		3,162.84
Adjustments for non-cash items				
Less:				
Profit on Disposal of Asset	**0.64**		0.78	
Interest Income	**38.26**		232.43	
	38.90		233.21	
Add:				
Depreciation	**1,231.62**		1,043.44	
Buyback Expenses	**0.00**		3.11	
Fixed asset written off	**0.18**		0.00	
Provision for loss on asset	**9.37**		0.00	
Other non cash charges	**414.56**		33.26	
Interest expense	**547.85**		626.24	
	2,203.59	**2,164.69**	1,706.05	1,472.84
Operating Profit before working capital changes		**5,034.39**		4,635.68
Adjustments for :				
Trade receivables		**233.73**		(2371.51)
Loans & advances		**(32.48)**		(86.83)
Inventories & other current assets		**(409.78)**		(964.16)
Trade payables & other current liabilities		**151.74**		514.79
Cash Flow generated from Operations		**4,977.60**		1,727.97
Direct Taxes paid		**(539.05)**		(503.91)
Cash Flow Before Extraordinary Items		**4,438.55**		1,224.06
Grants received		**94.81**		1.22
Net Cash from operating activities		**4,533.36**		1,225.28
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment / preliminary expenses		**(4646.29)**		(4232.59)
Sale of property, plant and equipment / Projects		**9.24**		9.44
From continuing operations				
Sale/Purchase of Investments		**0.00**		(472.25)
Interest Received		**43.99**		363.58
Net Cash used in investing activities		**(4,593.06)**		(4331.82)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Short Term Borrowings (Net)		**5.30**		655.32
Issue of Share Capital		**-**		225.77
Long Term Borrowings (Net)		**1,731.42**		2,899.83
Interest paid		**(857.39)**		(778.16)
Buyback of Equity Shares including Buyback Expenses		**-**		(1,479.61)
Dividend (including Dividend Tax)		**(781.12)**		(1,590.94)
Net Cash used/received in financing activities		**98.21**		(67.78)
Net increase, decrease ( ) Cash and Cash equivalents		**38.51**		(3,174.32)
Cash and cash equivalents as at the beginning of the year		**63.42**		3,237.74
Cash and cash equivalents as at the end of the year		**101.93**		63.42
NOTE : ( ) INDICATES CASH OUTFLOW.				
DETAILS OF CASH AND CASH EQUIVALENTS:		**As at March 31, 2018**		As at March 31, 2017
Cash in Hand		**0.01**		0.01
Cash at Bank in Current Accounts		**22.09**		24.30
Cash at Bank in Deposit Accounts		**79.83**		39.11
Total		**101.93**		63.42

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 : 28.05.2018

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

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

S. PATTABIRAMAN
Partner
M.No. : 014309

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S

C. SURESH
Partner
M.No. : 204602

Place : Chennai
Date : 28.05.2018

Note No. 1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2018

(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 March 31, 2018. 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 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.

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 synchronization.

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 ₹ 0.50 crore and above are treated as Property, Plant & Equipment.

Land

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) Wind Turbine Generator (WTG) and Solar Power Plants.	As per the estimated life of the plant in line with guidelines issued by Ministry of New and Renewable Energy (‘MNRE’) / CERC/ SERC as applicable.
(c) Life Extension Program (‘LEP’) Assets.	At residuary life not exceeding 15 years / as approved by CERC / SERC from the date of synchronisation.
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 theCompanies 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 cost till achievement of quantity parameters as approved for each project. Such expenditure are to be amortized over the estimated life of the mine from the period of commencement of production or the life originally /initially approved for the linked power plant i.e. 25 years, whichever is lesser.

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 ₹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.
Coal	At weighted average acquisition cost
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 ₹ 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 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 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.

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 are 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 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 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 Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Terminal 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 recognises 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 items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

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 of material nature 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

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 as approved by the Central Electricity Regulatory Commission constituted under the Electricity Act, 2003. However the orders of CERC when contested, sale of power continued to be accounted as per petition filed based on the guidelines issued by CERC / Ministry of Coal pending disposal of appeal by APTEL. 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.

Consultancy and management services

Revenue from consultancy / management services is recogniaed in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the agreement with service recipient.

Other Income

Interest income

Interest income with respect to advances provided to employees is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognised in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognized in the period in which there is acceptance of the claim / certainty of realisation, as the case may be.

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognised based on agreement with beneficiaries. On renewable power the same is recognised based on realisation / certainty of realisation.

Dividends

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

Others

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.

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 recognised 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 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 recognised 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.

Operating lease

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.

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 and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XXII. Earnings per share

The Group 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. However the orders of CERC when contested, sale of power continued to be accounted as per petition filed based on the guidelines issued by CERC / Ministry of Coal pending disposal of appeal by APTEL.

The expense/income that will be recovered from/ 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.

FOR CHANDRAN & RAMAN	**FOR PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants	Chartered Accountants
Firm Regn No. **:** 000571S	Firm Regn No.: 001547S
S. PATTABIRAMAN	**C SURESH**
Partner	Partner
M No. 014309	M No. 204602

Place : Chennai
Date : 28th May 2018

Notes to Consolidated Financial Statements

NON-CURRENT ASSETS
Property, Plant and Equipment
Tangible Assets

(₹ in crore)

Note No.	Description	Gross Block				Depreciation				Net Block	
		As at 01.04.2017	Additions Transfers	Disposals/ Trans./Adjt.	**As at 31.03.2018**	As at 01.04.2017	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2018	As at 31.03.2018	As at 01.04.2017
2	Land *	831.55	180.51	0.00	1,012.07	0.00	0.00	0.00	0.00	1,012.07	831.55
	Roads	92.98	13.73	0.00	106.70	23.82	0.00	16.97	40.79	65.91	69.16
	Buildings ++	415.38	77.85	0.04	493.19	24.79	0.01	13.80	38.58	454.61	390.59
	Electrical Installations	179.22	12.71	0.02	191.91	51.38	0.00	25.82	77.20	114.71	127.84
	Water Supply & Drainage	91.94	13.17	0.00	105.10	21.79	0.00	11.91	33.70	71.40	70.15
	Plant & Machinery **	15,401.31	1,690.83	12.26	17,079.88	1,634.84	0.43	1,037.36	2,671.78	14,408.10	13,766.47
	Furniture & Equipment	46.90	5.99	0.30	52.60	7.21	0.15	5.15	12.20	40.40	39.69
	Vehicles	39.52	2.34	0.16	41.70	9.92	0.02	7.07	16.97	24.73	29.60
	Mine Development @										
	Mine-I	206.97	0.00	0.00	206.97	48.72	0.00	23.26@	71.98	134.99	158.25
	Mine-IA	91.74	0.00	0.00	91.74	5.60	0.00	8.61@	14.21	77.53	86.14
	Mine-II	348.50	0.01	0.00	348.51	28.12	0.00	64.46@	92.58	255.93	320.38
	Barsingsar Mine	110.85	0.00	0.00	110.85	6.12	0.00	6.16@	12.28	98.57	104.73
	Total	17,856.86	1,997.14	12.78	19,841.22#	1,862.31	0.61	1,220.57	3,082.27	16,758.95	15,994.55
	Previous Year	17,195.19	757.40	10.26	17,942.33	903.96	0.33	1,044.15	1,947.78	15,994.55	

* 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 ₹ 0.34 crore (Previous year ₹ 71.76 crore).

@ Represents provisions for amortisation which is based on life of linked power plant.

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.

Intangible Assets

(₹ in crore)

Note No.	Description	Gross Block				Depreciation				Net Block	
		As at 01.04.2017	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2018	As at 01.04.2017	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2018	As at 31.03.2018	As at 01.04.2017
3	Software	2.90	5.19	0.00	8.09	0.26	0.00	1.46	1.72	6.37	2.64
	Total	2.90	5.19	0.00	8.09	0.26	0.00	1.46	1.72	6.37	2.64
	Previous Year	0.29	2.61	0.00	2.90	0.17	0.00	0.09	0.26	2.64	

Notes to Consolidated Financial Statements

Note No.	Particulars				(₹ in crore)
4	**Capital work-in-progress**	**As at March 31, 2018**		As at March 31, 2017	
	Plan Expenditure				
	i) TPS-II Expansion				
	Supply and Erection	11.02		19.83	
	Capital Goods in Stock	3.72		3.72	
	Expenditure during Construction	15.95	30.69	0.00	23.55
	ii) Mine-II Expansion				
	Supply and Erection	1.01		5.85	
	Capital Goods in Stock	1.10	2.11	1.10	6.95
	iii) Neyveli New Thermal Plant				
	Supply and Erection	4657.49		3,779.83	
	Expenditure during Construction	187.57		88.03	
	Interest during Construction	516.93	5361.99	253.89	4,121.75
	iv) Wind Power Project				
	Supply and Erection	0.00		36.08	
	Expenditure during Construction	0.00	0.00	1.16	37.24
	v) Solar Power Project				
	Supply and Erection	1064.46		391.22	
	Expenditure during Construction	1.24		1.70	
	Interest during Construction	0.85	1066.55	0.15	393.07
	vi) Bithnok Project				
	Supply & Erection	24.27		23.97	
	Expenditure during Construction	18.14	42.41	7.66	31.63
	vii) Barsingsar Extn & Halda Mines				
	Supply & Erection	7.85		7.59	
	Revenue Expenditure	13.98	21.83	5.12	12.71
	viii) Mine-IA Expansion				
	Supply & Erection	10.65		21.12	
	Revenue Expenditure	297.82	308.47	172.99	194.11
	viii) NLC Tamilnadu Power Limited				
	Supply & Erection	74.76	74.76	50.18	50.18
	ix) Neyveli Uttar Pradesh Power Ltd.				
	Supply & Erection	828.79		62.13	
	Capital goods in Stock	0.29		0.00	
	Expenditure during construction	359.17		0.00	
	Revenue expenditure	31.41			
	Interest during Construction	26.97	1,246.62	0.00	62.13
	Non- Plan Expenditure				
	Supply and Erection	32.40		114.04	
	Capital Goods in Stock	9.42		26.90	
	Capital Goods in Transit	0.25	42.07	0.74	141.68
			8,197.50		5,074.99

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
5	Assets under Development	**As at March 31, 2018**	As at March 31, 2017
	Preliminary Project Expenditure	231.06	173.54
	Less: provisions	32.01	29.89
		199.05	143.65
6	Financial Assets		
	a) Investments	**As at March 31, 2018**	As at March 31, 2017
	In equity shares fully paid up 1,27,65,000 @ ₹ 10 per share of MNH Shakti (15% Stake)	12.77	12.77
	Less : Share of Loss in MNH Shakti (15 % Stake)	(0.08)	(0.08)
		12.69	12.69
	b) Loans	**As at March 31, 2018**	As at March 31, 2017
	Loans and Advances-Staff (Secured)	50.63	72.99
	Loans and Advances-Staff (Unsecured considered good)	16.82	26.43
		67.45	99.42
	Loans to Employees are measured at amortised cost and the said deffered Interest Expenditure representing the benefits accruing to Employees is amortised on straight line basis over the remaining period of the loan.		
7	Other non-current assets	**As at March 31, 2018**	As at March 31, 2017
	Unsecured considered good		
	Capital Advances	1,240.99	1,281.09
	MAT Credit entitlement	680.13	775.11
	Others	62.51	17.26
		1,983.63	2,073.46
	Includes an amount of ₹34.57 crore in respect of NTPL paid to land owners as advance towards acquisition of land for construction of Ash dyke in pursuant to the National Mega Lok Adalat Order dated 12.03.2016 and ₹0.52 crore has been deposited in a separate bank account for balance settlement. Land not capitalised for pending documentation.		
	Current Assets		
8	Inventories	**As at March 31, 2018**	As at March 31, 2017
	Raw Materials- Lignite	1,153.53	1,220.77
	Raw Materials- Coal	359.12	506.61
	Stores and Spares	559.23	577.17
	Goods-in-transit	17.53	32.84
	Less: Provision for stores and materials	(7.42)	(6.12)
	Solid/Hollow/Fly Ash Bricks	7.43	4.73
		2,089.42	2,336.00

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
	Inventory valuation - Inventories are valued at the lower of cost or net realisable value. Cost for these purposes are as follows:		
	(i) Lignite - At absorption cost excluding share of common charges and social overhead.		
	(ii) Coal - At weighted average acquisition cost.		
	(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.		
9	Financial Assets		
	a) Trade receivables	As at March 31, 2018	As at March 31, 2017
	Unsecured		
	a. Considered good	4,558.03	4,793.45
	b. Considered doubtful	10.46	8.77
		4,568.49	4,802.22
	Less: Provision for Doubtful Debts	10.46	8.77
	Total	4,558.03	4,793.45
	b) Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
	Balances with Scheduled Banks in Current A/c	22.09	24.30
	Cash on hand #	0.01	0.01
	Fixed Deposits		
	i. Short term Deposit	79.83	39.11
		101.93	63.42
	# Stamps on hand as on 31.03.2018 - ₹ 86,810/-		
	c) Other bank balances	As at March 31, 2018	As at March 31, 2017
	Unpaid Dividend A/c	2.97	3.38
	Fixed Deposits		
	i. Staff security deposit	0.01	0.01
	ii. Endowment fund in the name of NLC schools	0.37	0.35
	iii. Mine Closure Deposit*	171.73	368.48
	iv. PRMA Fixed Deposit	73.75	62.90
	v. Short term Deposits for Lien for guarantee	17.19	16.51
	vi. Land for Ash dyke	0.52	0.00
		266.54	451.63
	* In the name of "Coal Controller Escrow Account NLC Ltd. Mine"		
	d) Loans	As at March 31, 2018	As at March 31, 2017
	a) Secured		
	Staff Advances	16.21	12.61
	b) Unsecured		
	i. Considered good	195.10	134.16
	ii. Considered doubtful	2.12	2.21
	Less: Provision for doubtful advances	2.12	2.21
		211.31	146.77
	Loans to Employees are measured at amortised cost and the said deffered Interest Expenditure representing the benefits accruing to Employees is amortised on straight line basis over the remaining period of the loan..		

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
	(i) Due by Officers	0.06	0.04
	(ii) Maximum amount due at any time during the year	0.06	0.05
	(i) Due by Directors	0.07	0.08
	(ii) Maximum amount due at any time during the year	0.08	0.08
	e) Other financial assets	As at March 31, 2018	As at March 31, 2017
	Interest accrued	49.12	54.85
		49.12	54.85
10	Current Year Tax (Net)	As at March 31, 2018	As at March 31, 2017
	Advance Income Tax	2,928.13	2,320.97
	Less : Provision for Tax	2,146.16	1,675.68
		781.97	645.29
11	Other current assets	As at March 31, 2018	As at March 31, 2017
	Disposable/Dismantled assets, Spares	3.97	0.62
	Prepaid expenses	22.72	19.30
	Deposit with Central Excise, Port Trust and Customs authorities	0.04	0.04
	Unbilled Revenue	1,959.12	1,315.91
	Accrued Income	0.90	1.68
	Advances for Capital Items	11.93	-
	Advances for Revenue items	74.98	-
	Others	21.78	6.04
		2,095.44	1,343.59
	Unbilled Revenue includes lignite transfer price difference and for billing done after March 31.		
12	Regulatory Deferral Account Debit Balances	As at March 31, 2018	As at March 31, 2017
	Deferred foreign currency fluctuation	136.30	58.27
	Gratuity	542.07	-
	Wage revisions	156.73	60.99
	CERC order	0.38	0.38
	OB removal	11.91	11.91
	Others	220.96	119.14
		1,068.35	250.69

EQUITY

Note No.	Particulars	(₹ in crore)	
13	Equity Share Capital	As at March 31, 2018	As at March 31, 2017
	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
	Issued:		
	1,52,85,68,427 Equity shares (previous year 1,52,85,68,427) ₹10 each fully paid	1,528.57	1,528.57
	(1.28.46,03,208 Equity Shares being 84.04% (previous year 1,36,53,92,374 shares being 89.32%) are held by the President of India.)		
		1,528.57	1,528.57

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
14	Other Equity	As at March 31, 2018	As at March 31, 2017
	a) Retained Earnings	9,539.61	8,405.64
	b) Other Reserves		
	KfW Interest Differential Reserve	334.51	322.23
	General Reserve	1,457.00	1,457.00
	Contingency Reserve	90.00	80.00
	Bond redemption Reserve	150.00	135.00
	Capital Redemption Reserve	149.14	149.14
	PRMA Reserve Fund	73.75	62.88
	Other Comprehensive Income		
	Remeasurement of actuarial gains/ losses and interest cost	29.39	(13.99)
		11,823.40	10,597.91
	i) Retained Earnings	As at March 31, 2018	As at March 31, 2017
	Opening Balance	8,405.64	9,077.47
	Addition During the year	2,018.21	2,430.06
	Retained Earning Available for Appropriation	10,423.85	11,507.64
	Less : Appropriations		
	Transfer to/from Interest Differential Fund Reserve	12.28	11.12
	Transfer to Bond Redemption Reserve	15.00	15.00
	Transfer to General Reserve	-	-
	Transfer to Contingency Reserve	10.00	10.00
	Transfer to PRMA Reserve Fund	10.87	6.84
	Transfer to Capital redemption Reserve	0.00	149.14
	Buy back Premium	-	1,327.36
	Interim Dividend (including NCI portion)	648.99	1,121.97
	Tax on Interim Dividend	132.12	228.42
	Proposed final Dividend for FY 2015-16 paid in FY 2016-17	-	242.30
	Reinstatement of prior period adjustment	-	6.79
	Non Controlling interest	11.61	9.66
	Other Comprehensive Income		
	Remeasurement of Acturial Gain	43.38	(26.61)
	Closing Balance	9,539.61	8,405.64
	The subsidiary Company NTPL has restated its financials as there was prior period error, however as the same is not material for NLCIL it has been factored in the current year financials suitably.		
	ii) KfW Interest Differential Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	322.23	311.11
	Transfer from retained earnings	30.25	29.21
	Less : Withdrawal/Adjusted during the year	17.97	18.08
	Closing Balance	334.51	322.23
	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.		

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
	iii) General Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	1,457.00	1,457.00
	Transfer from retained earnings	-	-
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	1,457.00	1,457.00
	iv) Contingency Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	80.00	70.00
	Transfer from retained earnings	10.00	10.00
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	90.00	80.00
	Apportionment of profits amounting to ₹ 10 cr every year to secure contingency payments in the future periods.		
	v) Bond redemption Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	135.00	120.00
	Transfer from retained earnings	15.00	15.00
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	150.00	135.00
	Apportionment of profits over the period of the bond to secure repayment to the creditors of the Company.		
	vi) Capital Redemption Reserve	As at March 31, 2018	As at March 31, 2017
	Opening Balance	149.14	-
	Transfer from retained earnings	-	149.14
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	149.14	149.14
	Towards nominal value of shares bought back		
	vii) PRMA Reserve Fund	As at March 31, 2018	As at March 31, 2017
	Opening Balance	62.88	56.04
	Transfer from retained earnings	10.87	6.84
	Less : Withdrawal/Adjusted during the year	-	-
	Closing Balance	73.75	62.88
	Reserve towards post retirement medical assistance provided to retired employees and their spouse.		
15	Non Controlling Interest	As at March 31, 2018	As at March 31, 2017
	a) NLC Tamilnadu Power Ltd. (NTPL)	243.51	231.90
	b) Neyveli Uttar Pradesh Power Limited (NUPPL)	442.17	442.18
		685.68	674.08
	Non-Current Liabilities		
	Financial Liabilities		
16	Borrowings	As at March 31, 2018	As at March 31, 2017
	A) Secured Loans		
	(i) Neyveli Bonds - 2009'	-	600.00
	(ii) Term Loans from Banks	2,036.43	1,006.00
	(iii) Power Finance Corporation Ltd	6,051.52	6,495.94
	B) Unsecured Loans		
	(i) Inter Corporate Loan :		
	- Loan from Mahanadi Coal Fields	812.50	-
	(ii) Foreign Currency loan from KfW-Germany##		
	8.116 Million Euro (8.56 Million Euro) - I	61.91	56.21
	54.646 Million Euro (57.45 Million Euro) - II	417.98	378.41
	## Guaranteed by the Government of India.		
		9,380.34	8,536.56

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)		
	i. 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).		
	ii. Term Loan from bank includes Rupee Term Loan amounting to ₹525 crore (PY 875 crore) as at the year end out of total sanction amount of ₹1400 crore, (from SBI ₹ 467 crore @ 7.95% p.a.), (from HDFC Bank ₹ 466.50 crore @ 8.15% p.a.) and (from ICICI Bank ₹ 466.50 crore @ 7.85% p.a.). Interest Rate are based on 3 months MCLR rate and the loan shall be repaid in remaining 3 half-yearly instalments. The last instalment falls due on August'2019. This loan is secured by a. Pari-Passu charge on the immovable assets of Mine-II Expansion, TS-II Expansion, Barsingsar Mines and Barsingsar TPS projets & b. Pari-Passu charge by way of hypothecation on the movable assets both present and future pertaining to Mine-II Expansion, TS-II Expansion, Barsingsar Mines and Barsingsar TPS projects.		
	iii. Rupee Term Loans (RTL) of ₹ 3000 crore @ 7.89% p.a. (on the basis of 3 year AAA Reuter rate) from M/s. Power Finance Corporation for NNTPS project secured by pari passu charge on NNTPS 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.		
	iv. Rupee Term Loan of ₹1135 crore @ 8.36% p.a. (on the basis of 5 year G-Sec rate) from HDFC Bank for NNTPS project secured by pari-passu charge on NNTPS project fixed asset, repayable in 20 equal bi-annual instalments commencing from 30.06.2019 . Out of this facility, the loan drawn ₹ 750 crore has been grouped under Term Loan from Banks.		
	v. 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 @ 8.20% p.a (on the basis of 5 year G-Sec Rate). Full amount was drawn on 29.03.2017 and the same has been grouped under Term Loans from Banks. The Loan is secured by charge on project fixed asset to the extent of the loan amount, repayable in 10 equal bi-annual instalments commencing from October' 2018.		
	vi. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with Axis Bank for an amount of ₹ 500 crore @ 7.83% p.a (on the basis of 5 Year G-Sec rate). Out of which ₹ 400 crore was drawn and the same has been grouped under Term Loans from Banks. The loan is secured by pari-passu charge on the project assets to the extent of the facility. Repayment for the loan starts from September 2019 in 10 equal half-yearly instalments		
	vii. To meet the General Funding arrangement, a Rupee Loan Agreement was tied up with Mahanadi Coalfields Limited for ₹ 2000 crore. This is Unsecured loan repayable in 48 equal monthly instalments starting from July'2018. Out of which ₹1000 crore was drawn as at the end of Financial Year. This loan carries a Fixed Interest rate at 7% p.a.		
	viii. Bi- annual equal repayment(€ 0.44 Million) of Foreign Currency loan - I from KfW Germany @ 0.75% p.a, commenced from 30-12-2001, ending on 30-06-2036.		
	ix. Bi-annual equal repayment(€ 2.80 Million) of Foreign Currency loan -II from KfW Germany, @ 0.75% commenced from 30-06-2002, ending on 30-06-2037.		
	x. In respect of NTPL : a) Power Finance Corporation Ltd - Rupee term loan I - Sanctioned - ₹ 1184.92 crore:- Repayable in Twenty (20) equal half-yearly instalments from January 2016.and the rate of interest on the loan is 8.73%, secured by pari-passu charge on project fixed assets financed. b) Power Finance Corporation Ltd - Rupee term loan II - Sanctioned - ₹ 3093.30 crore:- Repayable in Nineteen (19) equal half yearly installments from October 2016 and the rate of interest on the loan is 8.85%, secured by pari-passu charge on project fixed assets financed. c) Bank of India - Rupee Term Loan - Sanctioned - ₹ 483.52 crore:- Repayable in Twenty (20) equal half yearly installments from September 2018 and the rate of interest on the loan is 8.28%, secured by pari-passu charge on project fixed assets financed.		
	xi. In respect of NUPPL a funding arrangement of ₹ 11067 crore has been tied up with PFC, REC and SBI Consortium, however no amount is drwan till 31.03.2018.		
17	Deferred tax liabilities (Net)	As at March 31, 2018	As at March 31, 2017
	Deferred Tax Liabilities		
	Depreciation	3,201.96	2,788.69
	Deferred Tax Assets		
	Provisions, Carry forward losses etc	1,289.79	1,287.58
	Deferred Tax Liabilities (Net)	1,912.17	1,501.11

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
18	Other non-current liabilities	As at March 31, 2018	As at March 31, 2017
	Capital purchase, Capital works-in-progress and other liabilities	739.80	501.87
	Mine Closure Liability *	173.75	129.33
	Deferred income	97.09	1.64
		1,010.64	632.84
	* 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		
19	Financial Liabilities		
	a) Borrowings	As at March 31, 2018	As at March 31, 2017
	Secured loan - Cash credit facility from bank	2130.53	2,125.23
		2130.53	2,125.23
	a. In respect of NLCIL : Secured by hypothecation of entire current assets of the Company and rate of interest is 8.15 % p.a. b. In respect of NTPL : 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 8.20% p.a.		
	b) Trade payables	As at March 31, 2018	As at March 31, 2017
	Sundry Creditors	805.51	1,087.35
	Others	218.17	170.35
		1,023.68	1,257.70
	Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 17.88 crore (previous year ₹ 8.84 crore).Refer detailed disclosure in Note No-57.		
	c) Other financial liabilities	As at March 31, 2018	As at March 31, 2017
	Current maturities of Long Term Debt		
	i. Neyveli Bonds - 2009'	600.00	-
	ii. Loan from Banks	446.46	350.00
	iii. Loan from Power finance Corporation	444.42	444.42
	iv. Foreign Currency loan from KfW	26.12	22.44
	v. Inter Corporate Loan-MCL Ltd.	187.50	-
	Interest Accrued but not due on borrowing		
	i. Neyveli Bonds	9.87	9.87
	ii. KfW	0.95	0.86
	iii. Inter Corporate Loan-MCL	0.06	-
		1,715.38	827.58

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
20	Other current liabilities	As at March 31, 2018	As at March 31, 2017
	Unclaimed dividend	2.97	3.38
	Unutilised revenue grant	5.45	6.08
	Staff security deposit	0.01	0.01
	Other Liabilities*		
	- Employees	471.01	296.93
	- Statutory	113.25	503.72
	- Others	1492.71	934.98
		2,085.40	1,745.09
	* 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.		
21	Provisions	As at March 31, 2018	As at March 31, 2017
	Short term benefit of leave salary	80.96	144.38
	Post Retirement medical benefit	18.89	19.29
	Provision for loss on assets	10.65	1.38
	Contingencies	17.58	44.39
	Provision for gratuity	537.41	41.43
	Other Provisions	2.39	-
		667.88	250.87
22	Regulatory Deferral Account Credit Balances	As at March 31, 2018	As at March 31, 2017
	Deferred foreign currency fluctuation	42.06	22.37
	CERC Order / Petition files with APTEL	4,442.02	3,787.18
		4,484.08	3,809.55
	REVENUE		
23	Revenue from Operations	For the year ended March 31, 2018	For the year ended March 31, 2017
	Power	10,880.88	10,776.47
	Lignite	372.57	371.84
	Miscellaneous	62.26	57.70
		11,315.71	11,206.01
	Less: Transfer to Capital Expenditure Accounts	0.13	0.03
	Less: Rebates	27.19	20.25
		11,288.39	11,185.73

In respect of NTPL:

a) Sale of Power is accounted for based on the tariff order dated 11.07.2017 granted by the Central Electricity Regulatory Commission (CERC) under the Tarrif Regulations 2014-19 from the date of Commercial Operation Declaration (COD) of Unit I and II to 31.03.2019.

b) Central Electricty Regulatory Commission (CERC) has issued final tariff order dated 11.07.2017 for the station. The difference of interim and final order billed and accounted during the year. Previous year arrears pertaining to earlier periods amounts to ₹ 132.58 crore

Notes to Consolidated Financial Statements

REVENUE

Note No.	Particulars	(₹ in crore)	
24	Other Income	For the year ended March 31, 2018	For the year ended March 31, 2017
	(a) Interest		
	(i) Bank Deposit	2.60	182.19
	(ii) Employees	13.59	15.83
	(iii) Interest on Mine closure Deposit	12.12	23.41
	(iv) Others	9.94	4.23
	(b) Recoveries		
	(i) Rent	17.03	14.70
	(ii) Others	0.69	0.70
	(c) Profit on Sale of assets	0.64	0.78
	(d) Provision for Mine Closure Receipt	-	244.33
	(e) Provision written back	1.65	0.16
	(f) Surcharge*	363.73	126.95
	(g) Foreign Exchange fluctuation	0.22	11.10
	(h) Income from Grant	2.19	0.16
	(h) Miscellaneous	168.98	126.91
		593.38	751.45
	Less: Transfer to Capital Work-in-Progress	9.57	22.37
	Less: Transfer to Mine Closure Liability	7.86	15.31
		575.95	713.78
	*Surcharge for the year 2016-17 does not include ₹ 6.87 crore due to uncertainty in realistaion.		
	EXPENSES		
25	Changes in inventories of raw material	For the year ended March 31, 2018	For the year ended March 31, 2017
	OPENING STOCK		
	Raw Material	-	-
	Lignite	1,220.77	784.06
	CLOSING STOCK		
	Raw Material	-	-
	Lignite	1,153.33	1,220.77
	Increase (-) /Decrease in Stock	67.44	(436.71)
26	Cost of fuel consumed	For the year ended March 31, 2018	For the year ended March 31, 2017
	Coal Consumption	1,651.12	1,531.78
	Oil Consumption	10.34	13.45
		1,661.46	1,545.23
	Less: Transfer to Capital Work in Progress	-	1.78
		1,661.46	1,543.45

Notes to Consolidated Financial Statements

EXPENSES

Note No.	Particulars		(₹ in crore)
27	Employee benefit expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Salaries, Wages and Incentives	2,323.57	1,986.72
	Contribution to Provident and other funds	340.63	315.70
	Gratuity	567.71	14.32
	Welfare expenses	109.51	137.70
		3,341.42	2,454.44
	Less: Transfer to Capital Work-in-Progress	73.10	32.69
	Less: Expenditure Transferred to Asset	105.27	78.17
		3,163.05	2,343.58
28	Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest Expenses		
	KfW -Foreign currency loan	3.65	3.73
	NLC Bonds	52.98	52.98
	Loan from Banks	132.56	225.78
	Loan from Power Finance Corporation	551.49	436.05
	Others-Working Capital Loans	101.59	15.29
	Inter Corporate Loan	-	-
	- Mahanadi Coal Field Ltd. (MCL)	9.80	-
	Guarantee Fees on KfW loan	5.48	6.24
		857.54	740.08
	Less: Transfer to Capital Work-in-Progress	309.69	151.79
		547.85	588.28
29	Depreciation and Amortisation expense	For the year ended March 31, 2018	For the year ended March 31, 2017
	Fixed Assets	1,127.53	1,000.83
	Mine Development and other Amortisations	102.49	45.57
		1,230.02	1,046.40
	Less: Transfer to Capital Work-in-Progress	(1.60)	2.87
		1,231.62	1,043.53
30	Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
	Consumption of Stores and Spares	534.35	633.49
	Fuel	84.47	59.92
	Mine closure	36.56	34.82
	Excise Duty	6.44	91.36
	Rent	1.50	1.41
	Rates and taxes		
	Electricity tax	0.95	8.26
	Clean energy cess	-	1,103.02
	Others	5.47	7.76
	Repairs and Maintenance		
	Plant and Machinery	273.80	223.19
	Buildings	17.38	21.35
	Others	305.22	344.40

Notes to Consolidated Financial Statements

EXPENSES

	Note No.	Particulars		(₹ in crore)
		Overburden Removal Expenditure	382.25	332.94
		Professional Charges	0.23	0.01
		Insurance	25.54	11.89
		Payments to Auditors		
		Audit fees	0.29	0.29
		Tax Audit fees	0.20	0.01
		Other Certification Fees	0.56	0.30
		Reimbursement of expenses	0.33	0.27
		Travelling expenses	27.48	22.62
		Training expenses	10.58	10.21
		Family Welfare expenses	10.25	9.72
		Selling expenses - commissions	11.82	7.14
		Legal Expenses	0.72	0.42
		Afforestation expenses	14.78	14.69
		Royalty	477.04	478.38
		Central Industrial Security Force expenses	144.25	120.95
		Corporate Social Responsibility expenses (Refer Note - 42)	45.03	37.91
		Miscellaneous expenses	49.81	46.92
		Buy back Expenses	-	3.11
		FE fluctuation	11.09	-
		Amortisation of Lease hold land	1.68	-
		Transit and Handling loss	16.07	-
		Demurrage Charges	11.03	-
		Compensation for non lifting of coal	12.58	-
		Loss on disposal of assets	0.05	0.79
		Fixed assets written off/discarded	0.18	0.32
		Provision for Stores & Materials	2.37	0.70
		Provision for Loss on Assets	9.37	0.10
		Provision for Preliminary expenses	2.80	0.34
		Provision - Others	1.71	-
			2,536.22	3,629.01
		Less: Transfer to Capital Work in Progress	128.61	138.52
			2,407.61	3,490.49
	31	Expenses capitalised	For the year ended March 31, 2018	For the year ended March 31, 2017
		Lignite Consumption during construction	0.06	1.87
		Power Consumption during construction	7.26	2.57
		Service Charges	4.80	3.24
		Land Acquisition Expenses	12.83	8.37
			24.95	16.05
	32	Exceptional items	For the year ended March 31, 2018	For the year ended March 31, 2017
		Employee remuneration -VRS compensation	-	(60.01)
		Other Expenses - DMF & NMET*	59.44	(120.07)
			59.44	(180.08)

*Represents the reversal of provision ₹ 59.44 crore towards District Mineral Fund (DMF) liability made in the previous year 2016-17 for the period prior to19.05.2017 consequent upon the orders of Hon'ble Supreme Court that there is no liability prior to the said date.

Notes to Consolidated Financial Statements

EXPENSES

Note No.	Particulars		(₹ in crore)
33	Net Movement in regulatory deferral account balances income/ (expenses) net	For the year ended March 31, 2018	For the year ended March 31, 2017
	Income		
	i) Unbilled Power sales /CERC Orders	13.38	69.87
	ii) Wage Revision*	156.73	60.99
	iii) Gratuity*	542.07	-
	iv) Deferred foreign currency	76.38	11.65
	v) Others	19.77	12.29
	Expenses		
	i) Deferred foreign currency	14.41	43.77
	ii) CERC Order/Appeal in APTEL #	842.95	984.59
	Net Movement	(49.03)	(873.56)

*During the financial year 2017-18 notification has been issued by Department of Public Enterprise (DPE) for increasing the gratuity ceiling limit of ₹ 0.10 crore to ₹ 0.20 crore and also for the implementation of Pay revision of Executives. The incremental liability on account of the above notification for the upward revision of gratuity ceiling limit has been factored in the actuarial valuation for gratuity liability, which has been considered in the statement of profit and loss. The incremental cost on account of the notification of increasing the gratuity ceiling limit as stated above and also the notification of pay revision (including the additional liability towards Companies contribution of provident fund) has been reckoned as a regulatory asset based on expert legal opinion obtained by the Company pending the filing of petition for revision of tariff before CERC

Includes transfer price difference on CERC order and period cost of appeals pending with APTEL/Other Authorities.

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
34	Other Comprehensive Income		
	Remeasurement of actuarial gains / (losses)	61.03	(26.61)
		61.03	(26.61)

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
35	Earning per share - Basic and Diluted (Before Movement in Deferred Regulatory balances)		
	Profit after tax	2,005.81	3,330.23
	Number of Shares	1,52,85,68,427	1,67,56,66,570
	Face Value of Share (₹)	10.00	10.00
	Earning Per Share - Basic and Diluted (₹)	13.12	19.87
	Earning per share - Basic and Diluted (After Movement in Deferred Regulatory balances)	For the year ended March 31, 2018	For the year ended March 31, 2017
	Profit after tax	1,956.78	2,456.66
	Number of Shares	1,52,85,68,427	1,67,56,66,570
	Face Value of Share (₹)	10.00	10.00
	Earning Per Share - Basic and Diluted (₹)	12.80	14.66

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

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)	
36	The Effect of Foreign Exchange Fluctuation	For the year ended March 31, 2018	For the year ended March 31, 2017
	a) The amount of exchange rate difference debited/(credited) to the Statement of Profit & Loss	0.57	(0.31)
	b) The amount of exchange rate difference adjusted and debited /(credited) to the carrying amount of fixed assets & WIP	116.43	(61.48)

As per the Guidance Note on Rate Regulated Activity issued by ICAI , exchange rate difference (on account of restatement of foreign currency borrowing) recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations and MoC guidelines on Lignite Transfer price are accounted as Deferred foreign currency fluctuation asset / liability. Accordingly necessary adjustment is made in the current year in depreciation and interest expenditure.

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
37	Expenditure Incurred on Research & Development		
	Capital Expenditure	0.18	2.26
	Revenue Expenditure	2.07	11.09

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

Movements in provisions:

Provision	As at 31.03.2017	Additions	Withdrawals	As at 31.03.2018
Provision for loss on Assets	1.38	9.53	0.25	10.65
Provision for contingencies				
Interest on disputed tax deducted at source	16.60	-	-	16.60
Power Tariff adjustment - Deemed export benefit	26.82	-	26.81	0.01
Miscellaneous provision	0.97	0.00	-	0.97
Miscellaneous provisions	-	2.38	-	2.38
	45.77	11.91	27.06	30.61

a. In all these cases, outflow of economic benefits is expected within next one year

b. The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

Notes to Consolidated Financial Statements

Note No.	Particulars		(₹ in crore)
39	Consumption of Raw Material and Spare Parts	For the year ended March 31, 2018	For the year ended March 31, 2017
	Value of Indigenous and Imported Raw Material and Spares consumed		
	a. INDIGENOUS		
	Spare parts	1,747.41	1,814.46
	Percentage	82.93%	87.01%
	b. IMPORTED		
	Spare parts	359.61	270.91
	Percentage	17.07%	12.99%
40	C.I.F. Value of Imports	For the year ended March 31, 2018	For the year ended March 31, 2017
	Capital Goods	52.34	5.01
	Components and Spares	22.35	64.01
41	Expenditure in Foreign Currency	For the year ended March 31, 2018	For the year ended March 31, 2017
	Travelling Expenses	0.27	0.13
	Professional and Consultancy	0.19	0.64
	Interest Charges	1.95	0.17
42	CSR expenditure	For the year ended March 31, 2018	For the year ended March 31, 2017
	Medical Health & Family Welfare	5.57	6.94
	Safe Drinking Water Supply	1.55	-
	Educational& Scholarship	7.95	10.48
	Formation of Link Road	4.10	2.39
	Promotion of Sports	0.41	0.33
	Community Development Centre	0.20	0.11
	Afforestation & Environment Sustainability	2.18	0.14
	Sanitation & Other Basic Amenities	0.94	1.44
	Construction School, Library & Hostel	1.72	1.35
	Vocational Skill Entre Development	1.76	0.44
	Adoption of Village and Skill Development	-	8.11
	Irrigation Facilities	11.06	-
	Electrical Solar & Non Conventional Energy	0.85	-
	Relief To Natural Calamities	-	0.06
	Others	4.85	5.70
	Promoting Old Age Home	1.84	0.42
	Contr. To Armed Forces	0.05	-
		45.03	37.91

Notes to Consolidated Financial Statements

Sl No.	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: Key Management Personnel:				
		Dr. Sarat Kumar Acharya			-	Chairman and Managing Director
		Shri. Rakesh Kumar			-	Director / Chief Financial Officer
		Shri. Subir Das				Directors
		Shri. V. Thangapandian				
		Shri. P. Selvakumar				
		Shri. R. Vikraman				
		Shri. R.P. Gupta	-	(up to 09.08.2017)		
		Shri. Vikram Kapur				
		Shri. Azad Singh Toor				
		Shri. K.Madhavan Nair				
		Shri. Chandra Prakash Singh				
		Ms. Nalini Padmanabhan				
		Ms. Monika Arora				
		Shri. Suresh Kumar	-	w.e.f. 09.06.2017		
		Shri. Indrajit Pal	-	w.e.f. 06.09.2017		
		Shri. Mukesh Choudhary				
		Ms. S.Geetha				
		Shri. Atul Nigam	-	(From 06.04.2017 to 24.06.2017)		
		Shri N.H. Rizvi	-	(upto to 14.08.2017)		
		Shri Bidya Sagar Tiwari	-	w.e.f 29.06.2017		
		Shri Subir Chakravorty	-	w.e.f 29.12.2017		
		Shri Ashish Upadhyay	-	w.e.f 05.02.2018		
		Shri. M.Prabhagar			-	Chief Executive Officer-NTPL
		Shri. V.N.Babu	-	(upto 08.10.2017)	-	Chief Financial Officer-NTPL
		Shri. W.Jeyasingh Daniel	-	w.e.f 09.10.2017	-	Chief Financial Officer-NTPL
		Shri Kaushal Kishore Anand			-	Chief Executive Officer-NUPPL
		Shri S.R. Sivaprasad			-	Chief Financial Officer-NUPPL
		Shri. K. Viswanath			-	Company Secretary-NLCIL
		Shri. R.Jayasarathy			-	Company Secretary-NTPL
		Shri Ravikumar Suluva			-	Company Secretary-NUPPL
		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.				

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

b) Transactions with the related parties are as follows:

i) Key Management Personnel compensation

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	4.40	3.16
Post-employment benefits	0.23	0.62
Other long-term benefits	0.59	0.28

ii) Transactions with Post employment benefit plans: (₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
NLC PF Trust		
- Contributions made during the year	315.52	294.29

iii) Transactions with the related parties under the control of the same government (₹ in crore)

Name of the Company	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
Bharat Heavy Electricals Limited	Purchase of Stores and spares	4.39	19.13
Bharath Earth Movers Limited	Payment for FMC contract	5.06	-
Bharath Earth Movers Limited	Payment for procuring CMEs	21.98	-
Bharat Heavy Electricals Limited	Package contracts	741.06	872.78
Bharat Heavy Electricals Limited	Purchase of Stores and spares	32.43	40.17
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	71.23	142.54
Bharath Petroleum Corporation Limited	Purchase of furnace oil	50.60	-
Indian Oil Corporation Limited	Purchase of furnace oil	56.09	69.41
National Buildings Construction Corporation Limited	Purchase/Construction of Asset	5.07	14.14
Steel Authority of India Limited	Purchase of Steel	17.20	12.26
Rashtriya Ispat Nigam Limited	Purchase of Steel	1.04	-
Balmer Lawrie & Co Limited	Purchase of Lubricants	6.13	4.95
Balmer Lawrie & Co Limited	Purchase of Air Ticket	2.46	-
MSTC Limited	E-Auction agent Commission	1.09	19.07
Mahanadi Coalfields Limited	Loan	1000.00	-

Notes to Consolidated Financial Statements

Note No.	Particulars			(₹ in crore)
			For the year ended March 31, 2018	For the year ended March 31, 2017
	Mecon Limited	Consultancy Services-MOEF norms	0.46	0.05
	Instrumentation Limited	Supply of spares	0.36	-
	Power Grid Corporation of India Limited	Maintenance Contract	1.06	0.09
	RITES Limited	Railway Sidings	-	1.88
	V.O Chidambaranar Port Trust	Wharfage Charges	14.63	11.03
	Mahanadi Coalfilelds Limited	Fuel Supply Agreement	372.87	194.16
	Eastern Coalfields Limited	Purchase of Coal	475.29	-
	Central Institute of Mininig and Fuel Research	Sampling and Analysis of Coal	0.89	-

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	
	2018	2017	2018	2017
Shri. Rakesh Kumar Director/Finance - Housing advance provided	-	-	0.07	0.08
Shri. K.Viswanath Company Secretary - Car advance provided	-	-	0.04	0.04
Shri. W. Jeyasingh Daniel Chief Financial Officer - Festival Advance	0.00	-	0.00	-
Shri. V.N. Babu - Festival Advance	0.00	-	0.00	-
Shri. R. Jayasarathy - Company Secretary				
- Car advance	0.01	-	0.01	-
- Multi-purpose loan	0.01	-	0.01	-

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 Group 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) For the year ended March 31, 2018 and March 31, 2017, the Group 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.

Notes to Consolidated Financial Statements

Note No.	Particulars				(₹ in crore)
44	**Non-Controlling Interests**				
	March 31, 2018	NLC Tamilnadu Power Ltd.	Neyveli Uttar Pradesh Power Ltd.	Intra-group Eliminations	Total
	NCI %	11%	49%		
	Non Current Asset	6,175.91	2,159.46	-	8,335.37
	Current Asset	1,699.31	93.76	-	1,793.07
	Non-Current Liability	3,371.52	-	-	3,371.52
	Current Liability	2,294.48	1,350.82	-	3645.30
	Net Asset	2,209.23	902.41	-	3,111.62
	Net Assets attributable to NCI	243.51	442.17	-	685.68
	Revenue	2,899.83	-	-	2,899.83
	Profit	127.45	-	-	127.45
	OCI	-	-	-	-
	Total Comprehensive income	127.45	-	-	127.45
	Profit Allocated to NCI	14.02	-	-	14.02
	OCI Allocated to NCI	-	-	-	-
	Cash flows from Operating Activity	442.87	(1,233.76)	-	-
	Cash flows from Investment Activity	(157.82)	1,278.60	-	-
	Cash flows from Financing Activity	(281.33)	-	-	-
	Net increase (decrease) in cash and cash equivalents	3.72	44.84	-	-
	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	2,108.22	902.40	-	3,010.62
	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)	-	-

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)
45	Disclosure in respect of the Equity Accounted Investees as per Ind AS - 28 is furnished as under:	

Company Name : M/s MNH Shakthi Limited

Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.

M/s. Mahanadi Coalfields Limited (MCL), NLCIL & 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.

	March 31, 2018	March 31, 2017
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, 2018	March 31, 2017
Percentage ownership interest	15%	15%
Non-current assets	23.92	26.56
Current assets	60.74	59.36
Non-current liabilities	-	-
Current liabilities	0.08	1.34
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 & amortization	-	-
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 Consolidated Financial Statements

Note No.	Particulars
46	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 longivity 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

Gratuity & Leave Benefit

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26* last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.10 crore on superannuation, resignation, termination, disablement or on death. The maximum ceiling of ₹ 0.10 crore has been now enhanced to ₹ 0.20 crore by the Report of the 3rd Pay Revision Committee appointed by the GOI. The Company has carried out acturial valuation of gratuity benefit considering the enhanced ceiling.

The Company provide for earned leave benefit and half pay leave to the employees of the Company, which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation upto maximum of 240 days. However total number of leave that can be encashed on superannuation shall be restricted to 300 days and no cummutation of half pay leave shall be permissible. The liability for the same is recognized on the basis of actuarial valuation.

(₹ in crore)

	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net Amount	Defined benefit Obligations	Fair value of plan asset	Net Amount
Balance as at April 1, 2017	830.46	796.53	33.93	506.72	478.34	28.38
Included in profit and loss						
Current Service Cost	58.51	-	58.51	20.79		20.79
Past service cost and gain or loss on settlement	517.11	-	517.11	-		-
Interest cost (income)	60.48	60.54	(0.06)	37.39	36.35	1.04
Included in OCI						
Remeasurement of loss (gain):						
Actuarial loss (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(36.42)	-	(36.42)	(14.66)	-	(14.66)
Experience adjustment	(42.79)	-	(42.79)	1.24	-	1.24
Return on plan asset excluding interest income	-	(0.53)	0.53	-	3.82	(3.82)
Change in the effect of the asset ceiling			-	-	-	-
Other						
Contributions Paid by the employer	-	0.07	(0.07)		18.00	(18.00)
Benefits paid	(69.33)	(69.33)	-	(29.59)	(29.59)	-
Balance as at March 31, 2018	1,318.02	787.28	530.74	521.89	506.92	14.97

Notes to Consolidated Financial Statements

Note No.	Particulars				(₹ in crore)
		Gratuity		Leave Benefit	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31,2017
	Represented by:				
	Net defined benefit asset	787.28	796.53	506.92	478.34
	Net defined benefit liability	1,318.02	830.46	521.89	506.71

I) Plan Asset

Plan assets comprises the followings:

	Gratuity		Leave Benefit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31,2017
Equity Securities	5.00%	5.00%	5.00%	5.00%
Govt Bonds	95.00%	95.00%	95.00%	95.00%

Details of the employee benefits and plan assets are provided below:

	Gratuity		Leave Benefit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31,2017
Present value of funded obligation	1,318.02	830.46	521.89	506.71
Fair value of plan assets	787.28	796.53	506.92	478.34
Present value of net obligations	530.74	33.93	14.97	28.37
Unrecognised past service cost	-	-	-	-

II) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	Gratuity		Leave Benefit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31,2017
Discount rate per annum	7.60%	7.10%	7.60%	7.10%
Expected return per annum on plan asset	7.60%	7.10%	7.60%	7.10%
Salary escalation per annum	5.00%	5.00%	5% for first 5 years and 3% thereafter	5% for first 5 years and 3% thereafter
Mortality	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT
Attrition rate	1 % to 3 %	1 % to 3 %	1%	1%

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.

	Gratuity				Leave Benefit			
	March 31, 2018		March 31, 2017		March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	1,283.05	1,354.66	806.26	855.90	507.54	536.93	491.97	522.20
Salary escalation per annum (+/- 50 BP)	1,338.88	1,283.61	835.27	825.37	537.25	507.13	522.47	491.60
Mortality (+/- 10%)	1,318.09	1,317.94	836.27	824.61	522.00	521.78	506.78	506.65
Attrition rate (+/- 10%)	1,325.54	1,310.46	830.79	830.12	522.14	506.44	507.00	506.43

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the defined benefit plans in future years.

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018					
Gratuity	183.73	186.07	496.98	1,260.81	2,127.59
Leave Benefit	64.55	71.84	206.68	510.98	854.05
Total	248.28	257.91	703.66	1,771.79	2,981.64

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2017					
Gratuity	92.32	102.11	306.44	864.78	1,365.65
Leave Benefit	42.08	60.07	201.80	521.08	825.03
Total	134.40	162.18	508.24	1,385.86	2,190.68

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.

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	
	2018	2017	2018	2017	2018	2017
Balance as at April 1	2,514.78	2,231.96	2,583.87	2339.75	(69.09)	(107.79)
Current Service Cost	308.37	282.92		-	308.37	282.92
Interest cost (income)	208.80	190.83		-	208.80	190.83
Actuarial loss (gain)	163.11	143.64		85.99	163.11	57.65
Expected return on plan assets		-	320.90	198.41	(320.90)	(198.41)
Contributions Paid by the employer		-	313.30	294.29	(313.30)	(294.29)
Benefits paid	(453.80)	(334.56)	(453.80)	(334.56)	-	-
Balance as at March 31	2,741.26	2,514.79	2,764.27	2,583.88	(23.01)	(69.09)

Notes to Consolidated Financial Statements

Note No.	Particulars

Pursuant to para 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 para 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, Para 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 ₹ 23.01 crore (Previous year ₹ 69.09 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 Company.

I) Plan Asset

Plan assets comprises the followings:

	March 31, 2018		March 31, 2017	
	(₹ in crore)	% of total assets	(₹ in crore)	% of total assets
Equity Securities	55.84	2.02%	52.11	2.02%
Fixed Income/Debt Securities	2,708.43	97.98%	2,531.76	97.98%
	2,764.27	100.00%	2,583.87	100.00%

II) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	March 31, 2018	March 31, 2017
Discount rate per annum	8.55%	8.65%
Expected return per annum on plan asset	8.55%	8.48%
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

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 gradewise 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.

	March 31, 2018	March 31, 2017
Diclosure in respect of Defined contribution plan in respect of PRMA:		
i. Amount recognised in the Statement of Profit and Loss aspremium paid to the Insurance Company	15.05	14.75
ii. Liability provided for the fixed Medical Assistance	10.11	9.34

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
47	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 disclosures as per Ind AS 113 is not applicable.

March 31, 2018		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	278.76	-	-	278.76
Trade Receivables	4,558.03	-	-	4,558.03
Cash and Cash equivalents	101.93	-	-	101.93
Other Bank balances	266.54	-	-	266.54
Other financial assets	49.12	-	-	49.12
B. Financial Liabilities				
Borrowings	13,215.37	-	-	13,215.37
Trade Payable	1,023.68	-	-	1,023.68
Other financial liabilities	10.88	-	-	10.88

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	246.19	-	-	246.19
Trade Receivables	4793.45	-	-	4793.45
Cash and Cash equivalents	63.42	-	-	63.42
Other Bank balances	451.63	-	-	451.63
Other financial assets	54.85	-	-	54.85
B. Financial Liabilities				
Borrowings	11,478.65	-	-	11,478.65
Trade Payable	1,257.70	-	-	1,257.70
Other financial liabilities	10.73	-	-	10.73

Note No.	Particulars
48	Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 309.69 crore (previous year ₹ 151.79 crore).

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)
49	Disclosure as per Ind AS 17 'Leases'	

Leases as lessee

Operating lease

Expenses on operating leases of the premises for offices are included under Note 30 - Other Expenses. Such leases entered into by the Company are not non cancellable.

Particulars	March 31, 2018	March 31, 2017
Less than one year	1.9	2.43
Between one and five years	6.68	6.91
More than five years	23.38	25.05

50 Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

The Group is engaged in the business of mining of lignite and generation of power by using lignite as well as renewable energy sources. The price to be charged by the Company for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC) and the lignite transfer price is determined by CERC on the basis of the Ministry of Coal (MoC) guidelines. The CERC and MoC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity and transfer of lignite.

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) Recognition and measurement

As per the CERC Tariff Regulations, any gain or loss on account of exchange risk variation during the construction period shall form part of the capital cost till declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past period in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114. When the Group prefers appeal in APTEL / Other authorities the impact of the same along with period cost it any required is considered under the Regulatory Deferral Account. The Lignite price difference between CERC approved rate, other recoverable / payable in future through Tariff are also considered under Regulatory Deferral Account.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances

(a) demand risk -Availability of alternative and cheaper sources of power may result in reduced demand. (b) 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 decognition of regulatory deferral asset/liability. (c) 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.

(iv) 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:

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

a) Regulatory deferral account debit balance

Particulars	March 31, 2018	March 31, 2017
A. Opening balance	250.69	151.31
B. Recognised during the current year	813.61	99.38
C. Amount adjusted/collected/refunded during the year	7.68	-
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	813.61	99.38
E. Closing balance	1,068.35	250.69

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, 2018	March 31, 2017
A. Opening balance	3,809.55	2,836.61
B. Recognised during the current year	862.64	972.94
C. Amount adjusted/collected/refunded during the year	(188.11)	-
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	862.64	972.94
E. Closing balance	4,484.08	3,809.55

c) Total amount recognised in the Statement of Profit & Loss during the year

Particulars	March 31, 2018	March 31, 2017
Total amount recognised in the Statement of Profit & Loss during the year	49.03	873.56

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 / or upon passing of orders by Appellate / other authorities.

51 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, 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 16 and 19 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.

Gearing Ratio	March 31, 2018	March 31, 2017
Debt	13,215.37	11,478.65
Less: Cash and bank balances *	101.93	63.42
Net debt	13,113.44	11,415.23
Total equity *	12,840.03	11,690.81
Net debt to total equity ratio	1.02	0.98
* excludes earmarked deposits / reserves.		

Notes to Consolidated Financial Statements

Note No.	Particulars				(₹ in crore)
52	Contingencies and Commitments	As at March 31, 2017	Additions	Deletions/ Settlement	As at March 31, 2018
	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 Central Govt/ Govt Departments	1,169.26	600.74	700.64	1,069.36
	(iv) From State Govt/ Govt Departments	1,315.26	425.89	3.37	1,737.78
	(v) From CPSEs	-	-	-	-
	(vi) From Others	2,179.42	307.23	389.62	2,097.03
		4,663.94	1,333.86	1,093.63	4,904.17
	2. Guarantees issued by Company	422.05	173.09	-	595.14
	B. Commitment				
	(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	15,144.19	2,124.27	2,603.67	14,664.79
	(ii) Commitment for the acquisition of lands	-	-	-	-
		20,230.18	3,631.22	3,697.30	20,164.10
	NQ : Not Quantifiable				

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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.

b) Performance Achieve Trade (PAT)- TPS-I, exemption from PAT liability was granted upto March 31, 2017. The Group has requested for extention of time to Ministry of Coal (MoC) and Ministry of Power (MoP) , pending such extention the Group has provided penalty as applicable under Sec-26 of Energy Conservation Act, 2001.

c) In respect of NTPL - Sundry Creditors, Debtors, Loans and Advances and Deposits are subject to confirmation and reconciliation. During the year, letters of confirmation of the balances have been sent to various parties by the corporation and the same are under reconciliation wherever replies have been received. The management however doesn't expect any material changes.

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.

Notes to Consolidated Financial Statements

Note No.	Particulars

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, mainly to 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. 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 reputed 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, 2018, the Group's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹2961.35 crore of the trade receivables carrying amount (₹2689.10 crore of the trade receivables as at March 31, 2017).

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.

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 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 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 Group debtors include debtors in respect of Power, Lignite and other Sales. As a policy, the Group does an ageing analysis of thermal debtors, the details of which is stated below. The Group does not carry out an ageing analysis of debtors pertaining to Lignite and other Sales 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)**

Period	Ageing as at	
	March 31, 2018	March 31, 2017
Thermal debtors		
0-30 days past due	922.41	3,006.36
31-60 days past due	659.23	639.80
61-90 days past due	540.84	182.21
91-120 days past due	409.86	196.47
More than 120 days past due	1,721.44	612.39
Total	4,253.78	4,637.23
Lignite and Others	304.25	156.22
Total debtors	4,558.03	4,793.45

Notes to Consolidated Financial Statements

Note No.	Particulars
54	Financial risk management (Cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

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.

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	March 31, 2018	March 31, 2017
Floating-rate borrowings		
-Expiring within one year		
Power Finance Corporation		
Working capital Loan (SBI)	742.20	1,453.91
Axis Bank - Solar 500 MW	100.00	-
HDFC NNTPS_1135 Cr	385.00	-
Bank of India	156.63	-
Working capital Loan (BOI)	230.44	420.85
Fixed-rate borrowings		
-Expiring within one year		
Rupee Loan from MCL	1,000.00	
Total	2,614.27	1,874.76

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
	(ii) Maturities of financial liabilities The following are the contractual maturities (principal repyments) of non-derivative financial liabilities, based on contractual cash flows:

March 31, 2018	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)	13.06	13.06	26.12	78.36	375.40	506.01
Bonds 2009	-	600.00	-	-	-	600.00
PFC - NNTPS	-	-	300.00	900.00	1,800.00	3,000.00
RTL - SBI	-	116.75	58.38	-	-	175.13
RTL - HDFC	-	116.63	58.31	-	-	174.94
RTL - ICICI	-	116.63	58.31	-	-	174.94
RTL - HDFC Solar 130 MW	-	48.10	96.20	336.70	-	481.00
RTL - Axis Bank - Solar 500 MW	-	-	100.00	300.00	-	400.00
RTL - HDFC - NNTPS	-	-	113.50	340.50	296.00	750.00
Rupee Loan - Mahanadi Coalfields	-	375.00	500.00	125.00	-	1,000.00
PFC term loan 1	-	118.81	237.61	356.42	297.08	1,009.93
PFC term loan 2	162.81	162.81	651.22	976.83	976.74	2,930.40
Bank of India	-	48.36	48.36	145.08	85.09	326.89
TOTAL	175.87	1,716.13	2,248.02	3,558.90	3,830.32	11,529.23

March 31, 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	116.62	58.30	-	291.56
RTL - HDFC Solar	-	-	48.10	288.60	144.30	481.00
PFC term loan 1	-	118.84	237.62	356.52	415.67	1128.65
PFC term loan 2	162.81	162.81	651.22	976.86	1,302.39	3256.09
TOTAL	349.03	467.87	1,909.38	2,764.30	4,307.22	9,797.80

Notes to Consolidated Financial Statements

Note No.	Particulars (₹ in crore)

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

March 31, 2018	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	1.85	3.55	9.48	20.94	37.71
Bonds 2009	-	52.98	-	-	-	52.98
PFC - NNTPS	59.01	177.69	224.87	532.58	426.06	1,420.20
RTL - SBI	3.47	7.18	1.83	-	-	12.48
RTL - HDFC	3.55	7.36	1.88	-	-	12.79
RTL - ICICI	3.42	7.09	1.81	-	-	12.32
RTL - HDFC Solar	15.63	47.07	57.96	116.94	-	237.60
RTL Axis Solar 500 MW	7.81	23.51	28.84	37.08	33.49	130.73
RTL - HDFC Solar 130 MW	9.83	27.58	29.58	53.25	-	120.24
Mahanadi Coalfields	17.45	42.66	26.80	1.23	-	88.14
PFC term loan 1	19.18	53.65	62.83	125.78	33.55	294.99
PFC term loan 2	53.84	155.65	181.78	371.02	111.83	874.13
Bank of India	6.67	19.26	22.06	49.05	7.99	105.03
TOTAL	201.77	623.52	643.79	1,296.41	633.85	3,399.34

31 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 Consolidated Financial Statements

Note No.	Particulars
54	Financial risk management (Cont'd)

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, 2018, March 31, 2017 are as below: **(₹ in crore)**

Particulars	March 31, 2018	March 31, 2017
Financial liabilities		
Borrowings - KfW*	506.01	457.06

* KfW Germany loan is taken in Euro and converted into reporting currency.

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, 2018	Profit or loss	
10% movement	Strengthening	Weakening
Borrowings - KfW (in Euro)	50.60	(50.60)
March 31, 2017	**Profit or loss**	
10% movement	Strengthening	Weakening
Borrowings - KfW (in Euro)	45.71	(45.71)

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:

Notes to Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
Financial assets		
Fixed-rate instruments		
Employee Loans	83.65	112.03
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	2,434.53	1,356.00
- Power Finance Corporation (PFC)	6,051.52	3,000.00
Financial liabilities		
Fixed-rate instruments		
Rupee term loans		
- Cash Credit	2,130.53	2,930.49
Foreign Currency Loan		
- KfW	506.01	457.06

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.

	Profit or loss	
	50 bp increase	50 bp decrease
March 31, 2018		
Rupee term loans		
- From Banks	(11.18)	11.18
- Power Finance Corporation (PFC)	(33.30)	33.30
	(44.48)	44.48

	Profit or loss	
March 31, 2017	50 bp increase	50 bp decrease
- From Banks	(6.78)	6.78
- Power Finance Corporation (PFC)	(15.00)	15.00
- Bank of Baroda (BoB) Consortium	(14.65)	14.65
	(36.43)	36.43

Notes to Consolidated Financial Statements

Note No.	Particulars
	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. Equity price risk Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Group, none of the investments in equity shares are quoted in the market and does not expose the Group to equity price risks.
55	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 and Sales of power to utilities

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 Consolidated Financial Statements

Note No.	Particulars	(₹ in crore)

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	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
REVENUE								
External Sales	388.84	384.30	10,899.55	10801.43			11288.39	11185.73
Inter-segment sales	5,214.04	6,190.12	545.34	576.01	5759.38	6766.13		
Total Revenue	5,602.88	6,574.42	11,444.89	11,377.44	5,759.38	6,766.13	11,288.39	11,185.73
RESULT								
Segment Result	1,012.17	1,669.54	1,928.41	1,750.93			2,940.58	3,420.47
Other Income							536.05	487.96
Unallocated Corporate expenses							156.77	202.88
Operating Profit							3,319.86	3,705.55
Interest Expense							547.85	588.28
Interest Income							38.25	225.66
Exceptional Items							59.44	(180.08)
Income taxes							863.89	(167.38)
Profit from Ordinary activities							2,005.81	3,330.23
Net Movement in regulatory deferral account balance income/(expenses)							(49.03)	(873.56)
Other Comprehensive Income							61.03	(26.61)
Net Profit							2,017.81	2,430.06
OTHER INFORMATION	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Segment Assets	5,937.56	6,186.56	20,612.96	20,050.15			26,550.52	26,236.71
Unallocated Corporate assets(Including Capital Work-in Progress)							11,897.23	7,250.38
Total Assets							38,447.75	33,487.09
Segment liabilities	1,354.94	1,784.70	2,588.60	1,978.17			3,943.54	3,762.87
Unallocated Corporate liabilities							21,152.24	17,597.74
Total liabilities							25,095.78	21,360.61
Capital Expenditure	189.47	243.85	1,008.88	223.20			1,198.35	467.05
Depreciation	387.36	266.21	802.37	748.14			1,189.73	1,014.35
Non-cash expenses other than depreciation	6.09	0.39	5.78	2.02			11.88	2.41

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 Consolidated Financial Statements

Note No.	Particulars (₹ in crore)
	C. Information about major customers: Revenue from one major customer under 'generation of energy' segment is ₹ 4,487.81 crore (March 31, 2017: ₹ 4,348.75 crore) which is more than 10% of the Groups total revenues.
56	Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	31 March 2018	31 March 2017
Current tax expense		
Current year	665.75	-
Adjustment for MAT credit	(139.50)	-
Adjustment for earlier years	(0.24)	(19.77)
Pertaining to regulatory deferral account balances	(11.00)	
Total current tax expense	515.00	(19.77)
Deferred tax expense		
Origination and reversal of temporary differences	(22.47)	75.89
Less: Deferred asset for deferred tax liability	(388.99)	223.50
Total deferred tax expense	366.53	(147.61)
Total income tax expense	881.53	(167.38)

ii) Income tax recognised in other comprehensive income

Particulars	March 31, 2018			March 31, 2017		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	78.68	17.65	61.03	(26.61)	-	(26.61)

iii) Reconciliation of tax expense and the accounting profit multiplied by India's Domestic tax rate

	March 31, 2018	March 31, 2017
Profit before tax	2,899.35	2,262.67
Tax using the Group domestic tax rate of 34.608 % (March 31, 2017 - 34.608%)	1003.41	783.07
Tax effect of:		
Non-deductible tax expenses	325.12	294.01
Foreign exchange differences	-	
Tax deductions/allowances	(319.69)	(1,221.98)
Business Tax losses	(345.23)	191.73
Previous year tax liability	-	(19.77)
Minimum alternate tax / other adjustments	(157.29)	-
Interest	8.69	
Total tax expense in the Statement of Profit and Loss	515.00	(19.77)

Notes to Consolidated Financial Statements

Note No.	Particulars

(b) Tax losses carried forward **(₹ in crore)**

Particulars	March 31, 2018	Expiry date	March 31, 2017	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 ₹ 47.27 crore (March 31, 2017: NIL). The dividend distribution tax on this proposed dividend amounting to ₹ 8.48 crore (March 31, 2017: NIL) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

57 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 **(₹ in crore)**

Particulars	March 31, 2018	March 31, 2017
a) Amount remaining unpaid to any supplier:		
Principal amount	17.88	8.84
Interest due thereon	0.12	0.12
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

58 Disclosure as per Ind AS 33 'Earnings per Share'

(i) Basic and diluted earnings per share for the year ended	March 31, 2018	March 31, 2017
From operations including regulatory deferral account balances (a) (in ₹)	12.80	14.66
From regulatory deferral account balances (b) (in ₹)	(0.32)	(5.21)
From operations excluding regulatory deferral account balances (a)-(b) (in ₹)	13.12	19.87
Nominal value per share (in ₹)	10.00	10.00

(ii) Profit attributable to equity shareholders (used as numerator)	March 31, 2018	March 31, 2017
From operations including regulatory deferral account balances (a)	1,956.78	2,456.66
From regulatory deferral account balances (b)	(49.03)	(873.56)
From operations excluding regulatory deferral account balances (a)-(b)	2,005.81	3,330.22

Notes to Consolidated Financial Statements

Note No.	Particulars		
	(iii) Weighted average number of equity shares (used as denominator)	March 31, 2018	March 31, 2017
	Opening balance of issued equity shares	1,52,85,68,427	1,67,77,09,600
	Effect of shares issued during the year, if any	-	20,43,030
	Weighted average number of equity shares for Basic and Diluted EPS	1,52,85,68,427	1,67,56,66,570

59 Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as other-wise stated. Certain amounts which do not appear due to rounding off are disclosed separately. Figures of the corresponding Previous period have been regrouped wherever necessary.

60
a) The Group has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the group sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on quarterly basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) ‘External Confirmations’, were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

b) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

61 Recent accounting pronouncements

Standards issued but not yet effective:

Ind AS 115 'Revenue from contracts with customers'

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.The Group is currently evaluating the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application will be done on completion of evaluation of the potential impact.

Ind AS 21 ‘The effects of changes in foreign exchange rates’

The amendment to Ind AS 21 applies to entities for foreign currency consideration paid or received in advance. The amendment requires such advance paid or deferred liability to be restated using the spot rate as of the date of such a transaction.

The Group is evaluating the requirements of the amendment after which the effect on the financial statements will be evaluated.

Information on Subsidary and Associates
Statement pursuant to section 129, Companies Act,2013 (Schedule III)

(₹ in crore)

	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 % total comprehensive Income	Amount (₹ in crore)
Parent								
NLC India Limited								
March 31, 2018	99.87%	13,334.58	93.49%	1,829.32	100.00%	61.03	93.68%	1,890.35
March 31, 2017	100.59%	12,198.62	96.42%	2,368.81	100.00%	(26.61)	96.38%	2,342.20
Subsidiaries								
NTPL								
March 31, 2018	0.14%	18.86	6.51%	127.46	0.00%	-	6.32%	127.46
March 31, 2017	-0.58%	(71.04)	3.58%	87.85	0.00%	-	3.62%	87.85
NUPPL								
March 31, 2018	-0.01%	(1.02)	0.00%	-	0.00%	-	0.00%	-
March 31, 2017	-0.01%	(1.02)	0.00%	-	0.00%	-	0.00%	-
Associate (Indian)								
MNH Shakti								
March 31, 2018	0.00%	(0.08)	0.00%	-	0.00%	-	0.00%	-
March 31, 2017	0.00%	(0.08)	0.00%	-	0.00%	-	0.00%	-
Total								
March 31, 2018	100.00%	13,352.34	100.00%	1,956.78	100.00%	61.03	100.00%	2,017.81
March 31, 2017	100.00%	12,126.48	100.00%	2,456.66	100.00%	(26.61)	100.00%	2,430.05

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

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

Part "A": Subsidiaries

		(₹ 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	2017-18	2017-18
4	Reporting Currency	INR	INR
5	Share Capital	2188.04	904.40
6	Reserves and Surplus	21.19	(2.00)
7	Total Assets	7875.22	2253.23
8	Total Liabilities	5665.99	1350.83
9	Investments	0.00	0.00
10	Turnover	2817.71	0.00
11	Profit before taxation	218.48	0.00
12	Provision for taxation	72.15	0.00
13	Profit after taxation	146.33	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 : 28.05.2018

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

S. PATTABIRAMAN
Partner
M.No. : 014309

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S

C. SURESH
Partner
M.No. : 204602

Place : Chennai

Date : 28.05.2018

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

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

Part "B": Associates and Joint Venture

1	Name of the Associate	MNH Shakti Limited
2	Share of the Associate held by the Company on the year end	12765000
3	Amount of investment in Associate ₹ in crore	12.77
4	Extent of holding	15%
5	Description of how there is significant influence	By way of Representation on Board
6	Reason why the Associate is not consolidated	NA
7	Networth attributable to shareholding as per latest audited Balance Sheet Rs 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 : 28.05.2018

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

S. PATTABIRAMAN
Partner
M.No. : 014309

For **M/s. PKKG BALASUBRAMANIAM & ASSOCIATES**
Chartered Accountants
Firm Regn No.:001547S

C. SURESH
Partner
M.No. : 204602

Place : Chennai
Date : 28.05.2018

BUSINESS RESPONSIBILITY REPORT 2017-18

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 - 600 031, Tamil Nadu,
4.	**Website**	:	www.nlcindia.com
5.	**E-mail id**	:	investors@nlcindia.com
6.	**Financial Year reported**	:	2017-18
7.	**Sector(s)**	:	Mining & Power Generation
8.	**Key products**	:	Lignite and Power (Thermal & Renewable) 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 Plants in Tamilnadu; Wind Power Plant located in Tirunelveli, Tamilnadu; 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**	:	₹ 1528.57 crore (2017-18)
2.	**Total Revenue from Operations**	:	₹ 8496.20 crore (2017-18)
3.	**Total Profit / (Loss) for the period**	:	₹ 1848.78 crore (2017-18)

CSR DETAILS FOR NLCIL's BUSINESS RESPONSIBILITY REPORT 2017-18

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of PAT:**

   In the previous three financial years from 2014-15 to 2016-17, 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 2.1 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.

   In the year 2017-18, the Company has spent 2.0 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 / Old age home.

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) & CFO

b. Details of the BR head

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

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

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the well being of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5: Businesses should respect and promote human rights.

P6: Business should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy /policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? The policies of the Company are based on the Constitution of India/ applicable laws, guidelines and other policies issued by Government of India from time to time, MoU with Transparency International India, ISO 9001, ISO 14001, OHSAS 18001 and UN Global Compact Principles.	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.nlcindia.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

2a. If answer to Sl. No. 1 against any principle, is 'No', please explain why? :

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	*	-	-

* 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 203 numbers of the successful Vendors/Contractors up to the month of March 2018 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. Around 2575 students were covered under this programme.

   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.

   iv. As a part of Preventive Vigilance exercise, Customised Training programmes were conducted at Thermal, Mine Units, offices and NTPL, Tuticorin to sensitize the officials on Contracts, Purchase and CVC guidelines through Vigilance case studies. Thirteen (13 Nos) of programmes were conducted during the year, covering 995 employees.

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 2017-18, Vigilance Department of the Company received 369 complaints in addition to 08 pending complaints of previous year (Totally 377 complaints). Out of that 367 complaints (97.34%) have been disposed off. Out of 367 complaints disposed, 237 complaints were Anonymous/Pseudonymous, 92 complaints have been sent for Administrative action to the respective units and investigation was done for 38 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	2016-17	2017-18	% change
Energy	Kwh/T of Lignite	Mines	33.09	37.23	12.51

Resources consumption in Power Generation

Consumption per unit of production	Unit	Thermal Unit	2016-17	2017-18	% change
Lignite	Kg/Kwh (gross generation)	TPS	1.16	1.14	-1.724

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 MSEs .

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

The Company has taken up several projects for the reclamation mined out land and re-cycling of waste, some of the key projects are as given below:

- The Company's mining operations are preserving valuable top soil of the mined out land, which is re-used for the land reclamation works.
- Keeping in mind the environmental concerns in disposal of fly ash, the Company utilises 100% of fly ash generated from thermal power stations for brick, windows, door frames, etc. manufacturing or sells it to cement plants as fly-ash is a raw-material for Portland Pozzolana Cement (PPC). 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.
- NLCILs plastic recycling plant ensures 100% recycling of waste plastic collected at site.
- 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.
- The storm water of mines is treated and used for domestic consumption of the population in township and partly for industrial and agricultural purposes.
- 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.
- Bio-Diversity Project at Kundan Tank, Neyveli Township: Your Company is developing a Natural Water Body-Bio-diversity project in 10 acres of land by de-silting the old Kundan Tank with fish aqua culture and Prawn culture.
- Development of Micro Hydel pilot project
- Solar Drying of Lignite
- Matmor & Coldry process
- Development of alternative materials for pebbles using waste materials
- Solar Cold Storage at CARD
- Studies on Aqua culture development in Neyveli with Humic products
- Development of pilot scale Floating Solar system
- Catalytic reduction of C.I engine emissions using zeolite as catalyst synthesized from coal / Lignite fly ash
- Electronification of GWC bore wells & Conveyor systems
- Pilot project for Development of smart city concepts

Principle 3 (P3)

1. Please indicate the Total number of employees.

Total number of employees as on March 31, 2018 is 14446.

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, 2018 is 1050.

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

   Total number of permanent employees with disabilities as on March 31, 2018 is 221.

5. **Do you have an employee association that is recognised by management?**

   Yes.

6. **What percentage of your permanent employees is members of this recognised employee association?**

   Approximately 70% of the permanent employees are members of recognised employees associations. This does not include executives and non-unionised supervisors

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

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

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   Details of Training imparted to the Employees in house Learning and Development Centre (LDC) and Group Vocational Training Centre (GVTC) during the Year 2017-18

MIP as on 31st March 2018 - 14446			
	Percentage of employees given safety & skill upgradation training in 2017-18		
Sl.No.	**Employee Type**	**No. of Employees**	**% of employee**
1	Permanent Employee	11073	76.65
2	Permanent Woman Employee	447	42.57
3	Casual/Temp/Contract Employees	3664	38.88
Note: The above figures inclusive of GVTC			

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 stake holders 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 marginalized stakeholders. If so, provide details thereof.

The Company covers the well-being of disadvantaged, vulnerable and marginalized stakeholders under its Corporate Social Responsibility policy.

Principle 5 (P5)

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Constitution of India, the laws and policies of Government of India on Human Rights is also applicable to the Subsidiary Companies.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

No stakeholder complaint was received during the year 2017-18 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 240 MW Solar and 51 MW Wind Power Projects.
- Further for reducing and combating SO_2 and NOX, NLCIL has also contemplated to provide Flue Gas De-Sulphurization (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 M/s. Mecon by Your Company's Power Station Engineering (PSE) Department.
- Solar Drying of Lignite
- Matmor & Coldry process
- Development of alternative materials for pebbles using waste materials
- Solar Cold Storage at CARD
- Studies on Aqua culture development in Neyveli with Humic products
- Development of pilot scale Floating Solar system
- Catalytic reduction of C.I engine emissions using zeolite as catalyst synthesized from coal / Lignite fly ash
- Electronification of GWC bore wells & Conveyor systems
- Pilot project for Development of smart city concepts

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 10MW wind turbine generators at Tirunelveli, Tamilnadu and commissioned the 130MW solar power project at Neyveli, Tamilnadu in December 2017. Also ,500 MW solar power project being developed by NLCIL under Solar Developer and Operator (SDO) mode in various parts of Tamilnadu and the commissioning activates are in the advanced stage. In this 100MW has already been commissioned in March 2018. For the first time in history NLCIL participated in the tariff based tender floated by TANGEDCO, Govt. of Tamilnadu and bagged 709MW capacity of solar projects in Tamilnadu. Execution of this project activities are in fullswing. Power generation by photovoltaic cells needs only initial investment but no fuel cost. PV does harm environment. These projects 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 4000MW solar power projects by 2019-20 in the states of Tamilnadu, Karnataka, Uttar Pradesh, Madhya Pradesh, Maharashtra, Jharkhand 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-NLCIL

1. 500 MW solar power projects in Tamilnadu-is in the advanced stage of commissioning.
2. 709MW solar power projects in Neyveli Township under implementation.
3. 1 MW rooftop solar power projects in Neyveli Township - under implementation.
4. 4MW roof top solar power projects in Neyveli Township Signing of MoU with M/s REIL (Nodal agency) is in progress.
5. 1000 MW solar power projects in Uttar Pradesh-Under proposal.
6. 1000 MW solar power projects in Jharkhand - Under proposal.
7. 800 MW solar power projects in Karnataka-Proposals in preliminary stage of discussion with respective state Government.
8. 20 MW solar power project in Andaman & Nicobar Islands-Tendering is in progress.

b. **WIND POWER PROJECTS-NLCIL**

1. 500 MW wind power projects in Tamilnadu-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 2017-18.

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 2017-18.

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 2017-18, the Company focused on following projects in pursuit of inclusive growth.

1. Health Care, Family Welfare and Sanitation
2. Providing Drinking Water Supply Facilities
3. Providing Education including Special Education, Vocational skills, Scholarships
4. Promoting Gender Equality, Empowering women, Old age homes
5. Environmental Sustainability
6. Promoting Sports in Rural Areas
7. Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development
8. Providing Link Roads/ Access, Community Assets, Construction of infrastructure for Rural Development
9. Heritage, Arts and Culture
10. Welfare of SC, ST & OBC

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

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

The Company has undertaken CSR project through in-house teams, District Administration and also external Expert Agencies.

The details have been included in the Directors Report.

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

The Company has done impact assessment of various CSR activities through external agencies like M/s NIRD&PR and also from M/s IPE, Hyderabad.

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 under taken?

The Company has spent ₹ 43.59 crore under various CSR Projects, Programmes and Activities in 2017-18, details of which are shown in the below table:

CSR Expenditures in 2017-18 **(₹ in crore)**

	CSR Focus area	Expenditure in 2017-18
1.	Health Care, Family Welfare and Sanitation	6.39
2.	Providing Drinking Water Supply Facilities	2.07
3.	Providing Education including Special Education, Vocational skills, Scholarships	9.93
4.	Promoting gender equality, empowering women, old age homes.	1.32
5.	Environmental Sustainability	3.03
6.	Promoting Sports in Rural Areas	0.55
7.	Water Resource Augmentation, Irrigation and Flood Control Works for Rural Development	9.62
8.	Providing Link Roads/ Access, Community Assets, Construction of infrastructure for Rural Development	7.90
9.	Heritage, Arts and Culture	0.12
10.	Welfare of SC, ST & OBC	2.66
	Total	**43.59**

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.
- Separate trusts have been formed for smooth functioning of old age homes.

Principle 9 (P9)

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

There is one customer case pending at the end of the financial year.

a. 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?

NLCIL deals with the sale of Electric Power which is invisible & dynamic in nature and display of product label is 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.

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SOCIAL OVERHEAD ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in crore)

Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Expenses:												
Consumption of Materials												
Stores & Spares	14.88	11.76	0.01	0.01	2.83	3.27	0.03	0.01	0.01	0.00	17.76	15.05
Power (A)	53.44	58.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.44	58.99
Employees' Remuneration and Benefits:												
Salaries, Wages, Bonus and Incentives	84.96	89.35	2.71	2.19	17.85	17.98	14.67	12.53	3.92	2.96	124.11	125.01
Contribution to Provident and other Funds	14.14	14.14	0.48	0.39	2.51	2.97	1.34	1.30	0.54	0.58	19.01	19.38
Gratuity	0.00	0.06	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.07
Welfare expenses	5.54	7.59	0.00	0.12	0.28	0.35	0.26	0.00	0.05	0.00	6.13	8.06
Rent, Rates & Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance												
Buildings	0.00	15.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83	15.44
Others	35.93	30.05	0.00	0.00	0.83	0.86	0.15	0.02	0.04	0.06	36.49	30.99
Depreciation	18.49	17.93	0.06	0.04	0.37	0.37	0.02	0.02	0.02	0.01	18.96	18.37
Travelling Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	1.24	2.42	0.06	0.07	0.21	0.33	0.58	0.43	0.21	0.04	2.30	3.29
Total	228.62	247.73	3.32	2.82	24.88	26.14	17.05	14.31	4.79	3.65	279.03	294.65
Receipts:												
Recoveries:												
Rent	16.50	13.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.50	13.99
Electricity Charges	18.78	19.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.78	19.67
Water Charges	0.52	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.52	0.42
Grant-in-aid	0.00	0.00	0.00	0.00	0.00	0.00	5.79	5.43	0.00	0.00	5.79	5.43
Bus Receipts	0.00	0.00	0.00	0.00	1.73	1.82	0.00	0.00	0.00	0.00	1.73	1.82
Misc. Receipts	1.09	0.13	0.04	0.04	0.00	0.01	0.00	0.01	0.00	0.00	1.13	0.19
Total	36.89	34.21	0.04	0.04	1.73	1.83	5.79	5.44	0.00	0.00	44.45	41.52
Net Expenditure	191.73	213.52	3.28	2.78	23.15	24.31	11.26	8.87	4.79	3.65	234.58	253.13

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.