



NLC India Limited

A "Navratna" – Government of India Enterprise

Corporate Presentation

August- 2020

This presentation is for distribution only under such circumstances as may be permitted by applicable law. It is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments of NLC India Limited (the “Company” or “NLCIL”) in any jurisdiction. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the future proposals, strategies and projections referred to in the report. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company’s equity shares. Securities of the Company may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from the registration requirements of that Act. Any public offering or sale of securities of the Company to be made in the United States will be made by means of a prospectus that may be obtained from the Company or the selling security holder and that will contain detailed information about the Company and its management, as well as financial statements. NLCIL does not undertake that investors will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment losses. Investments involve risks and investors should exercise prudence in making their investment decisions.

The report should not be regarded by recipients as a substitute for the exercise of their own judgment. Past performance is not necessarily a guide to future performance. The value of any investment or income may go down as well as up and investor may not get back the full amount invested. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business groups of NLCIL as a result of using different assumptions and criteria. This presentation report may contain certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import, in each case, their negative or other variations or comparable terminology or discussions statements that describe strategies, objectives, plans or goals.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement. These forward looking statements are based on our current plans and expectations. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in Indian laws, regulations and taxes and changes in competition in our industry etc. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation and include statements regarding the Company’s intentions, beliefs or current expectations concerning, amongst other things, its results or operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates. No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that the objectives of the Company will be achieved

NLCIL reserves the right to alter, modify or otherwise change the presentation without notifying any person of such changes or revision. Neither the author or NLCIL shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from this presentation report. Further, NLCIL is under no obligation to update or keep current the information contained herein. The disclosures contained in this presentation report produced by NLCIL shall be governed by and construed in accordance with laws of India. NLCIL specifically prohibits the redistribution of this material in whole or in part without the written permission of NLCIL and NLCIL accepts no liability whatsoever for the actions of third parties in this respect. Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. All rights reserved. The Company, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless otherwise specified is only current as of the date of this presentation. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events, or otherwise. This presentation has been prepared based on the information available in the public domain and internal management information and estimates. The information contained herein is subject to change without notice. Past performance is not indicative of future results. This document has not been and will not be reviewed or approved by a regulatory authority in India or by any stock exchange in India.

- 1** Company Overview & Performance Highlights
- 2** Financial & Operational Performance
- 3** Market Opportunity
- 4** Growth Plans
- 5** Corporate Social Responsibility



Company Overview & Performance Highlights



- ✓ *A 'Navratna' CPSE incorporated in 1956. Under the administrative control of Ministry of Coal*
- ✓ *Paid up Equity Share Capital - Rs. 1,386.64 Crore (GoI holding - 79.20% as on 28.08.2020)*
- ✓ *Mining, Power Generation and Trading of Power*
- ✓ *Regional Presence to National Level Presence*
- ✓ *Advanced Technology*
- ✓ *Robust Financial Performance in Revenue, Profit and Net worth. Highest domestic credit rating. Consistent track record of Dividend.*
- ✓ *Skilled Manpower*
- ✓ *Present Composition of Board - Total 12 Directors (6 Functional Directors including CMD, 2 Government Nominee and 4 Independent Directors).*
- ✓ *Government of India has sanctioned totally 16 directors, but the present composition of the board is 12. The vacancy of 4 Independent Directors including 1 Woman Director*

Vision & Mission

Vision:

To emerge as a leading Mining and Power Company, with social responsiveness accelerating Nation's growth

Mission

Continue to develop and sustain expertise in Power and Mining with focus on growth and financial strength

Be socially responsive, achieve sustainable development and be sensitive to emerging environmental issues

Strive to achieve excellence in processes and practices

To nurture talent, encourage innovation and foster collaborative culture

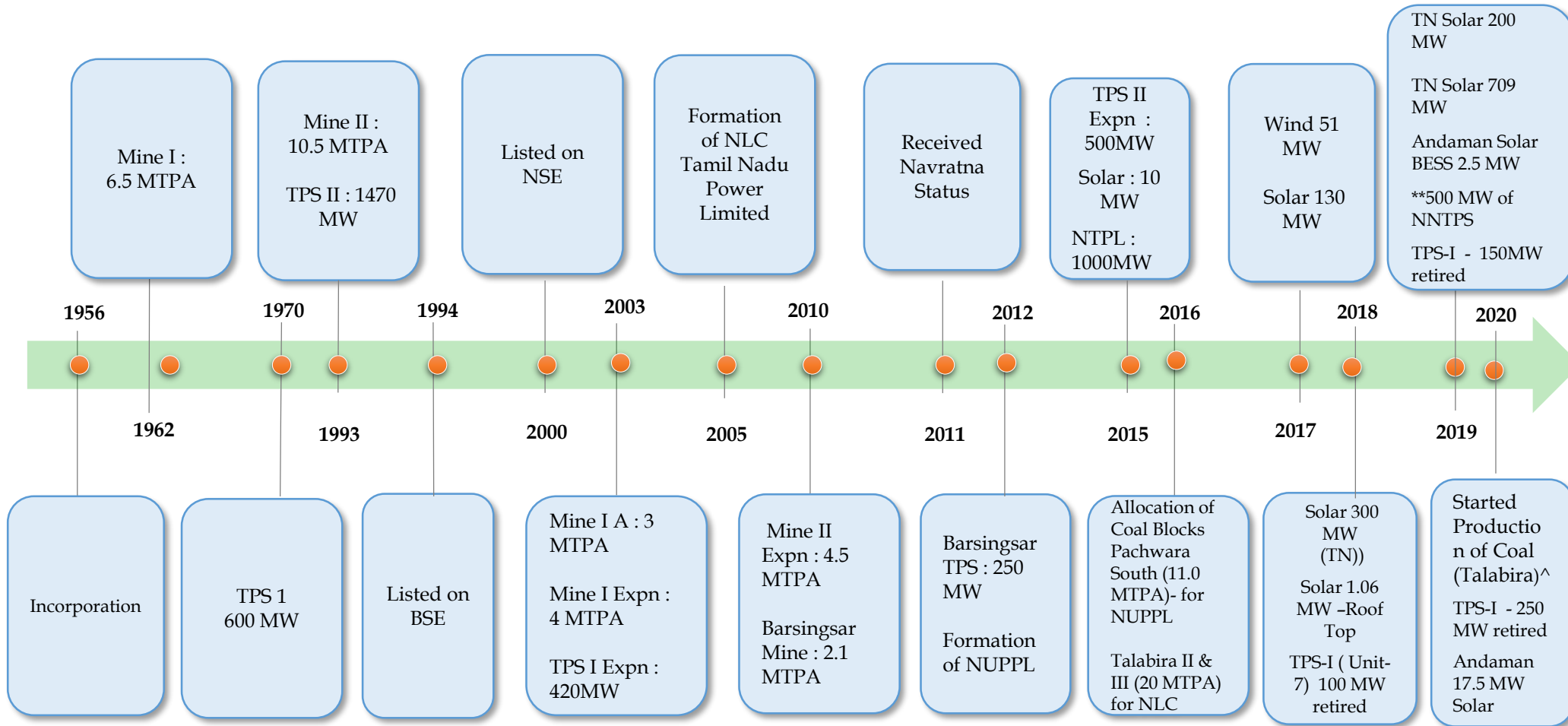
Values

N- National Orientation

L - Learning and Development

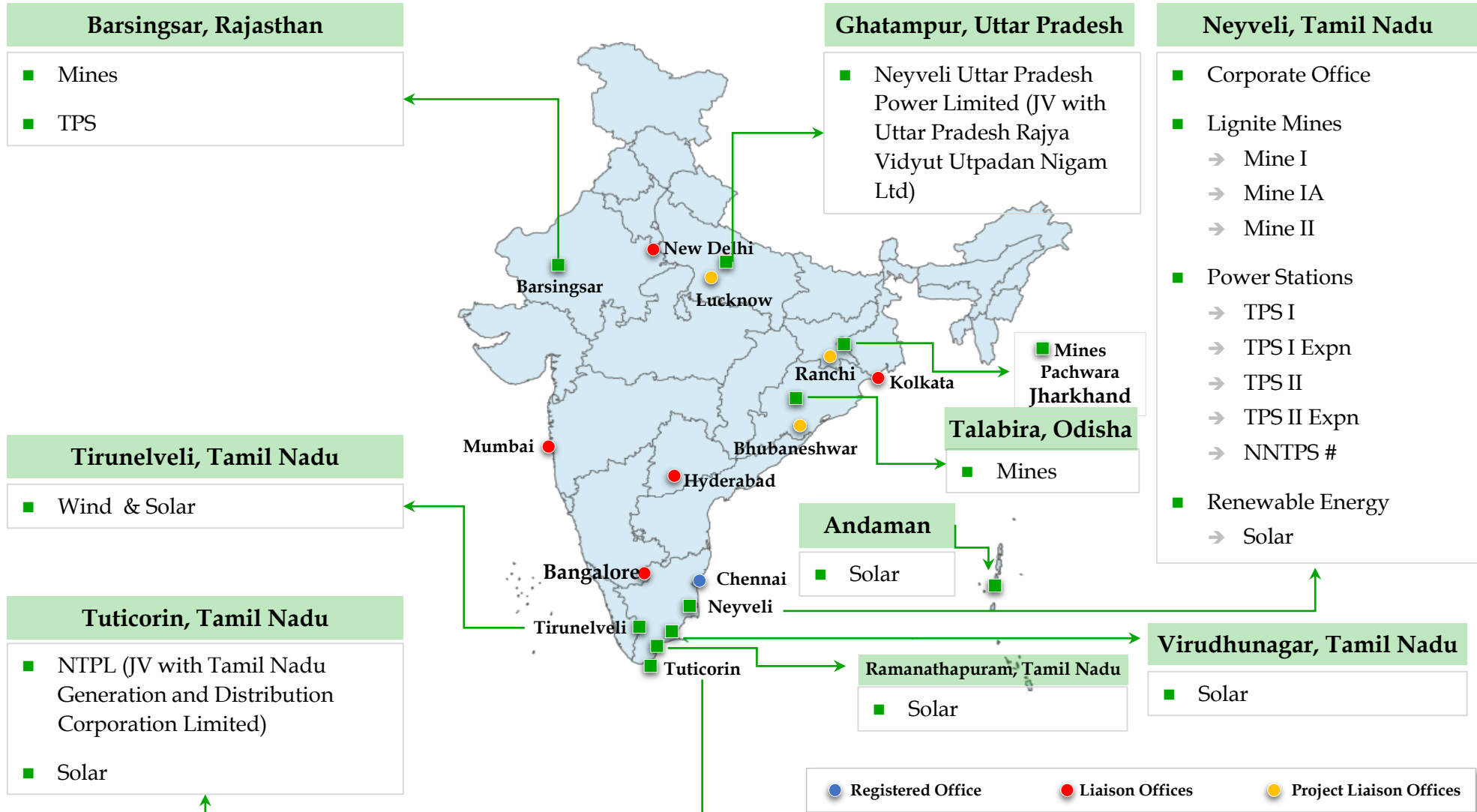
C- Commitment for Excellence

I - Innovation and Speed



** Unit – I (500 MW) out of 1000 MW of NNTPS commissioned on 28.12.2019

^Coal Production for Talabira Project started on 26th April 2020. Achievement of Full Capacity expected by Jan 2027

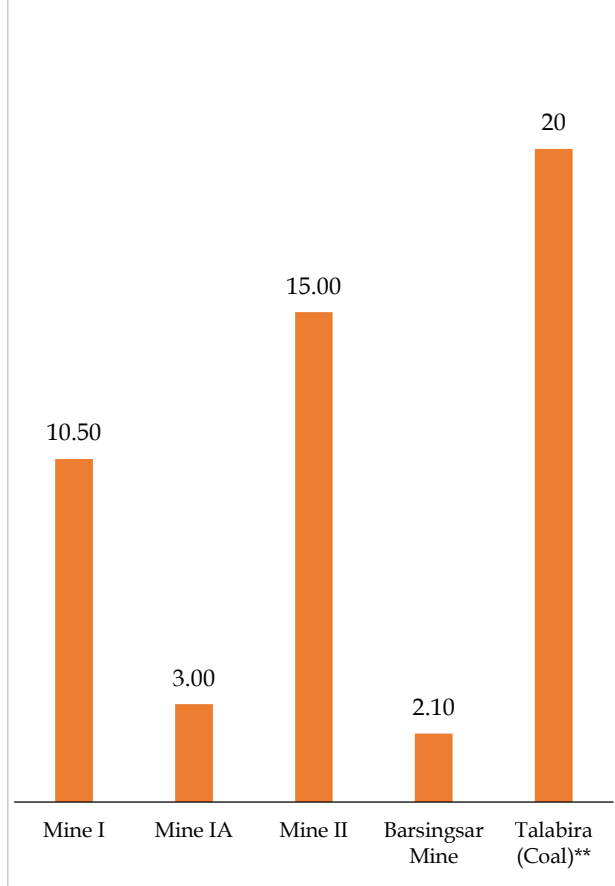


Note:- Map not to scale;

TPS = Thermal Power Station. # Unit -1 commissioned on 28th Dec 2019 and Unit - II is under construction.

Mining

Total Mining Capacity – 50.60 MTPA*



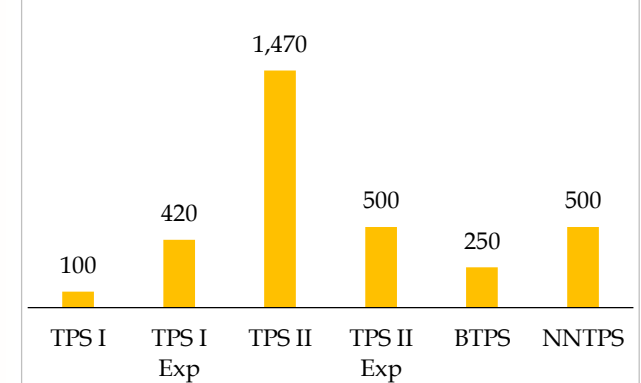
Note : Source from NLCIL Annual Reports and figures representing NLCIL Standalone financial statements

**Existing Capacity as on 31.08.2020*

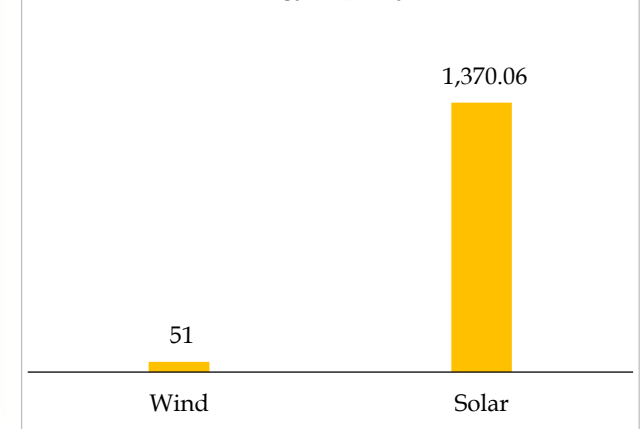
*** Coal Production for Talabira Project started on 26th April 2020. Achievement of Full Capacity expected by Jan 2027*

Power Generation

Thermal Power Station – Capacity 3,240MW*

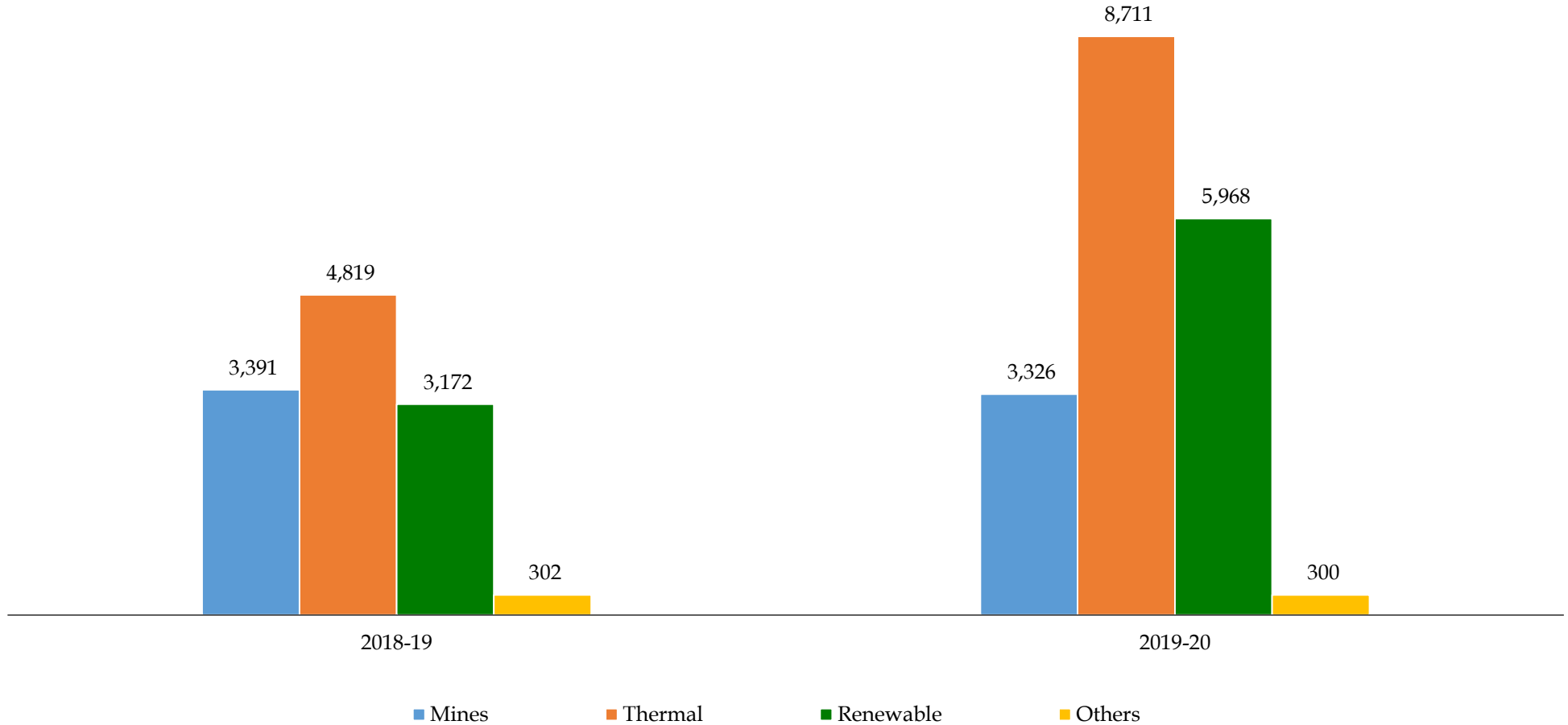


Renewable Energy Capacity 1421.06 MW*



Rs in Crore

Segment wise Net Fixed Assets



Note : Source from NLCIL Financial Results & Annual Reports and figures representing NLCIL Standalone;

Expertise in Open Cast Mining & Power Generation

Mining

- Long experience in operation, maintenance and project management in open- cast mining
- Asset bank of specialised mining equipments for open cast mining:
 - German excavation technology
 - 31 Bucket Wheel Excavators
 - Conveyor length – 103.41 KMs

Power Generation

- Experience in operating lignite based thermal power station.
- Average Thermal PLF of NLCIL is higher than All India average Thermal PLF.
- Company has crossed 1 GW of renewable energy, which is highest ever achieved by any CPSE.

Lignite Resources for Captive Consumption

- Captive fuel source with power plants located at the pit heads of Lignite mines
- Greater flexibility in terms of adjusting the lignite production to adjust for variations in power demands and power generation at thermal power plants
- Out of total measured lignite reserves of 6969.10 (Proved) MT in India as on 01.04.2020, Neyveli lignite field, Barsingsar, Bithnok and Hadla of NLCIL accounts for 3248.72 MT.*

Nodal Agency for Lignite Mining

- Nodal Agency for Lignite database appointed by Ministry of Coal
- Market share * of 59.04 % in Lignite mining in India during FY 2019-20 as compared to 54.72% in FY 2018-19



*Source : Geological Survey Report (provisional) as on 01.04.2020.



Shri Rakesh Kumar,
Chairman-cum-Managing Director

Part-time Official Director



Shri Vinod Kumar Tiwari
Additional Secretary,
Ministry of Coal, GoI.



S K Prabakar
Prinicipal Secretary
Govt. of Tamil Nadu



Shri R. Vikraman,
Director (Human Resource)



Shri N.N.M.Rao,
Director (Planning & Projects)

Functional Directors



Shri Prabhakar Chowki
Director (Mines)



Shri Shaji John
Director (Power)



Shri Jaikumar Srinivasan
Director (Finance)



Shri Indrajit Pal,
Independent Director



Dr P.Vishnu Dev,
Independent Director

Independent Directors



Shri N.K.Narayanan Namboothiri
Independent Director

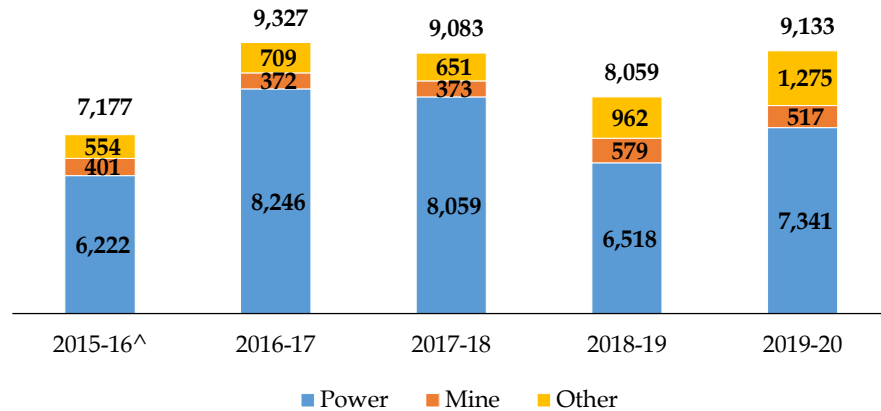


Dr.V.Muralidhar Goud
Independent Director

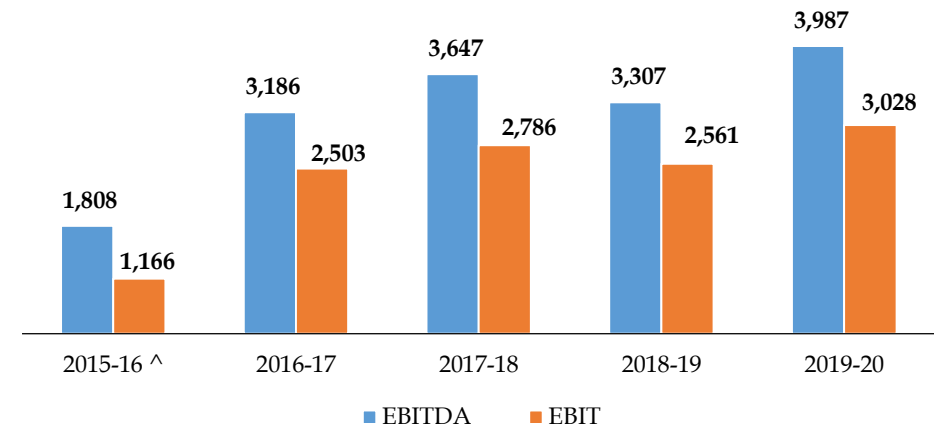


Financial & Operational Performance

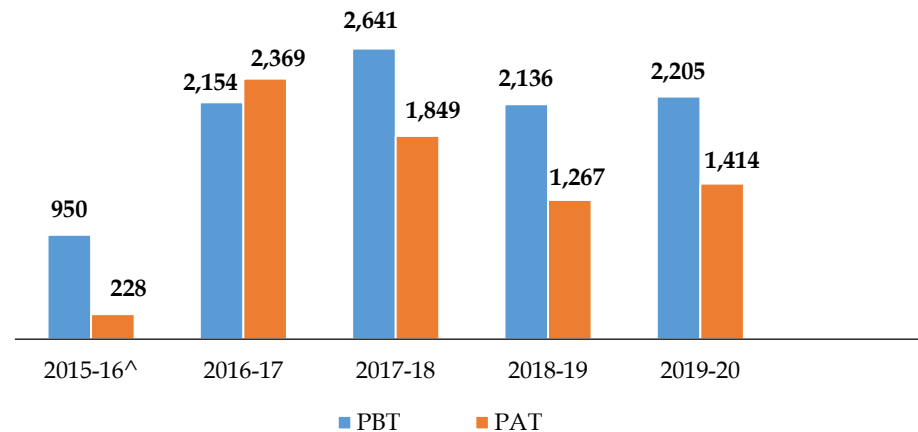
Total Income (Rs in Crore)



EBITDA* & EBIT* (Rs in Crore)



PBT & PAT (Rs in Crore)



Key Financial Ratios

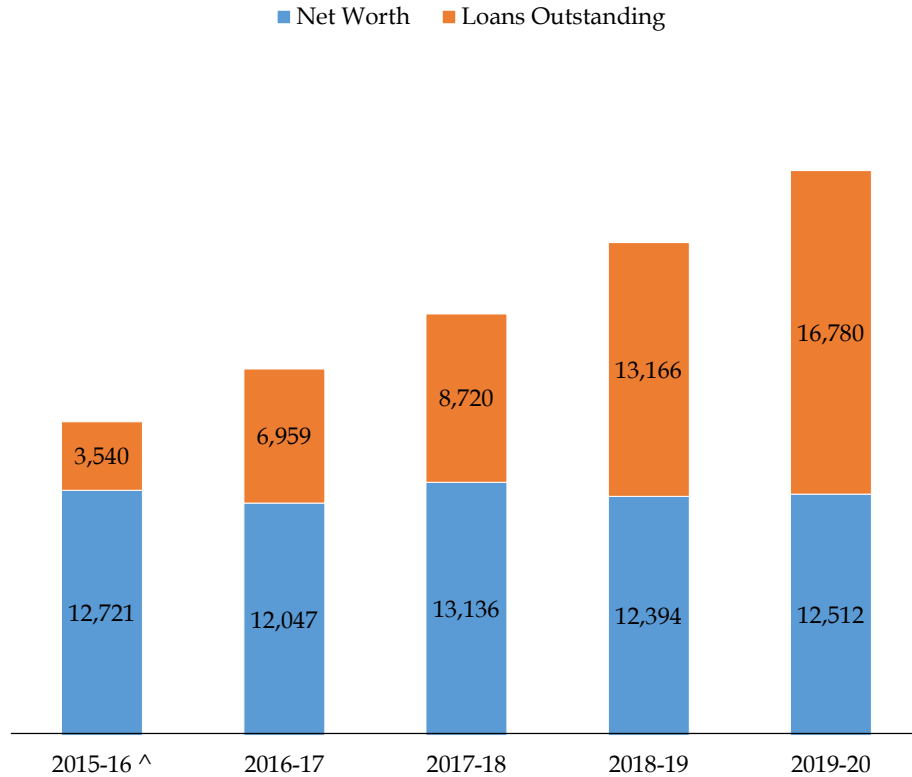
	2015-16 [^]	2016-17	2017-18	2018-19	2019-20
OPM* (%)	32.91	39.12	36.60	21.47	35.04
NPM (%)	3.18	25.40	20.35	15.72	15.48
ROCE (%)	1.69	18.95	12.16	8.28	5.98
RONW (%)	1.79	19.66	14.07	10.22	11.30
Current Ratio	1.70	1.41	1.39	1.57	1.83
Quick Ratio	1.47	1.15	1.20	1.35	1.63

[^] Restated as per Ind AS * EBITDA, EBIT & OPM computed considering Net Movement in Regulatory Expenses/Income and without considering Exceptional Item.

PBT considering Net Movement in Regulatory Deferral Income/Expenses.

Note : Source from NLCIL Financial Results & Annual Reports and figures representing NLCIL Standalone;

Networth & Loans Outstanding (Rs in Crore)



^ Restated as per Ind AS

On 29.05.2019, the company has allotted 14,750 Nos of bonds of Rs.10 Lakh each aggregating to Rs.1,475 Crore at a coupon rate of 8.09%.
On 27.01.2020 the company has allotted 5,250 No's of bonds of Rs 10 Lakh each aggregating to Rs 525 Crore at a coupon rate of 7.36%.
On 31.07.2020 the company has allotted 5,000 No's of bonds of Rs 10 Lakh each aggregating to Rs 500 Crore at a coupon rate of 5.34%.

The company has issued commercial paper on various dates and outstanding amount of commercial paper as on 31.08.2020 is Rs.4000 crore

Note : Source from NLCIL Financial Results & Annual Reports and figures representing NLCIL Standalone

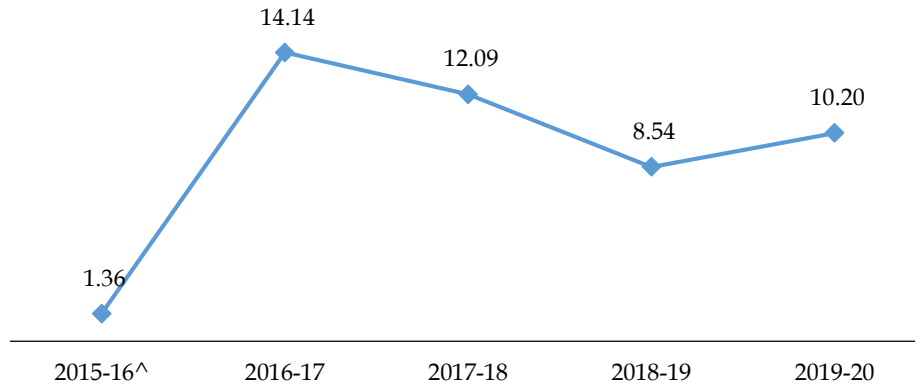
Credit Ratings (Long Term Borrowings)

Agency	Rating	Status
CRISIL	AAA/Stable	Highest
ICRA	AAA/Stable	Highest
CARE	AAA/Stable	Highest
Brickwork	AAA/Stable	Highest
India Rating	AAA/Stable	Highest

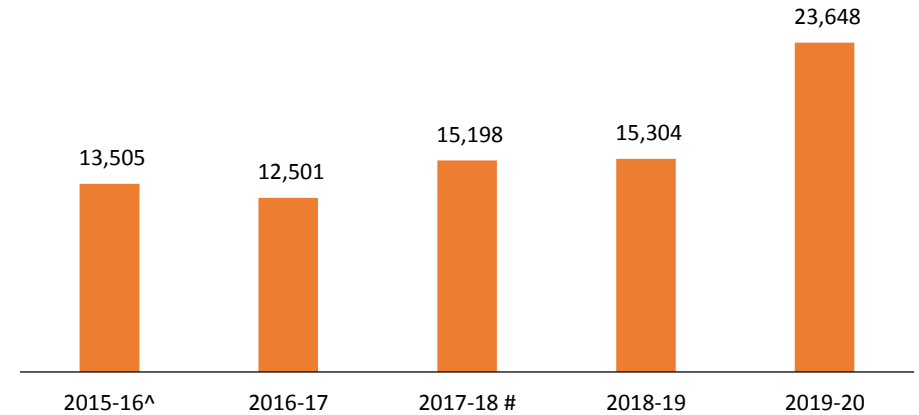
Credit Ratings (Commercial Paper)

Agency	Rating	Status
CARE	A 1+	Upper Medium
ICRA	A 1+	Upper Medium

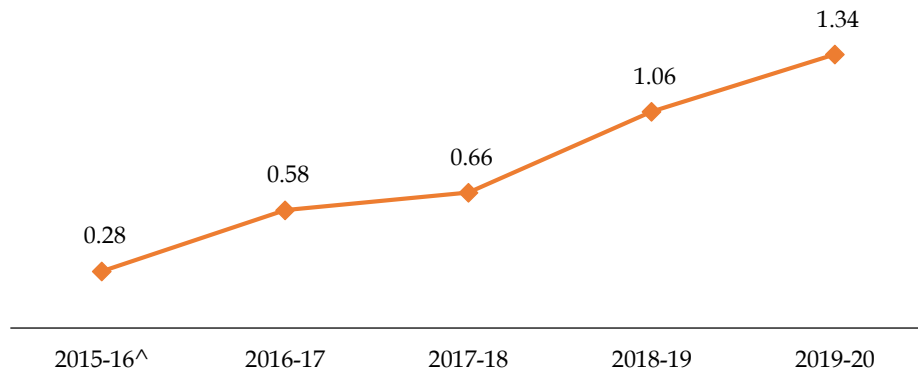
Earnings Per Share (Rs.)



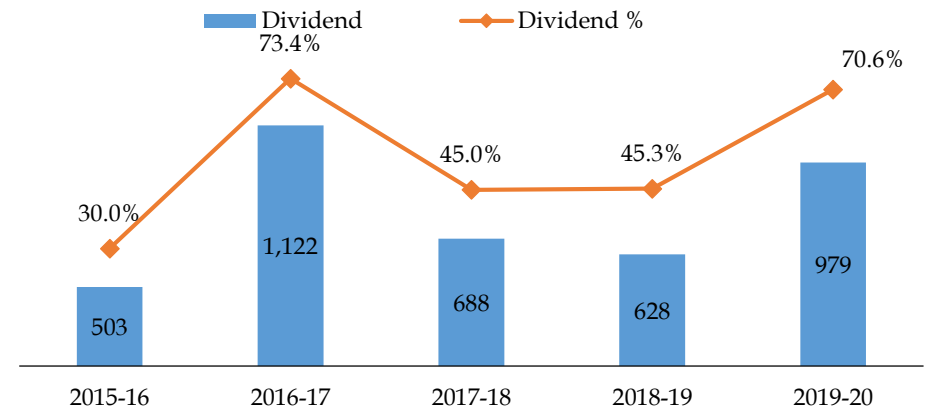
Capital Employed (Rs in Crore)



Debt-Equity ratio



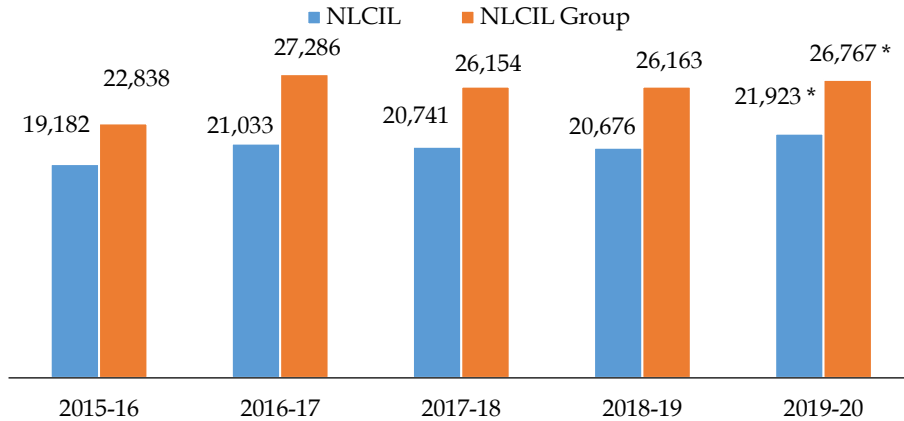
Dividend Trend (Rs in Crore)



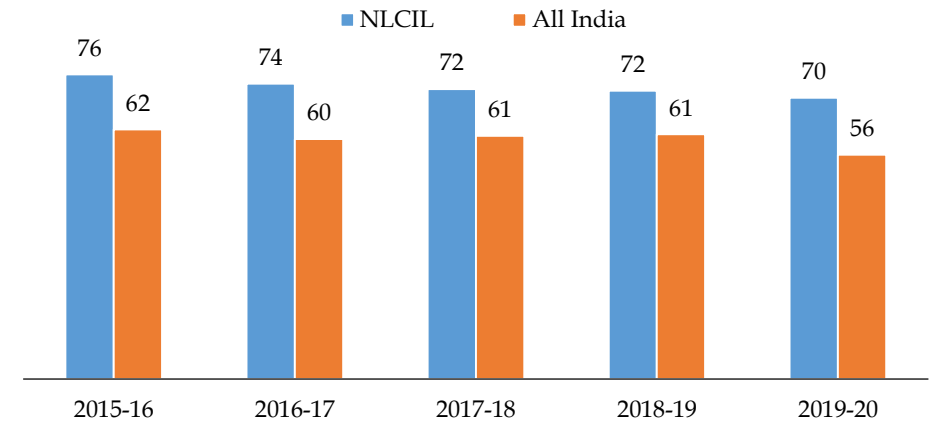
Total Assets excluding CWIP and Asset under Development less Current and Regulatory Liability from FY 2017-18 onwards.

Note : Source from NLCIL Financial Results & Annual Reports and figures representing NLCIL Standalone; ^ Restated as per Ind AS

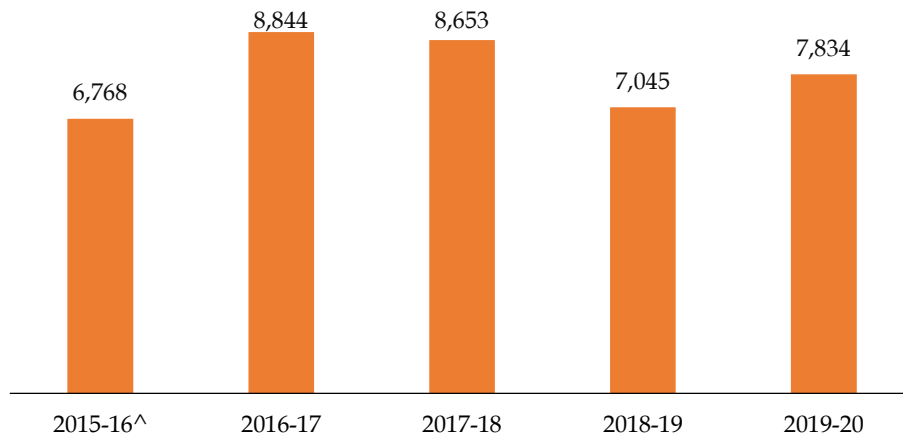
Power Generation (MU)



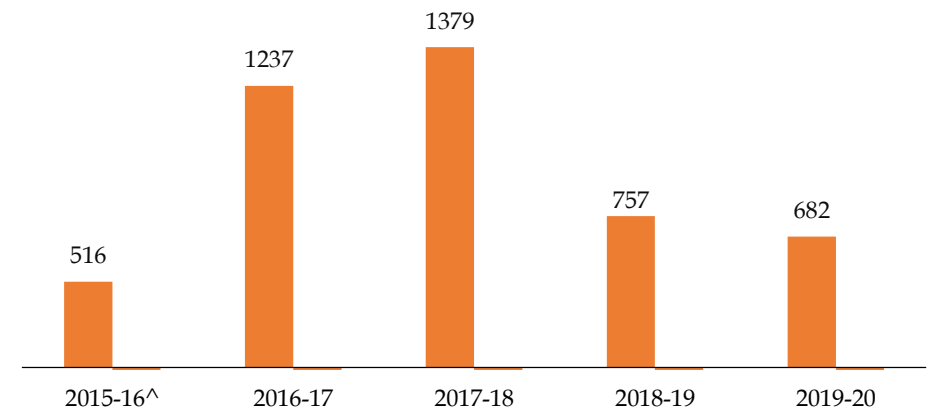
PLF (%) Comparison - Thermal



Revenue from Operations (Rs in Crore)



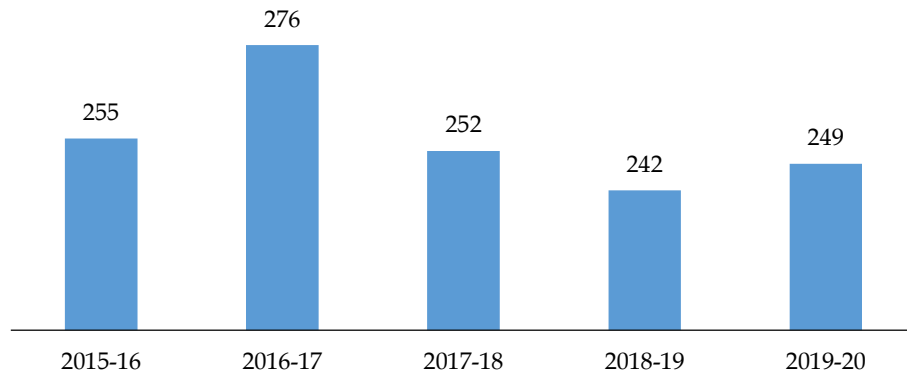
EBIT (Rs in Crore)



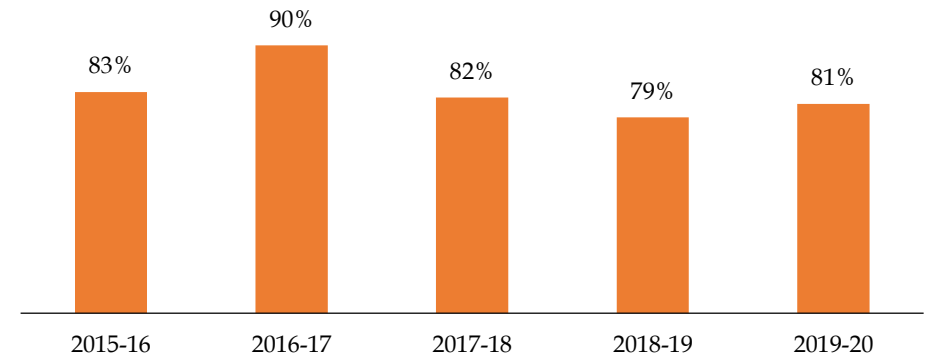
* Includes Infirm power – NNTP -264.74 Mu and Solar 709 MW – 21.37 Mu
Source: Annual Report, Central Electricity Authority- Executive Summary July-20 Report

^ Restated as per Ind AS

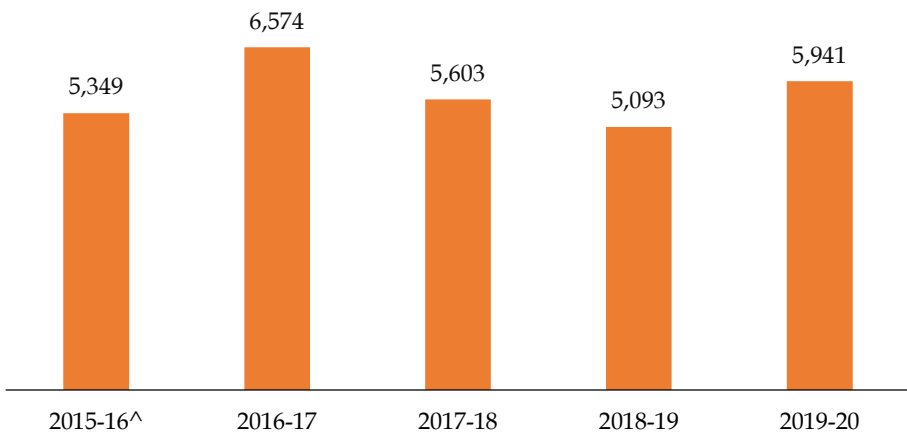
Lignite Production (LT)



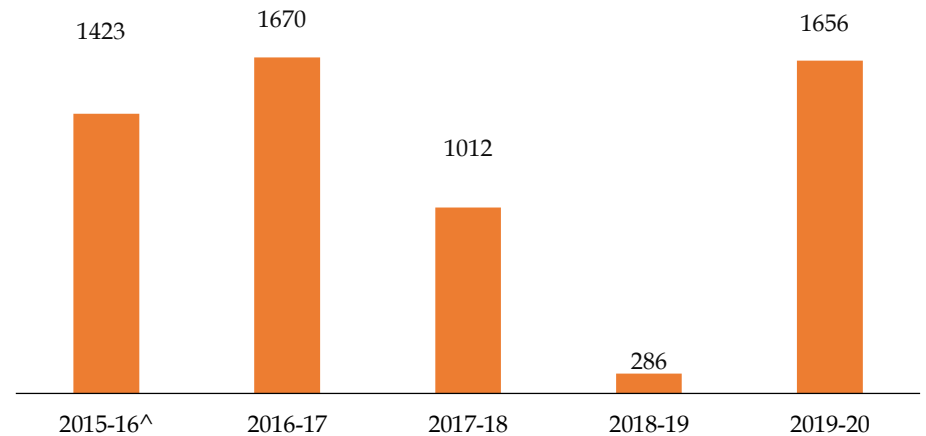
Capacity Utilization (%)



Revenue (Rs in Crore)



EBIT (Rs in Crore)



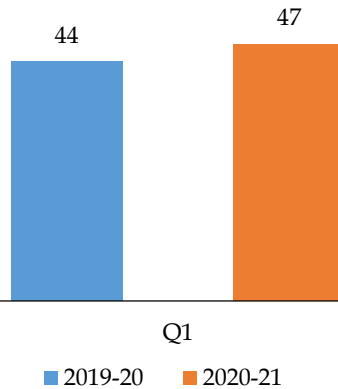
Note : Source from NLCIL Financial Results & Annual Reports and figures representing NLCIL Standalone financial statements

^ Restated as per INDAS

Quarter 1 - Performance - Segment (2019-20 vs 2020-21)

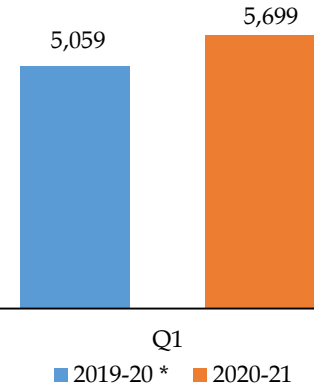
Mining

Lignite Production (LT)

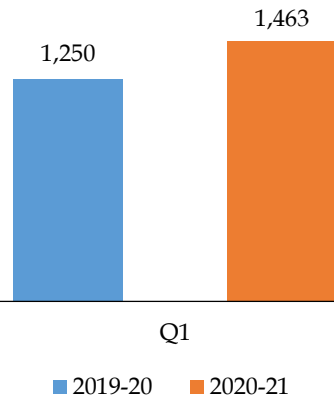


Power

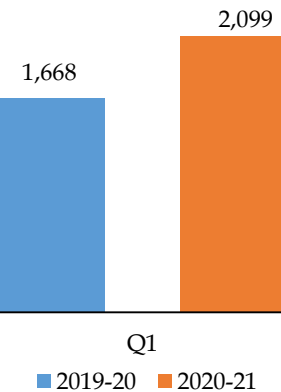
Power Generation (MU)



Revenue (Rs in Crore)



Revenue (Rs in Crore)

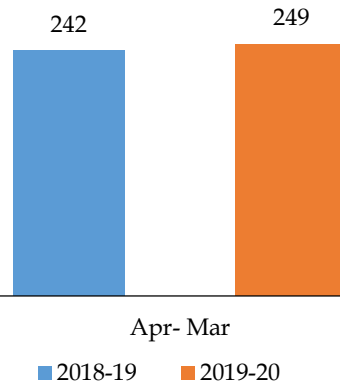


* Includes infirm power of Solar 709 MW – 6 MU37 Mu

Performance - Segment (2018-19 vs 2019-20)

Mining

Lignite Production (LT)

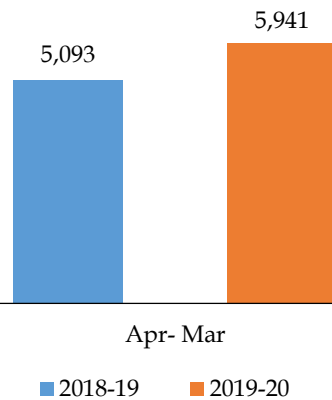


Power

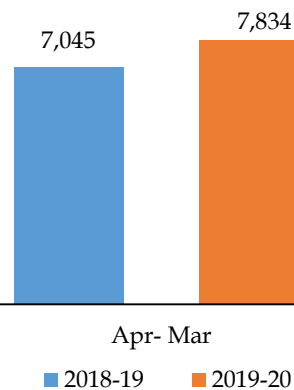
Power Generation (MU)



Revenue (Rs in Crore)

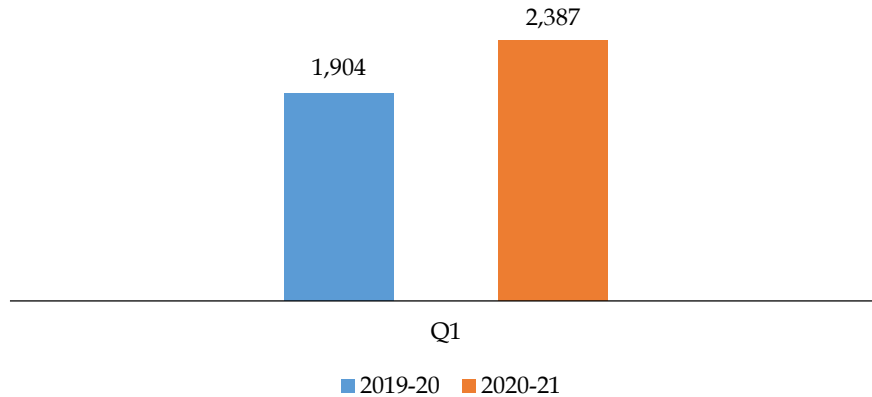


Revenue (Rs in Crore)

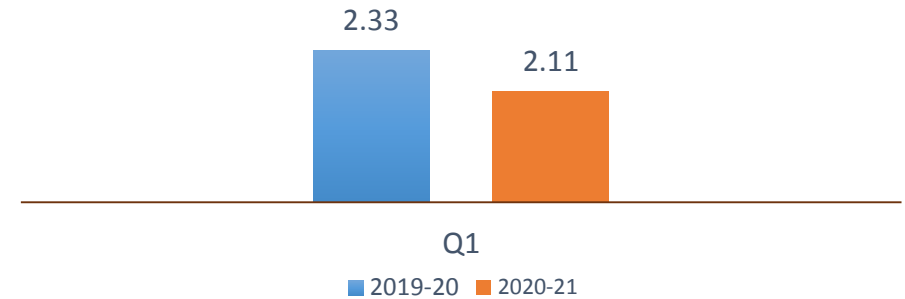


* Includes infirm power NNTPS - 264.74 Mu and Solar 709 MW - 21.37 Mu

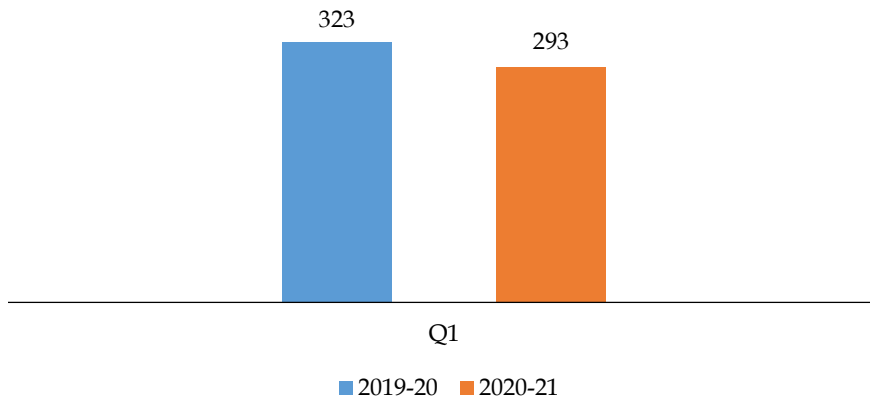
Total Income (Rs in Crore)



Earning Per Share - EPS



Profit After Tax (Rs in Crore)

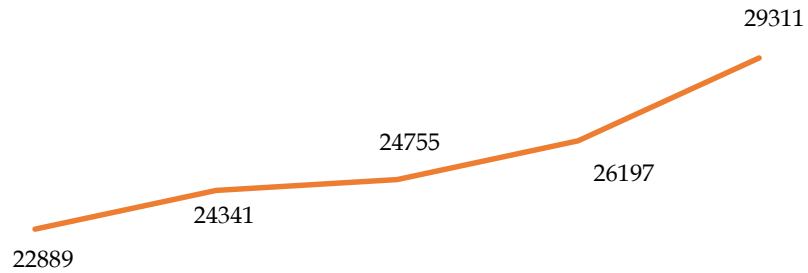


Quarterly Income Statement (Rs in Crore)

Particulars	Sep-19	Dec-19	Mar-20	Jun-20
Total Income	2,217.85	2,436.75	2,574.65	2386.86
EBITDA *	909.85	1089.91	1,231.49	1075.48
EBITDA Margin (%)	41.02%	44.73%	47.83%	45.06%
PAT	336.78	361.55	392.48	292.54
PAT Margin (%)	15.18%	14.84%	15.24%	12.26%

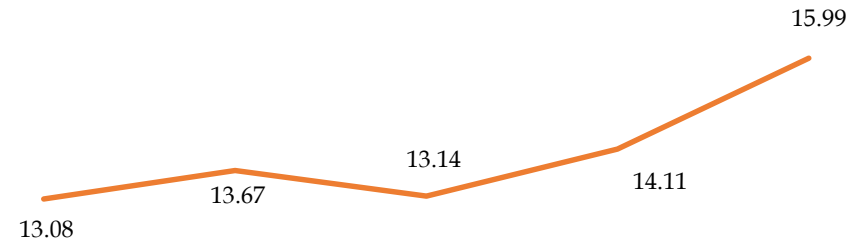
* EBITDA computed considering Net Movement in Regulatory Expenses/Income and without considering Exceptional Item.

Output per Man Shift - Power (KWhr)*



2015-16 2016-17 2017-18 2018-19 2019-20

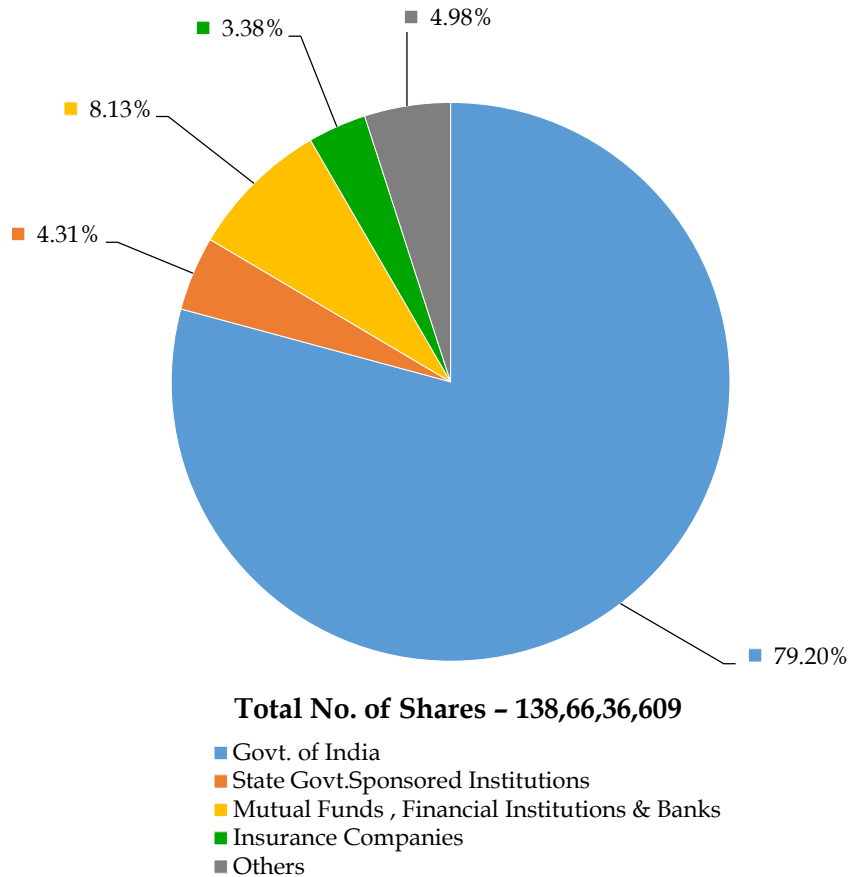
Output per Man Shift - Lignite (in Tonne)*



2015-16 2016-17 2017-18 2018-19 2019-20

* Source from NLCIL Financial Results & Annual Reports and figures representing NLCIL Standalone

Shareholding Pattern



No. of Shareholders

(A) Promoter & Promoter Group

Govt. of India	1
----------------	---

(B) Public

State Govt. - Sponsored Institutions	5
--------------------------------------	---

Mutual Funds, Financial Institutions & Banks	31
--	----

Insurance	6
-----------	---

Others	1,14,154
--------	----------

Total	1,14,197
--------------	-----------------

Market Cap – Rs. 7,252.11 Crore*

Shareholding Pattern as on 28.08.2020

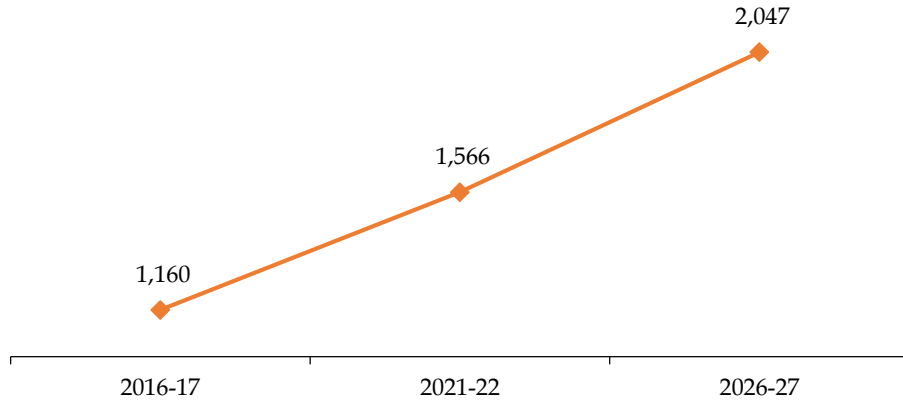
*Market Cap as on 31.08.2020 (Closing Price of NSE @ Rs. 52.30)



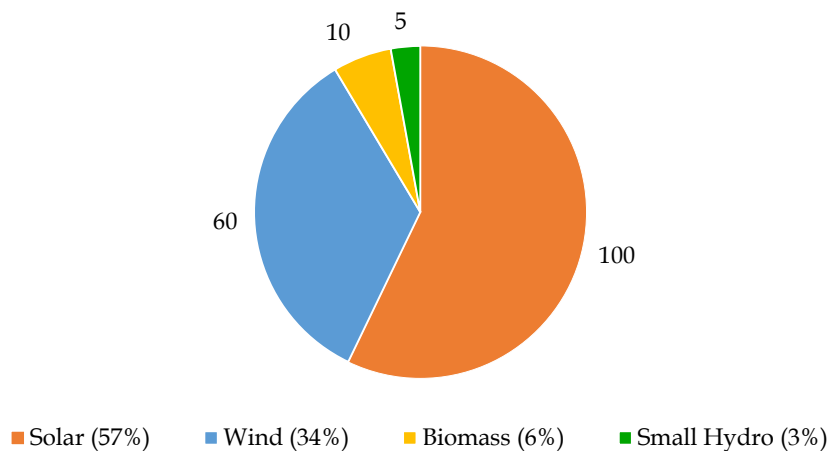
Market Opportunity

All India Electricity Requirement (in BU)

Electrical Energy Requirement

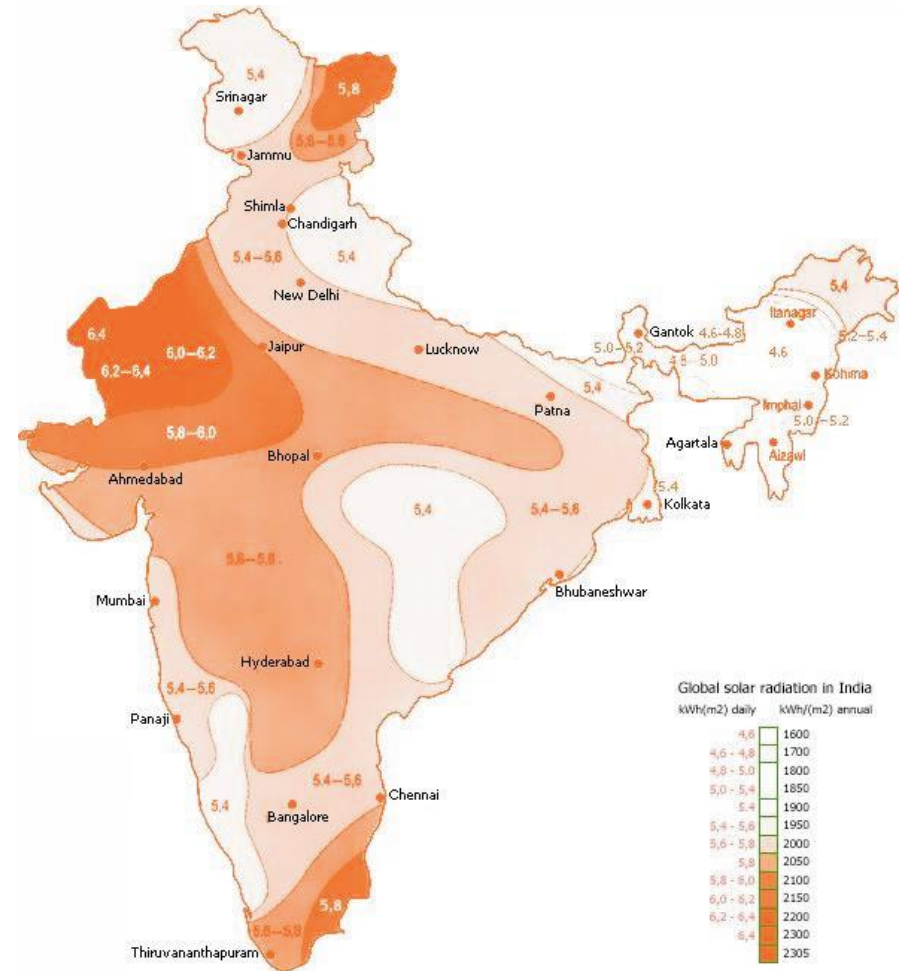


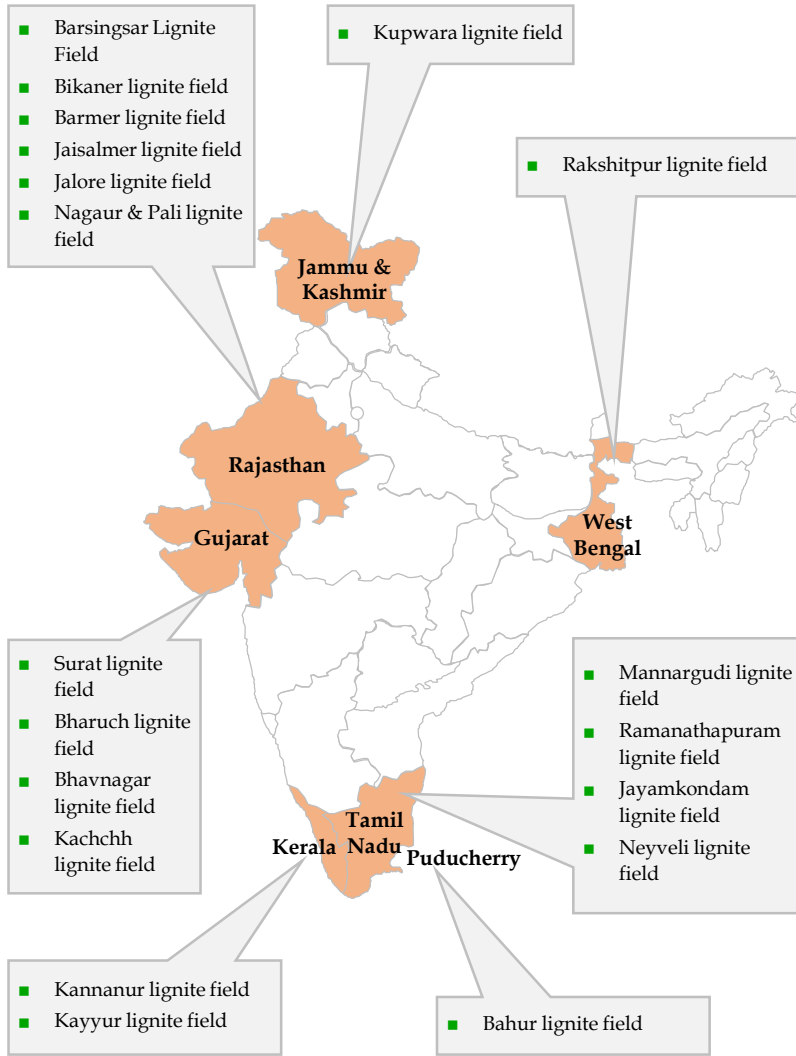
Targeted Renewable Energy by 2022 (175 GW)



Source :National Electricity Plan January 2018; Map not to scale

Untapped Solar Power Potential





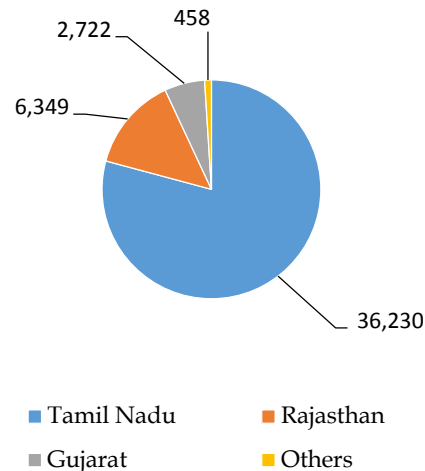
Map not scale

*Source : Indian Coal and Lignite Resources - 2020 by GSI as on 01.04.2020 (Provisional)

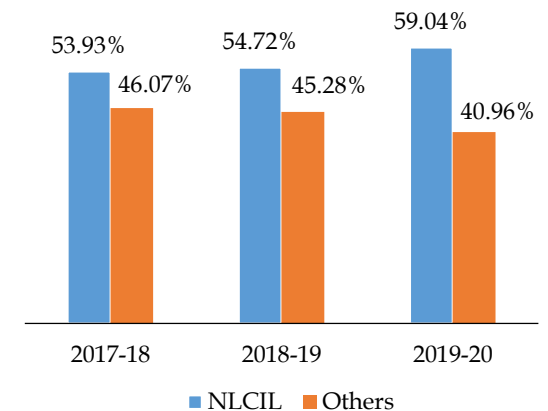
State wise Geological resources in MT as on 01.04.2020* (Provisional)

STATE	Proved	Indicated	Inferred	Total	%
Puducherry	0.00	405.61	11.00	416.61	0.91
Tamil Nadu	4521.92	22307.22	9400.69	36229.83	79.18
Rajasthan	1168.53	3029.78	2150.77	6349.08	13.88
Gujarat	1278.65	283.70	1159.70	2722.05	5.95
J&K	0.00	20.25	7.30	27.55	0.06
Kerala	0.00	0.00	9.65	9.65	0.02
West Bengal	0.00	1.13	2.80	3.93	0.01
Total	6969.10	26047.69	12741.91	45758.70	100.00

Lignite Reserves (MT)*

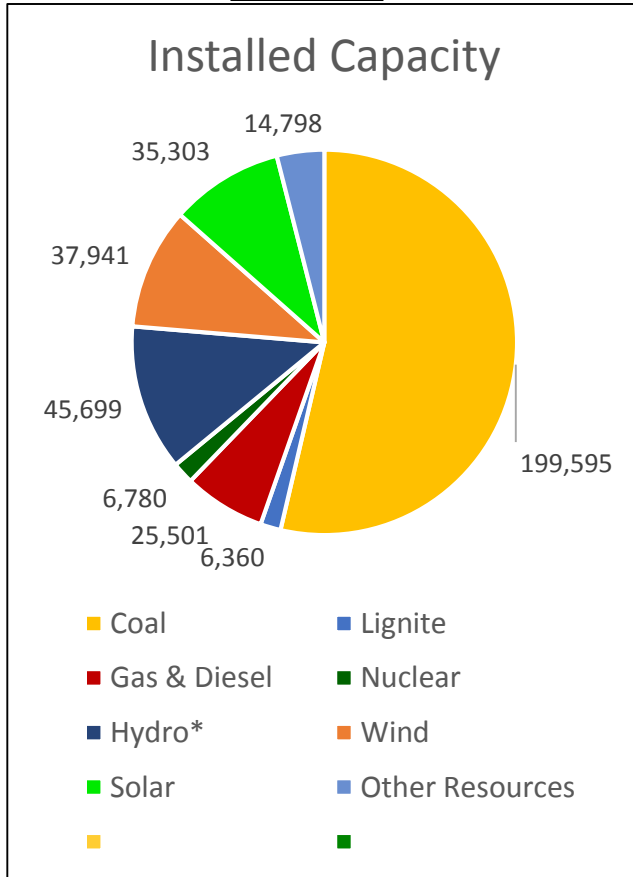


Market Share of Lignite Production

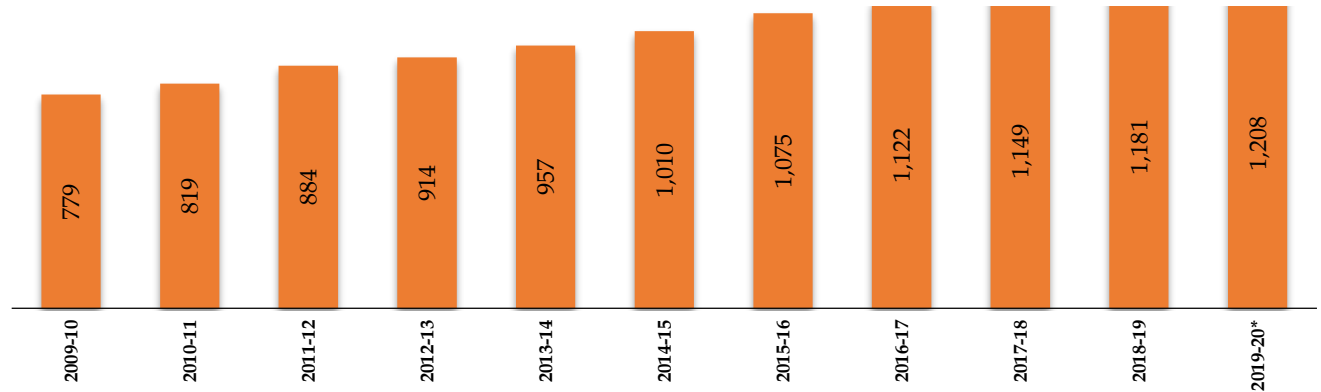


Installed Capacity as on 31.07.2020*

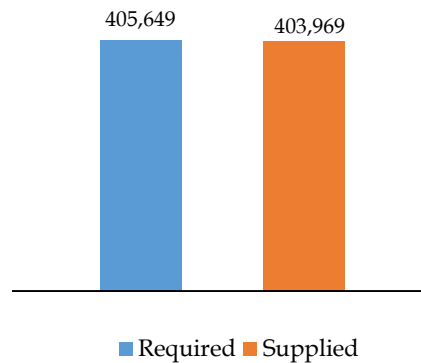
3,70,348 MW



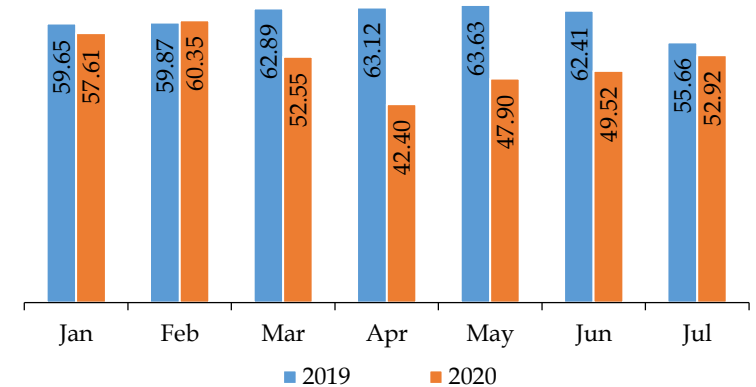
Per Capita Consumption (kWhr)



All India Energy Requirement & Supply (MU) * : Apr-20 to July-20



All India Plant Load Factor of Thermal Plants (Excluding Gas Based Plants) %



Source : Central Electricity Authority - Executive Summary July-2020 Report

* Provisional

#For Coal and Lignite based Power Plants and Provisional based on Actual-Cum- Assessment



Growth Plans

NLCIL Growth Plan – Vision 2025

Sl. No	Project	Existing Capacity*	Addition Proposed	Total
1	Lignite (MTPA)	30.60	31.55	62.15
2	Coal (MTPA)	20.00^	11.00	31.00
	Total Mining (MTPA)	50.60	40.55	93.15
3	Power - Lignite Based (MW)	3,240	3,540	6,780
4	Power - Coal Based (MW)	1,000	5,980	6,980
5	Power - Renewable (MW)	1421	2,830	4,251
6	Acquisition of Power Assets (MW)	-	3,000	3,000
	Total Power (MW)	5,661	15,350	21,011

* Existing Capacity as on 31.08.2020;

^ Coal Production for Talabira Project started on 26th April 2020. Achievement of Full Capacity expected by Jan 2027

Source : NLCIL Corporate Plan 2025. The Corporate Plan 2025 includes investments through subsidiaries and Joint Ventures

Growth Plan over 3 Years

Sl. No	Project	Existing Capacity *	Addition Proposed	Total
1	Lignite (MTPA)	30.60	-	30.60
2	Coal (MTPA)^	20.00^	9.00	29.00
	Total Mining (MTPA)	50.60	9.00	59.60
3	Power - Lignite Based (MW)	3,240	400#	3,640
4	Power - Coal Based (MW)	1,000	1,980	2,980
5	Power - Renewable (MW)	1421	-	1,421
6	Acquisition of Power Assets (MW)	-	-	-
	Total Power (MW)	5,611	2380	8,041

* Existing Capacity as on 31.08.2020

NNTPS of 1000 MW (Two units of 500 MW each, out of which one unit commissioned on 28.12.2019) to replace existing TPS I of 600 MW (500 MW already decommissioned, accordingly net 100 MW has been considered).

^Coal Production for Talabira Project started on 26th April 2020. Achievement of Full Capacity expected by Jan 2027

Source : NLCIL Corporate Plan 2025. The Corporate Plan 2025 includes investments through subsidiaries and Joint Ventures

On going / Upcoming Mining Projects

Rs. in Cr

On Going Projects

Lignite Projects	MT	Estimated Cost	Expected COD
Expansion of Mine-IA from 3 MTPA to 7 MTPA	4.00	709.06	On Hold
Bithnok Lignite Mine, Rajasthan	2.25	513.63	On Hold
Hadla Lignite Mines, Rajasthan	1.90	522.45	On Hold
Mine III Neyveli	11.5	2,130.30	Project is under Formulation
Total	19.65	3,875.44	

Rs. in Cr

Upcoming Projects

Lignite Projects	MT	Estimated Cost	Expected COD
Palayamkottai & Vellar^	11.50	-	Project is under Formulation
Barsingsar Expansion, Rajasthan	0.40	-	On Hold
Total	11.90	-	

Total Lignite: 31.55 MT

Rs. in Cr

Coal Projects

Coal Projects	MT	Estimated Cost	Expected COD
Talabira II & III Coal Blocks	20.00	2401.07	Jan 2027*
South Pachwara Coal Block **	11.00	1795.00	Mar 2028
Total	31.00	4196.07	

Total Coal: 31.00 MT

Source : NLCIL Corporate Plan 2025, ^ Under approval, *Coal Production started on 26th April 2020. Achievement of Full Capacity expected by Jan 2027
 ** Allotted for NUPPL

On going / Upcoming Power Projects

On Going Projects

Lignite based TPS:	MW	Estimated cost (Rs. in Cr)	Expected COD
Neyveli New Thermal Power Project	500*	7,980.79	U-II Oct 20
Bithnok TPS [^]	250	2,196.30	On Hold
Barsingsar TPS Expn [^]	250	2,112.59	On Hold
TPS-II 2 nd Exp Phase I	1,320	8,733.49	Apr-26 Oct- 26
Total	2,320	21023.17	

Coal based TPS	MW	Estimated cost (Rs. in Cr)	Expected COD
NUPPL - UP	1,980	17,237.80	Unit I - Mar 21 Unit II - Aug 21 Unit III - Nov 21
Odisha Pit head TPS phase I (3 X 800 MW)	2400	17,636.78	Apr-26, Oct 26 Apr 27
Total	4,380	34,874.58	

Upcoming Projects

Renewable	MW	Estimated cost (Rs. in Cr)	Expected COD
Solar - in various States	2,630	-	Project is under Formulation
Wind Power - TN	200	-	
Total	2,830	-	

Lignite based TPS	MW	Estimated cost (Rs. in Cr)	Expected COD
TPS-II 2 nd Exp Phase II	1,320	-	Project is under Formulation

Coal based TPS	MW	Estimated cost (Rs. in Cr)	Expected COD
Odisha TPP Phase II	800	-	Project is under Formulation
Odisha TPP Phase III	800	-	
Total	1600		

Power Assets Acquisition	MW	Expected COD
Power Assets Acquisition	3000	Project is under Formulation
Total	3000	

*Note: NNTPS of 1000 MW (Two units of 500 MW each, out of which one unit commissioned on 28.12.2019) to replace existing TPS I of 600 MW (500 MW already decommissioned)

[^] These projects are on hold.

^{^^} Source : NLCIL Corporate Plan 2025



Corporate Social Responsibility

Details of CSR expenditure (Rs. Cr)

Year	Norm	Actual
2017-18	37.32	43.59#
2018-19	45.17	49.46
2019-20	46.78	75.66

Green belt development

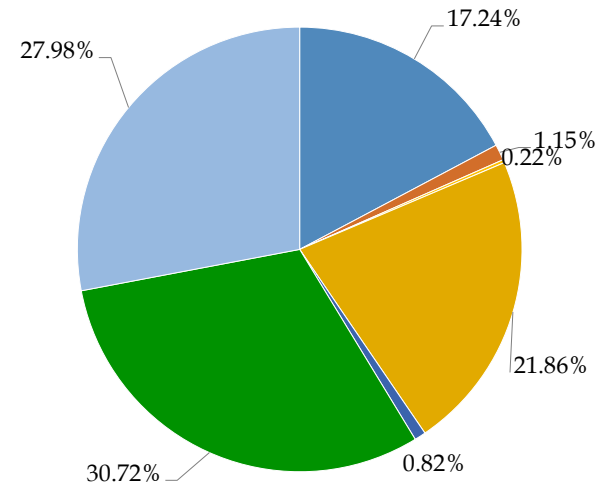


*Neyveli Township
Overview
Green Cover with
191 lakh trees.*



*Paddy field on
Reclaimed Mined land
at Neyveli*

% of amount spent on CSR Activities in 2019-20



- Education
- Promoting gender equality
- Protection of national heritage
- Rural Development
- Sports
- Swachh Bharat Kosh & Health Care
- Others



#Includes unspent carry forward of 2016-17 amounting to Rs.6.27 Crore

Energy Conservation

- Formed 14 industrial / service units for adoption of energy conservation measures
- Replacement of conventional lights with Contemporary energy saving LED lights.
- Adoption of Multifarious Methods to inculcate and imbibe the energy conservation
- Introduction of capacitor Bank in motors of conveyors, SME and Transformers to improve power factor thereby reducing reactive power energy losses.
- Introduction of Dynamic loading system in conveyors in Mines.
- Measures to reduce the consumption of diesel in various sectors (surface transport, mining equipment and cranes etc.)
- Integrated Solar street light.

Technology Absorption through Research and Development

- Trail and characterization of **solar lignite drying** is in process.
- Development of Micro Hydel power generation
- Development of Micro hydro power generation
- Pilot project of Floating Solar PV plant of 200 Kw at thermal lake is in progress
- Electrification of GWC bore wells & Conveyor systems.
- Studies on Solar Cold storage at CARD , the effects of Humic on aquaculture and Zeolite based catalyst for mitigation of exhaust gas pollution
- Extraction of construction grade sand from overburden materials
- Exploring alternate use of lignite is in progress.

- Delay in realisation of Power Dues.
- Power Surrender by the Beneficiaries.
- Denial of agreed tariff due to delay in commissioning of projects within the control period prescribed by the Regulator.
- Compliance to the stringent New Environmental Emission norms for Thermal Power Stations.
- Resistance from the Land owners against Land acquisition and its restricted availability lead to delaying the operations.
- Competition consequent to de – regulation in Indian power sector.
- Stringent Norms prescribed by regulatory authority affecting power tariff.
- Cost and time overrun of projects under execution.
- Higher cost of lignite Mining.



Thank You