NLC India Limited

('Navratna' - Government of India Enterprise)
Registered Office: No.135, EVR Periyar High Road, Kilpauk, Chennai-600 010
Corporate Office: Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu.
CIN: L93090TN1956GOI003507, Website: www.nlcindia.in
email: cosec@nlcindia.in, Phone: 044-28369139

Lr. No. NLC/Secy/67th Annual Report/2023 Date: 02.09.2023

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

Sir/Madam,

Sub: Compliance with Regulation 34 and Regulation 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

***

Pursuant to Regulation 34(1) and Regulation 53(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Integrated Annual Report of the Company for the financial year 2022-23.

This is for your information and records.

Thanking You,

Yours faithfully,
for NLC India Limited

Udhayashankar Rajamanickam
Digitally signed by Udhayashankar Rajamanickam
Date: 2023.09.02 16:41:29 +05'30'

Company Secretary & Compliance Officer

67th ANNUAL REPORT 2022-2023

NLCIL

G20 भारत 2023 INDIA
वसुधैव कुटुम्बकम्
ONE EARTH • ONE FAMILY • ONE FUTURE

Azadi Ka Amrit Mahotsav

INTEGRATED ANNUAL REPORT

Powering a sustainable future

NLC India Limited

'Navratna' - A Government of India Enterprise

Vision

To emerge as leading mining and power Company, with social responsiveness accelerating Nation's growth.

Our ESG vision:
To continue to be a social responsiveness Company

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 practice
- To nurture talent, encourage innovation and foster collaborative culture

Our ESG Mission:
To play an active role in society and be sensitive to emerging environment issues

Core Values

N	National Orientation
L	Learning, Development and Resilience
C	Commitment to Excellence
I	Innovation and Creativity
L	Leadership and Loyalty
C	Customer Focus
O	Organizational Pride and Growing Together
M	Mutual Trust and Team Work
M	Motivation
I	Integrity, Accountability & Transparency
T	Total Quality and Total Wellness
S	Safety and Sustainability

67th ANNUAL REPORT 2022-2023

NLCIL

Powering a sustainable future

Index

1 Overview

About the Report ---------- 004
Leadership Message ---------- 010
About NLCIL ---------- 014
Geographical Coverage ---------- 018
Key Highlights ---------- 021
Awards and Recognition ---------- 036
Governance ---------- 040

2 Value Creation

Stakeholder Management ---------- 058
Sustainability at NLCIL ---------- 069
Financial Capital ---------- 074
- Achieving sustained Economic performance
Manufactured Capital ---------- 082
- Creating Robust and environment - friendly infrastructure
Intellectual Capital ---------- 094
- Strengthening growth through Innovation
Human Capital ---------- 106
- Prioritizing wellness of our people
Social & Relationship Capital ---------- 124
- Enhancing the social value
Natural Capital ---------- 142
- Ensuring greener business operations
GRI Index ---------- 164
SASB Index ---------- 169

3 Statutory Reports

Directors' Report ---------- 171
Annual Report on CSR Activities ---------- 195
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo ---------- 202
Management Discussion and Analysis ---------- 205
Corporate Governance Report ---------- 228
Secretarial Audit Report ---------- 245
C&AG Comments ---------- 260
Business Responsibility and Sustainability Report ---------- 265

4 Financial Statements

Standalone Audit Report ---------- 302
Standalone Financial Statements ---------- 321
Consolidated Audit Report ---------- 400
Consolidated Financial Statements ---------- 417
Information on Subsidiary Companies ---------- 505
Social Overhead ---------- 510

Thermal Power Station - II, Neyveli

ABOUT THE REPORT

NLC India Limited (NLCIL) is a 'Navratna' Government of India (GoI) enterprise. Under the administrative purview of the Ministry of Coal, NLCIL operates with utmost diligence and adherence to regulatory standards. The organization's structure encompasses three key business segments, namely Mining (lignite and coal) operations, Power Generation (thermal, solar and wind) and Power Trading.

The Company has been a consistent profit making Central Public Sector Enterprise. With steadfast commitment to meeting the power demand of the Nation, NLCIL assumes a pivotal role as a significant electricity supplier for multiple states, including Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Telangana, Rajasthan and the Union Territory of Puducherry and Andaman. These regions rely on NLCIL's robust contributions to meet their energy demands, thereby fostering their economic growth and development.

"We take great pride in presenting our second Integrated Report for the financial year, which showcases a comprehensive evaluation of our financial and non-financial performance from 1st April, 2022, to 31st March, 2023. This report accentuates our commitment to transparency and provides stakeholders with valuable insights into our organization's progress and achievements."

NLCIL remains resolute in its pursuit of sustainability and aligning with its objectives and strategic vision in the mining and power generation sectors. This report offers stakeholders a deep and meaningful understanding of NLCIL's performance. NLCIL empowers stakeholders with the knowledge necessary to make informed decisions, fostering a culture of transparency and accountability by transparently disclosing relevant information.

Corporate Office, Neyveli

Reporting Scope and Boundary

This report comprehensively encompasses the NLCIL group, including its Subsidiaries, Associates and Joint Ventures.

Subsidiaries

- NLC Tamil Nadu Power Limited (NTPL)
- Neyveli Uttar Pradesh Power Limited (NUPPL)
- NLC India Renewables Limited (NIRL)

Joint Venture

- Coal Lignite Urja Vikas Private Limited (CLUVPL)

Associate

- MNH Shakti Limited

Framework and Standards

The Integrated Report has been diligently prepared in strict accordance with the guidelines provided by,

STATUTORY

Companies Act, 2013

The Companies Act, 2013

Indian Accounting Standards

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Secretarial Standards

VOLUNTARY

The International Integrated Reporting Council's ('IIRC') - Integrated Reporting Framework

Sustainable Development Goals of the United Nations (SDGs).

Global Reporting Initiative ('GRI') Standards (2021)

Sustainability Accounting Standards Board

National Guidelines on Responsible Business Conduct (NGBRC) outlining 9 principles

Identification of Material Issues

NLCIL has undertaken a meticulous and inclusive approach in identifying material issues on sustainability. This rigorous process involves actively engaging with internal and external stakeholders, conducting thorough assessments of peer organizations and analyzing publicly available data within the industry sector. By embracing diverse perspectives and considering the concerns of various stakeholders, NLCIL has successfully identified the critical sustainability issues that hold utmost significance and impact towards the organization and its stakeholders.

Through this diligent process, NLCIL has identified 15 material topics that have been thoughtfully categorized into the six capitals of the Integrated Report framework. These Capitals encompass the various dimensions of NLCIL's operations and activities, ensuring a comprehensive evaluation of the organization's sustainability performance. By aligning the material topics with the Integrated Report framework, NLCIL aims to present a holistic and transparent view of its sustainability efforts and their alignment with stakeholder expectations.

Data Management

NLCIL maintains a standardized procedure that is consistently applied across all operating sites for the collection, measurement, calculation and analysis of performance indicators. This procedure ensures data accuracy, reliability and comparability, enabling informed decision-making and strategic planning.

Responsibility Statement

NLCIL is committed to delivering accurate and comprehensive information to its stakeholders regarding its financial, non-financial like ESG (Environmental, Social and Governance) and operational performance. The contents of this report have been meticulously compiled through extensive consultation with all business units and departments within the organization, while incorporating the insights of governance leaders. The Board and Management jointly bear responsibility for upholding the integrity of the information presented, ensuring its fairness, transparency and balanced representation.

Assurance

The report provides a comprehensive overview of the group's operations, incorporating both financial and non-financial data. The financial data, including consolidated and standalone financial accounts, has undergone a rigorous audit conducted by M/s. R. Subramanian & Company LLP and M/s. Manohar Chowdhry & Associates. This joint audit approach was implemented to ensure the utmost accuracy and reliability of the financial information presented in the report.

Forward Looking Statements

Certain content in this Report may contain forward-looking statements, which can be identified by terms such as "may," "aim," "expects," "could," "intends," "objective," or similar expressions. These statements are based on assumptions, methodologies or inputs that require judgments and do not provide a guarantee of future results. Actual outcomes may differ from these statements and are subject to risks and uncertainties beyond our control. We cannot assure the accuracy or achievement of these forward-looking statements due to the inherent uncertainties involved.

Feedback

NLCIL is deeply committed to engaging with its stakeholders and fostering consistent and transparent communication across all platforms. Shareholders and Investors are encouraged to direct their correspondence to the Company Secretary, who can be reached at either the registered or corporate address. In addition, for prompt resolution of any complaints, investors may also contact Integrated Registry Management Services Private Limited, our trusted Depository Registrar & Share Transfer Agent. We strive to provide efficient support and address the needs and concerns of our stakeholders in a timely manner.

Get in Touch with us

Company Secretary
R. Udhayashankar
Email id: cosec@nlcindia.in

Registered Office:

No. 135, EVR Periyar High Road,
Kilpauk, Chennai - 600 010
Tel. No. 044 - 28369139

Corporate Office:

Block-1, Neyveli - 607 801
Cuddalore District, Tamil Nadu
Email id: investors@nlcindia.in

Integrated Registry Management Services Private Ltd.,

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

Trustees to NLCIL Bonds

SBICAP Trustee Company Limited,
04th Floor, Mistry Bhavan,
122 Dinshaw Wachha road, Churchgate,
Mumbai - 400 020

IDBI Trusteeship Services Ltd.,
Universal Insurance Building,
Ground Floor,
Sir P.M Road,
Fort, Mumbai, Maharashtra - 400 001

Statutory Auditors

R Subramanian and Company LLP
Chartered Accountants
New no.6 (Old no.36),
Krishna Swamy Avenue,
Luz Mylapore, Chennai - 600 004

Manohar Chowdhry & Associates
Chartered Accountants
No.27, Subramaniam Street,
Abhiramapuram,
Chennai - 600 018

Branch Auditors

Dhoot & Associates,
D-1, New Colony, Panch Batti,
MI Road, Jaipur - 302 001

Kadmawala & Co.
Budhram Oram Market,
Kachery road, Rourkela - 769 012

Secretarial Auditor

Kumar Naresh Sinha & Associates,
Company Secretaries,
121, Vinayak apartment,
Plot No. C-58/19, Sector -62,
Noida - 201 309

Cost Auditor

R.M Bansal & Co. Cost Accountants
A-201 Twin Towers, Lakhanpur,
Kanpur, Uttar Pradesh - 208 024

Our Principal Bankers and Financial Institutions

SBI | AXIS BANK | FEDERAL BANK | HDFC BANK | PFC

MESSAGE FROM CMD

> Embracing change, fostering innovation and empowering our people have propelled us forward in this pivotal year, demonstrating that together, we can overcome any challenge and create enduring value.

Prasanna Kumar Motupalli

Chairman and Managing Director

Aerial View of Thermal Power Plant and Solar installation, Neyveli

LEADERSHIP MESSAGE

Prasanna Kumar Motupalli
Chairman and Managing Director

Dear Shareholders,

We are pleased to present Your Company's Integrated Annual Report for the financial year 2022-23, which showcases our relentless commitment to sustainability and the incorporation of the ESG approach in key aspects of our business. As businesses operate in a dynamic landscape, we recognize the profound impact of environmental, fiscal and geopolitical circumstances. To address these challenges, sustainability has become a top priority for us, ensuring the continuity of economic growth, decarbonization, nature preservation and fostering the equitable development of communities.

At Your Company, we have actively embraced the ESG (Environmental, Social and Governance) principles, striving to create value for both our organization and its diverse stakeholder groups. To support our long-term aspiration of becoming a socially conscious business, we have formed a dedicated ESG working group. To promote transparency and provide you with a comprehensive understanding of our performance, we have adopted integrated annual reporting, adhering to both Indian and global standards. This approach enables us to disclose relevant non-financial information, ensuring that our stakeholders gain insights into the holistic impact of your Company.

As a significant step towards sustainable growth, we are proud to announce the formulation of a Corporate Plan that extends to 2030. This strategic roadmap will play a pivotal role in shaping our decisions and actions, aligning them with our commitment to sustainability and responsible business practices.

We extend our sincere gratitude to our employees, customers, investors, partners and the communities we serve, as your unwavering support has been instrumental in driving our progress on this meaningful journey. In conclusion, we reaffirm our dedication to the principles of ESG and sustainability, as we continue striving towards a better future for our planet and all its inhabitants. Together, we can create a positive impact and build a sustainable world for generations to come.

Highlights of Financial Performance

During the year 2022-23, your Company excelled on all key parameters, registering growth over the previous financial year. On a standalone basis, your Company registered a total income of ₹ 14,195.90 Crore, reflecting a growth of 33% over the last year. Profit After Tax stood at ₹ 1,248.24 Crore, an increase of 0.9% over 2021-22.

With respect to consolidated results, your Company recorded a total income of ₹ 17,383.22 Crore registering growth of 38.5% compared to the previous year. Profit After Tax stood at ₹ 1,426.10 Crore showing an increase of 28% compared to the previous year.

We are proud to inform you that your Company has been paying dividend to shareholders consistently since over three decades and also your Company's market capitalization currently improved by threefold increase over the last 3 years

Highlights and Outlook for Mining and Production

In the reporting period, the production of coal in the country rose to 893.08 MT, recording a growth of 14.76% over the previous year, mainly due to investments and greater application of modern technologies. In this scenario, your Company achieved a new high in coal production of 100.26 lakh tonnes at its Talabira-II & III OCP mine against the target of 80 lakh tonnes. Additionally, lignite production achieved is 235.30 Lakh tonnes against the target of 263.50 lakh tonnes by resorting to contingency mining measures in-spite of constraints on land acquisition front since last few years.

Aligning with its Corporate Plan, your Company envisages to enhance its lignite mining capacity to 40.10 MTPA by the year 2030 while coal mining capacity (including of its Subsidiary) to 44.0 MTPA. Recognizing your Company's commitment to excellence in mining, the Ministry of Coal awarded four Mines of NLCIL with 5 Star rating and one Mine of NLCIL with 4 Star rating. Neyveli Lignite Mine II was ranked No.1, the best among 199 mines in Base Year 2020 - 21 and similarly Mine I was ranked No. 1, the best among 206 mines, in Base year 2021-22.

We are pleased to inform you that this is the first time your Company secured Mine through Commercial Auction. NLCIL emerged as a successful bidder for North Dhadu – Western Part, Coal Block for commercial mining, which would further strengthen your coal mining presence.

Highlights and Outlook of Power Generation

In response to the pressing challenge of the climate crisis, economies across the world are accelerating a transition to renewable energy. Supporting India's commitment to increased reliance on renewable energy and as part of its own energy transition program, your Company rolled out several initiatives including projects such as Lignite to Methanol, Green Hydrogen and the expansion of renewable energy with storage technologies. These steps are foreseen to ensure sustained success in the future.

While advancing this transition, your Company will continue to focus on generating power through diverse sources comprising coal, wind and solar and lignite. Owing to abundant availability of coal your Company will emphasize coal-based power generation in the near future and actively consider core opportunities in setting up coal based Thermal Power Plants. Concurrently, capacity for renewables (wind and solar) will be augmented. Further, plans to set up lignite based Thermal Power Station will be progressed after thoroughly considering the views of local communities and relevant stakeholders to expand lignite mining.

The fiscal year 2022-23 was pivotal for your Company as it achieved all time highest ever power generation of 30.08 Billion Units (BU). As the first Central Public Sector Enterprises (CPSE) to cross 1 GW capacity of renewable energy, it achieved its all-time highest ever renewable (green) energy power generation of 2.19 BU in the reporting period.

Looking ahead, in keeping with its Corporate Plan your Company (including Subsidiaries) aims to raise its total thermal power generating capacity to 11,140 MW and the renewable power generating capacity to 6,031 MW by 2030. As your Company continued to bag hybrid wind and solar power projects and solar projects during the year, it has initiated establishing a wholly owned subsidiary to undertake future renewable power projects, subject to the approval of the Government of India.

To meet the rising power demand in India driven by economic growth, your Company will commence operation of its first super-critical coal-based thermal power plant, the Neyveli Uttar Pradesh Power Ltd (NUPPL) in the near future. A joint venture with the Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL), the plant has a total capacity of 1,980 MW across 3 units. It is designed to be sustainable, ensuring a lower carbon footprint, lower air pollution and systems to promote water conservation.

Ghatampur Thermal Power Station Project is based on super critical technology thus will achieve high efficiency resulting in less coal consumption and low emission. We are also incorporating Flue Gas Desulphurization (FGD) and SCR unit with the project thus reducing the SOx and NOx emissions below the MoEF&CC mandated norms. The project is being brought out in a manner that even though fossil fuel based power generation, takes care of the environment to the best possible way.

Not only does the NUPPL thermal power project support India's ambition of achieving net zero by 2070, it also addresses key social requirements by enabling employment for about 1,000 persons among Project Affected People (PAPs).

Highlights and Outlook for New Projects

To achieve the ambitious Corporate Plan of your Company, presently we are implementing the following projects,

- 510 MW Solar projects under CPSU scheme in three ways i.e., 10 MW Solar Project at Neyveli, 300 MW Solar project at Rajasthan and 200 MW Solar project on Pan India basis
- 150 MW Wind Solar Hybrid Project consisting of 50 MW Wind Project and 100 MW Solar Project on PAN India basis, the tender evaluation is under advanced stage
- 50 MW Solar Power Project in the mined out land at Neyveli, first of its kind and capacity in the entire country
- Lignite to Methanol project of 0.4 MTPA capacity at Neyveli, first of its kind in the country in line with the GoI's Gasification Targets
- In line with Waste to Wealth concept and as an eco-friendly measure, NLCIL awarded contract for Over Burden to M- sand Project at Mine I A, with production capacity of 2.62 LCM and similar projects are proposed for other mines of Neyveli as well.

Your Company has also won the following tender from various agencies for development of Renewable projects and Commercial Mining Projects

- 600 MW Solar Project at Khavda, Gujarat from GSECL Solar Park Tender (300 MW plus 300 MW under Greenshoe option)
- At the recently-concluded Commercial Coal Block Auction on 01.08.2023 by Ministry of Coal under 17th tranche of Auction under CMSP Act, NLCIL won the bid for North Dhadu (Western Part) Coal Mine in Latehar District of Jharkhand @ 6% revenue sharing. The coal mine forms part of the North Karanpura coal field and it is having an area of 5.33 sq. km. It is fully explored having a geological reserve of 435 MT of G12 grade. Tentative capacity of the coal mine is 3 MTPA. The coal will be sold to the potential consumers located in the states of Uttar Pradesh, Bihar and Jharkhand.
- 810 MW Capacity Solar Project capacity in RUVNL tender

Your Company also intends to participate in the upcoming large scale Renewable tenders which are financially viable and strategically advantageous. Our earlier experience has provided as a rich knowledge on Renewable Project implementation and operation. Considerable risk aversion is seen the tenders for project development in Solar parks, attracting our attention to that area.

Your Company has incorporated a wholly owned subsidiary NLC India Renewables Limited (NIRL) with an objective of transferring all the Renewable Energy assets for focus exclusively on Renewable Energy.

Your Company also signed a Memorandum of Understanding with Assam Power Distribution Company Limited (APDCL) for establishing 1000 MW Solar Power Project in Assam through JV Mode. Required approvals for formation of the Joint Venture Company is under process and expected shortly.

Our subsidiary Company NLC Tamilnadu Power Limited has planned to bundle 223 MW of Solar Power with its thermal power generation to address Renewable Generation Obligation and to gain economic advantage from the flexible generation with renewable bundling with thermal power generation scheme.

Preparatory actions are underway for entering into new business avenues like Green Hydrogen, Floating Solar Projects etc. We see these fields to be fascinating and providing us abundant opportunity in the near future. In addition, we have a renewed interest in further scaling up our Corporate plan power generation targets considering the current market trends.

Highlights and Outlook for R&D and Innovation

R&D and Innovation are foundational not only to your Company's sustained growth and success but also to sustainable social development. Accordingly, R&D and Innovation receive high priority and investment to generate unique solutions and integrate the latest technologies that enhance the organization's operations and community development. In 2022-23, your Company invested ₹ 26.98 Crore in several initiatives including promoting an Incubation Centre in collaboration with premier academic institutions, under the Government of India's Atal Innovation Mission.

Your Company's efforts in R&D and Innovation also include generating value added products from raw material such as lignite. To advance this objective, your Company has entered a collaboration to establish a pilot plant for lignite-to-syngas conversion using technology that will enable the generation of clean power. Other areas of focus for R&D include regular reclamation of lands around mines and their restoration using cutting edge agricultural techniques such as hydroponics and aeroponics. It is hoped that these efforts will support sustainable agriculture on large scale in the future.

Inclusive Growth and Community Development

As a conscientious corporate entity, your Company has consistently upheld its commitment to Corporate Social Responsibility (CSR) by actively engaging in community development initiatives in the regions where it operates. Recognizing the prevalent water scarcity in several parts of India, your Company has taken decisive steps to tackle this issue through various projects aimed at rejuvenating water bodies and enhancing water resources in rural areas. Additionally, it has entered into agreements to ensure water accessibility for local communities.

An especially noteworthy endeavour involves your Company's collaboration with the Government of Tamil Nadu to contribute a remarkable 425 lakh litres of recycled water per day to the Tamil Nadu Water Supply and Drainage Board. This momentous undertaking is set to benefit approximately 7.91 lakh individuals in the Cuddalore District Combined Water Scheme. By joining forces with the Government, your Company is making a significant and positive impact on the lives of numerous people, addressing the pressing issue of water scarcity in the region.

Among other initiatives, the Sustainable Mine Eco-Tourism initiative with the Government of Puducherry is a notable example of your Company's efforts to develop water bodies and land in exhausted mines. This initiative has not only served to restore and promote land health but has also encouraged biodiversity and provided natural beauty to communities around the area. Importantly, it has also generated employment for persons affected by the organization's activities.

In the reporting year, your Company has also participated in the National Afforestation Programme initiated by the Government of India. Through extensive tree planting and distribution activities, 1.95 lakh trees have been planted in a bid to encourage environmental sustainability and climate action.

Acknowledgements

I convey deep gratitude to all our stakeholders who have contributed to the organization's progress and achievements. In this regard, I must mention the Ministry of Coal, Ministry of Power, Ministry of Environment, Forest and Climate Change, NITI Aayog, DPE, DIPAM, other ministries of the Government of India and State Governments that have supported your Company's work. To the DISCOMs, Customers, Investors, Bankers, Auditors, CERC, APTEL, CEA and other authorities and agencies, I express sincere thanks for continued trust and support. I would also like to express appreciation to the Members of the Board of Directors of NLCIL and the Subsidiary Companies for their guidance in ensuring high standards of corporate governance. Finally, I would like to convey profound admiration and gratitude to the organization's employees, the Associations of Officers and Recognised Unions for their dedication to your Company's development and continued growth.

We will strive to deliver sustainable growth and value for your Company and stakeholders in the coming years and look forward to achieving this with the continued support of our many well - wishers.

With best regards,

Prasanna Kumar Motupalli
Chairman and Managing Director

ABOUT NLCIL

BIRTH OF NLC INDIA LIMITED - "THE LIGNITE LEGEND OF TAMIL NADU"

The birth of "Lignite" - a fossil fuel, in the coal starved southern region of India was a result of a long and arduous journey. Following is a brief summary of the events that occurred in the legendary history of Tamil Nadu, leading up to the formation of NLC India Limited as a corporate entity.

1828
Occurrence of "PEAT" a low calorific fuel of coal family near point calimere is reported to the then Madras Government, by the sub-collector of Thanjavur Mr.Nelson

1830
General Cullen discovers lignite deposits at the base of the cliffs on the Sea-shore near Cannanore - Later near varkala near Quilon and also at Vaikom in Kerala

1840
Captain New bold discovers Lignite at the foot of the cliffs of laterite on the river banks near Beypore

1870
Peat bogs found in Nilgiris (Peat is considered to be the first stage in the formation of Coal from vegetable matter accumulating in swamps)

1877
Mr. W. King of the Geological survey of India takes up a study of artesian wells around Pondicherry. He comes across a carbonaceous strata

1884
Mr.Poilay a French Engineer encounters a Lignite seam in a bore hole at Bahoor, the then French territory. Further exploration along the belt indicates possible Lignite deposits at Udharamanickam, Aranganur and Kanniakoil, near Cuddalore. Lignite deposits are indicated at Kasargod and the Collector of South Kanara reports kit to the board of Revenue

1934
Industries Department of the then Government of Madras drills bore holes for tapping artesian water in the neighbourhood of Neyveli. Lignite particles encountered are taken as "black - clay" by unlettered workmen engaged in drilling.

1935
Borewells sunk in Mr. Jambulinga Mudaliyar's land in Neyveli and the black particles gushing forth attract the attention of camping Geologists engaged in some other mission in the Neyveli Vriddhachalam area

1937-38
Samples of the black substance taken from the above form well sent to the Government of Madras for analysis

1941
M/s. Binny & Co., Madras put down four or five bore holes at Aziz Nagar, near Neyveli. Two of them show evidence of Lignite deposits; but for want of casing pipes and drilling equipment, further work is given up.

1943-46
The Geological Survey of India starts drilling operations near Neyveli. Preliminary investigations indicate the existence of Lignite to the extent of about 500 tonnes in that area

1947
Mr.H.K.Ghose, Geologist and Mining Engineer deputed by the Government of India arrives in Neyveli and starts his operations

1948
The first bore holes sunk by Mr. Ghose have to be abandoned because of water logging and sand - beds. The third one "September 1951" yields samples of Lignite

1949
Mr. Ghose draws experimental open cut plan and calls for tenders to start excavation

1951
Sinking 175 borewells in a cluster punctuating the chosen area, Mr. Ghose proves the existence of about 2000 Million tonnes of Lignite reserves in the area. State Government's Industries and Commerce Department also sinks over 150 borewells South of Vriddhachalam Mr. Paul Eyrich, a Mining Engineer is deputed by the Bureau of Mines, United States of America, to assist the Government of Madras under point four programme to determine the Engineering and Economic aspects of Lignite Mining in Neyveli. Upon his recommendation, the US Government sponsors a study on the subject under the direction of Mr. V.F.Parry

1952
The High Power Committee for Lignite Mining recommends the Pilot Quarry project.

1953
Pilot Quarry being commissioned by Dr. U. KrishnaRao, Minister for Industries, Madras Government

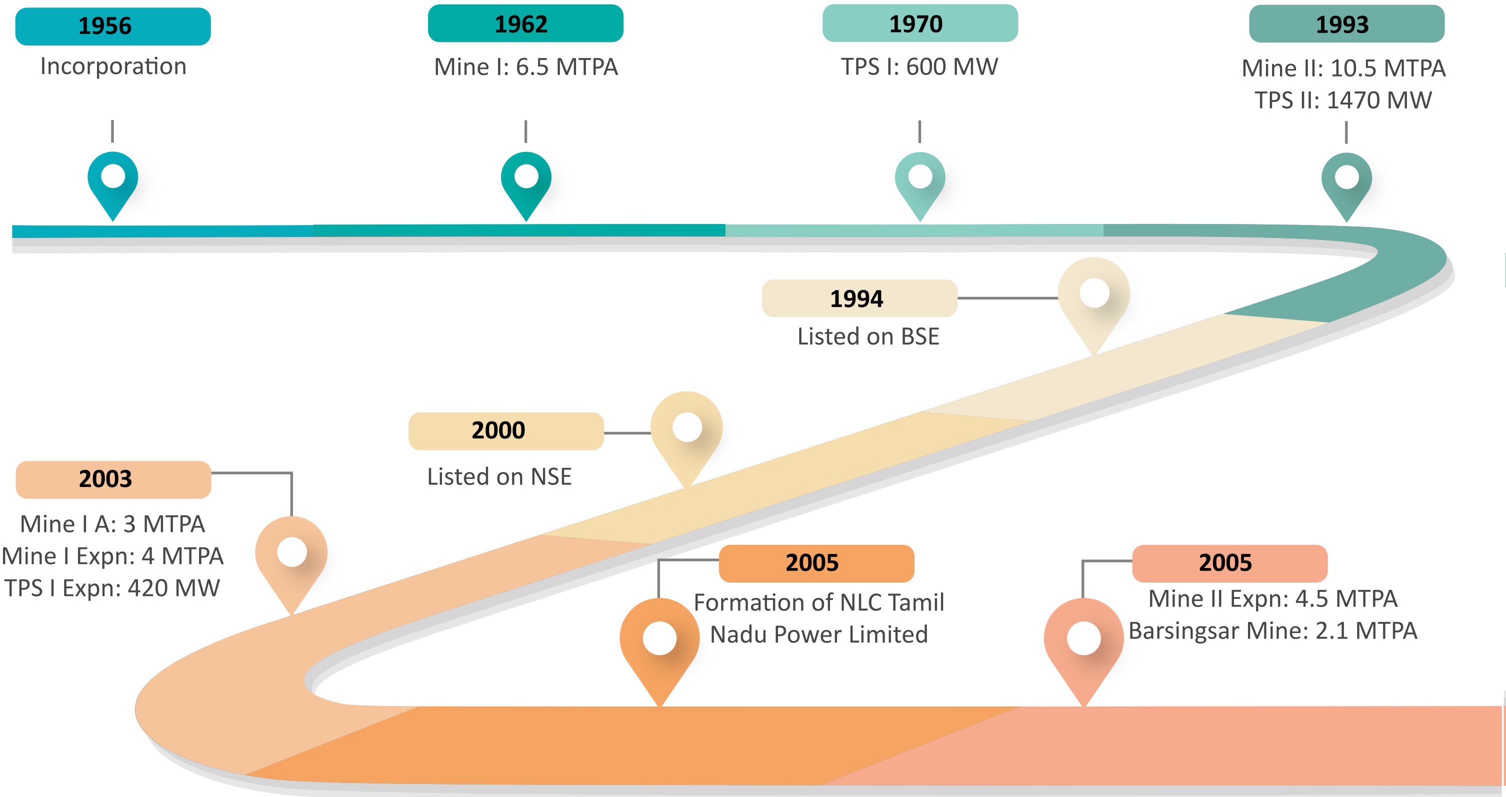
1954
Pandit Nehru's Visit to the Pilot Quarry. Government of India's Committee comprising Mr. C.V. Narasimhan, ICS Mr. A.C. Guha and Mr. A. Lahiri inspect the Pilot Quarry and submit a report to the Government Under the Colombo Plan, Services of the UK firm PDTS (M/s. Powell Duffryn Technical Services Limited) are availed of for a Project report

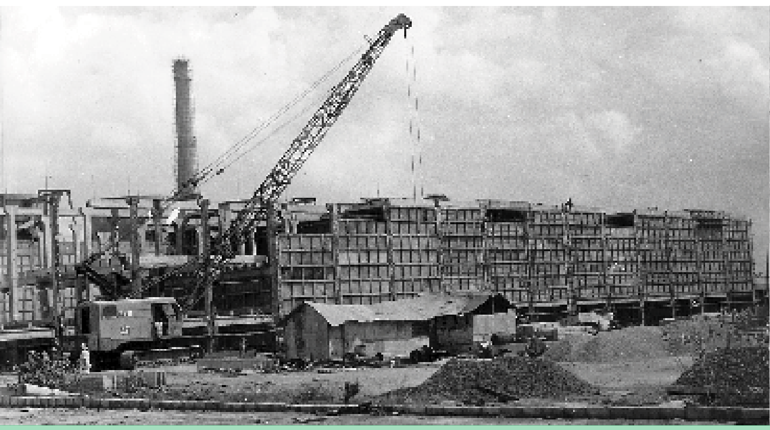
1955
Neyveli Lignite project's affairs, hitherto managed by the State Government, get passed on to the Central Government with full Financial responsibility. Mr. T.M.S. Mani, ICS, Secretary, Department of Industries, Labour and Co-operation, takes over as the Chief Executive of the project

1956
Formation of NLC as a Corporate body. NLC is born as a Government sponsored commercial concern

Evolution of NLC India Limited

The Company possesses an extensive heritage and has played a substantial role in advancing the mining and energy sector, thereby bringing illumination to millions of People throughout the Nation. The pivotal milestones from its establishment to the present day are summarized below:




Historical Photograph of Underconstruction TPS I


Historical Photograph of Mine I


NTPL


Mine II

2011
Received Navratna Status

2012
Barsingsar TPS: 250 MW
Formation of NUPPL

2015
TPS II Expn: 500 MW
Solar: 10 MW
NTPL: 1000 MW

2016
Allocation of Coal Blocks
Pachwara South: 11 MTPA for NUPPL
Talabira II & III: 20 MTPA for NLC

2017
Wind: 51 MW
Solar: 130 MW

2018
Solar: 450 MW (TN)
Solar: 1.06 MW - Roof Top
TPS-I: 100 MW retired
Andaman Solar BESS: 2.5 MW

2019
TN Solar: 50 MW
TN Solar: 709 MW
NNTPS Unit I: 500 MW

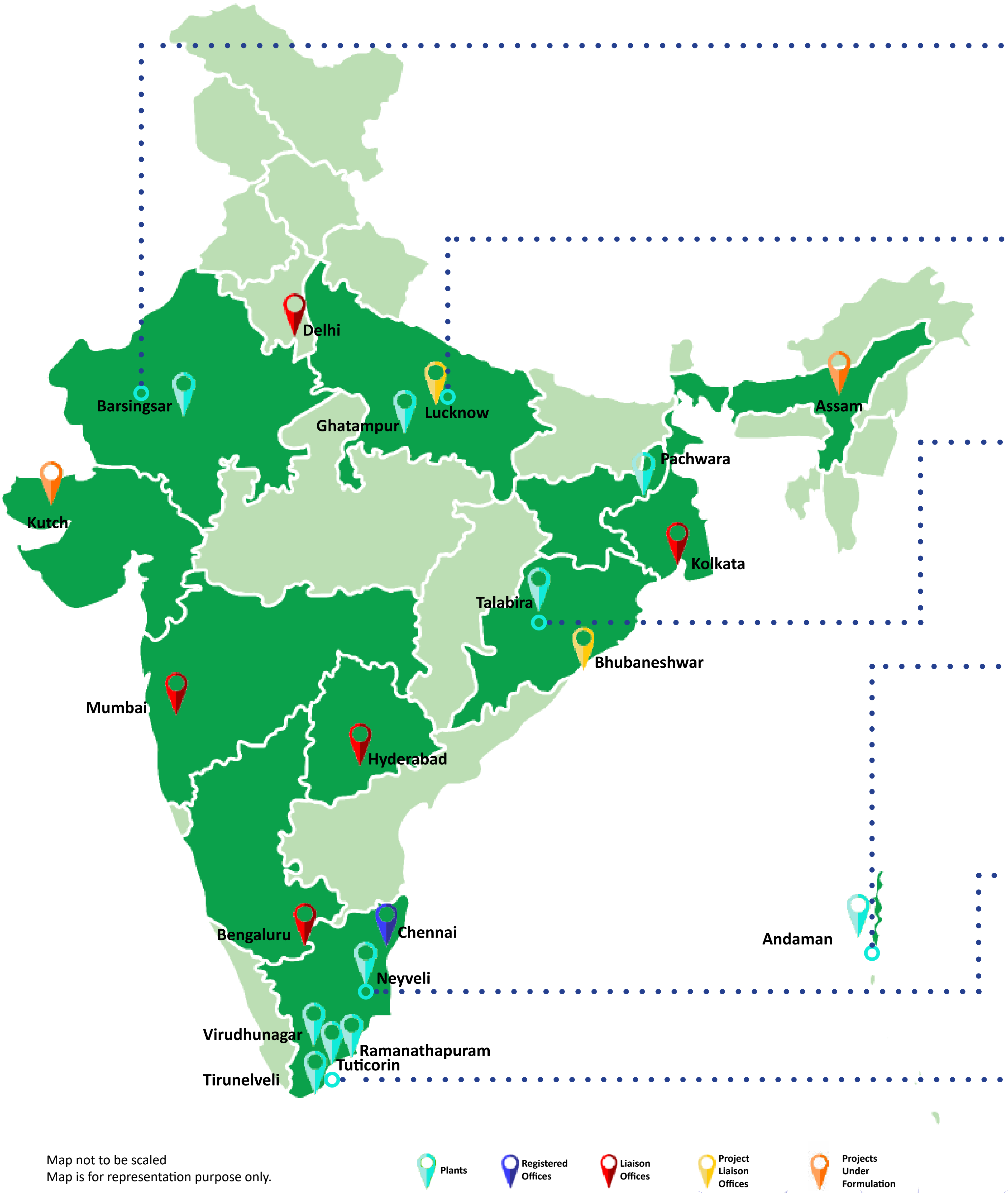
2020
• TPS-I: 500 MW retired
Started Production of Coal (Talabira)
Andaman: 17.5 MW Solar
• CLUVPL - Formation of JV between NLCIL and Coal India Ltd.

2021
NNTPS Unit II: 500 MW
Talabira Mines: 20 MTPA

2022
NUPPL: commissioning activities
Mine - IA expansion (CoD): 4 MTPA

2023
Neyveli: Solar 10 MW

GEOGRAPHICAL COVERAGE



Map not to be scaled
Map is for representation purpose only.

Barsingsar, Rajasthan
TPS

Ghatampur, Uttar Pradesh
Neyveli Uttar Pradesh Power Limited (JV with Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd.)

Talabira, Odisha
Coal Mines

Andaman
Solar

Neyveli, Tamil Nadu
Mines, Solar and Thermal Power Plant

Tuticorin, Tamil Nadu
NTPL (JV with Tamil Nadu Generation and Distribution Corporation Limited)

Thermal Power Plants

Barsingsar, Rajasthan
Barsingsar TPS

Ghatampur, Uttar Pradesh
NUPPL (JV with Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd.)

Tuticorin, Tamil Nadu
NTPL (JV with Tamil Nadu Generation and Distribution Corporation Limited)

Neyveli, Tamil Nadu
TPS I Expn
TPS II
TPS II Expn
NNTPS

Mines

Talabira, Odisha
Coal Mines

Barsingsar, Rajasthan
Lignite Mines

Pachwara, Jharkhand
Coal Mines

Neyveli, Tamil Nadu
Lignite Mines
Mine I
Mine IA
Mine II

Solar Plants

Andaman

Virudhunagar, Tamil Nadu

Neyveli, Tamil Nadu

Tuticorin, Tamil Nadu

Tirunelveli, Tamil Nadu

Ramanathapuram, Tamil Nadu

Tenkasi, Tamil Nadu

Wind Plants

Tenkasi, Tamil Nadu

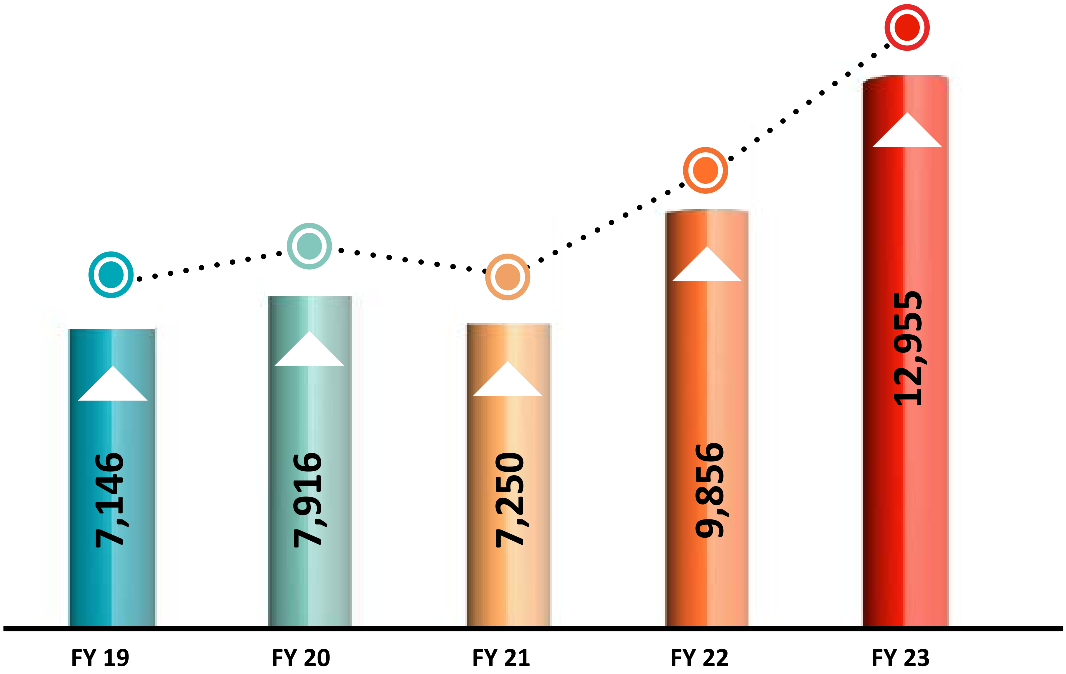
Corporate Office

Neyveli, Tamil Nadu

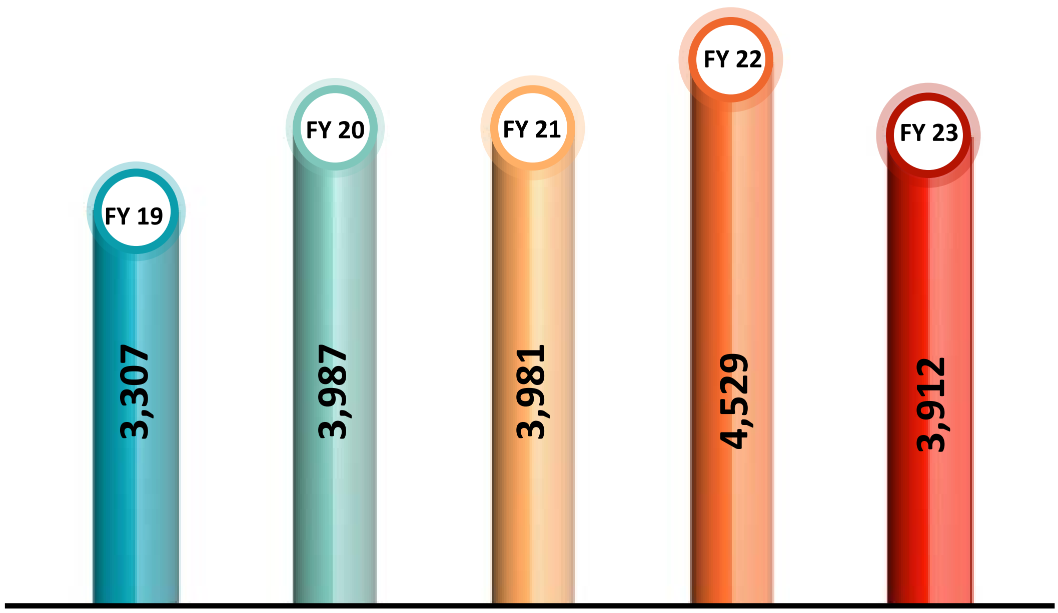
Solar 100 MW in Tirunelveli District of Tamil Nadu

KEY HIGHLIGHTS

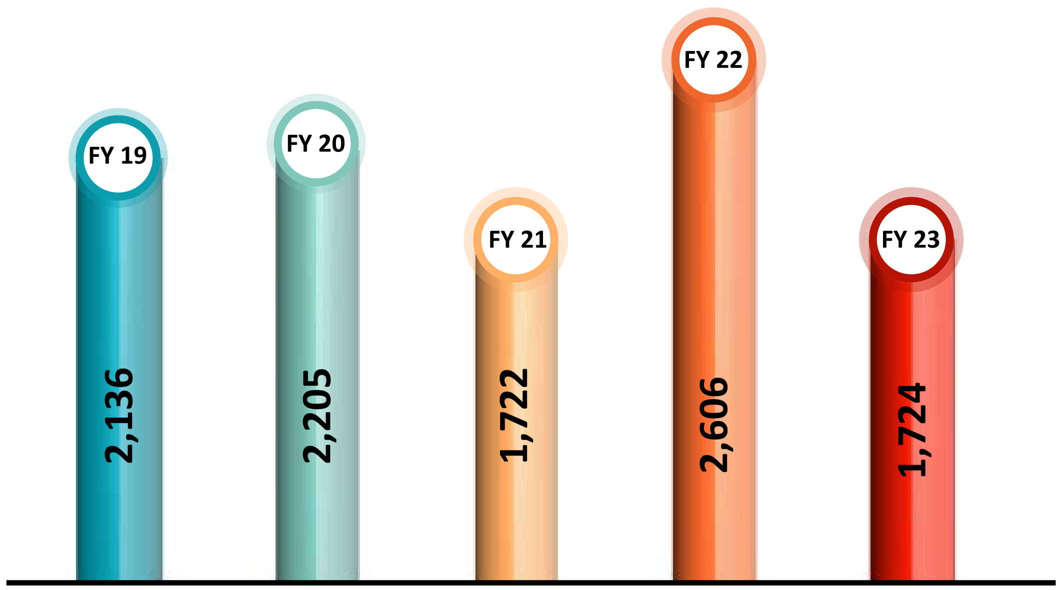
Revenue (₹ Crore)



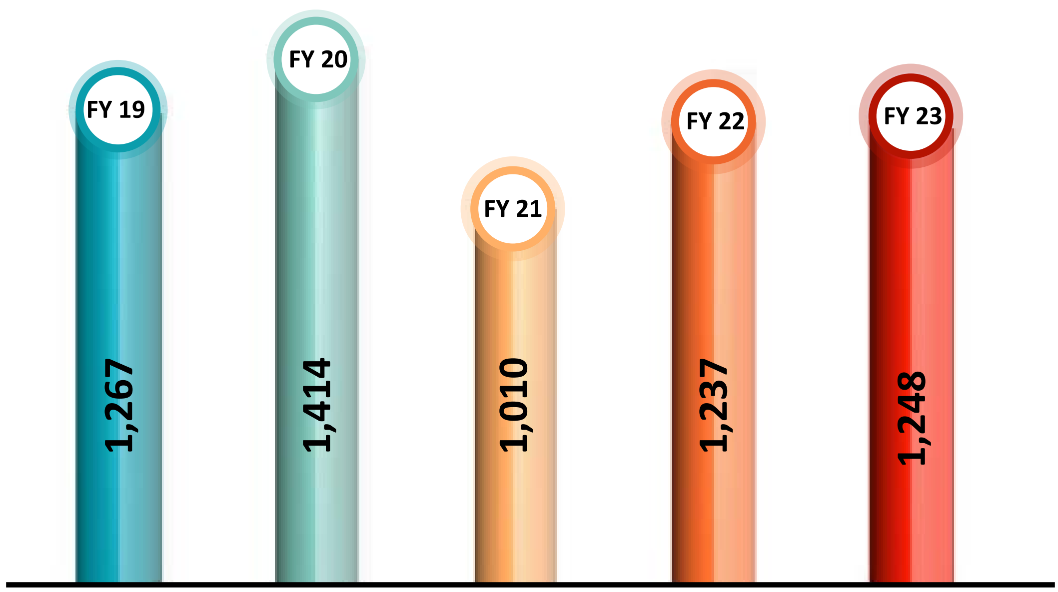
EBITDA (₹ Crore)



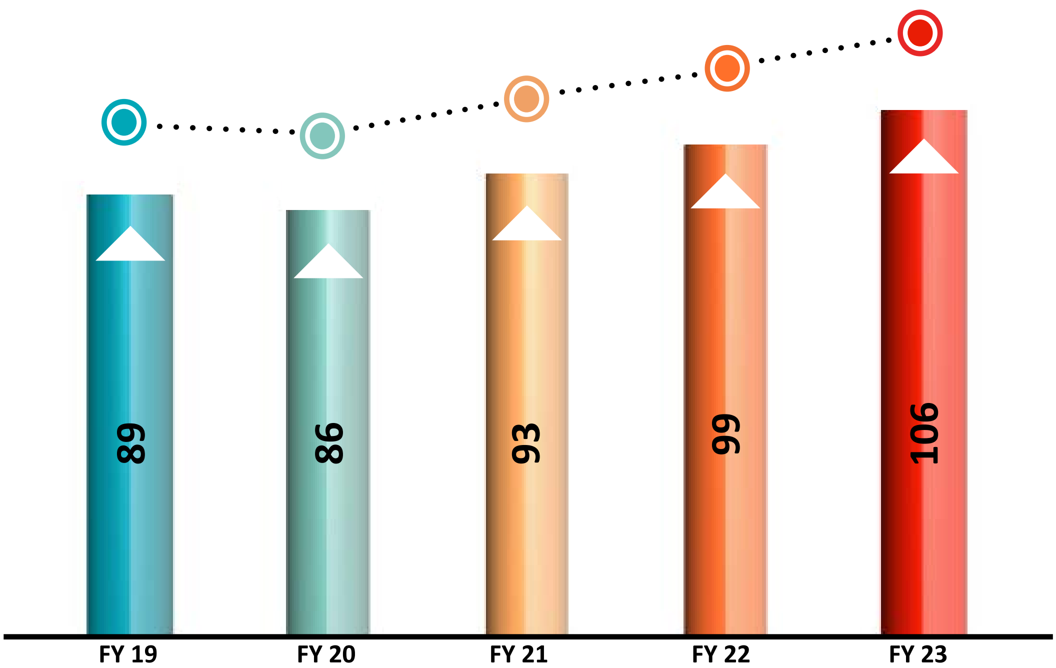
PBT (₹ Crore)



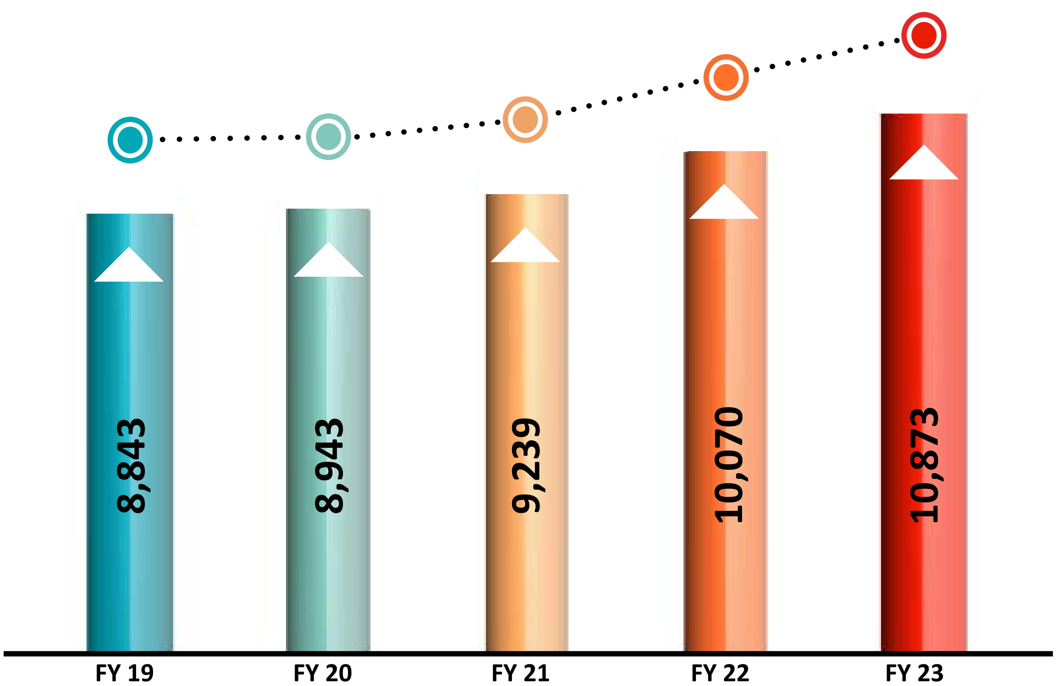
PAT (₹ Crore)



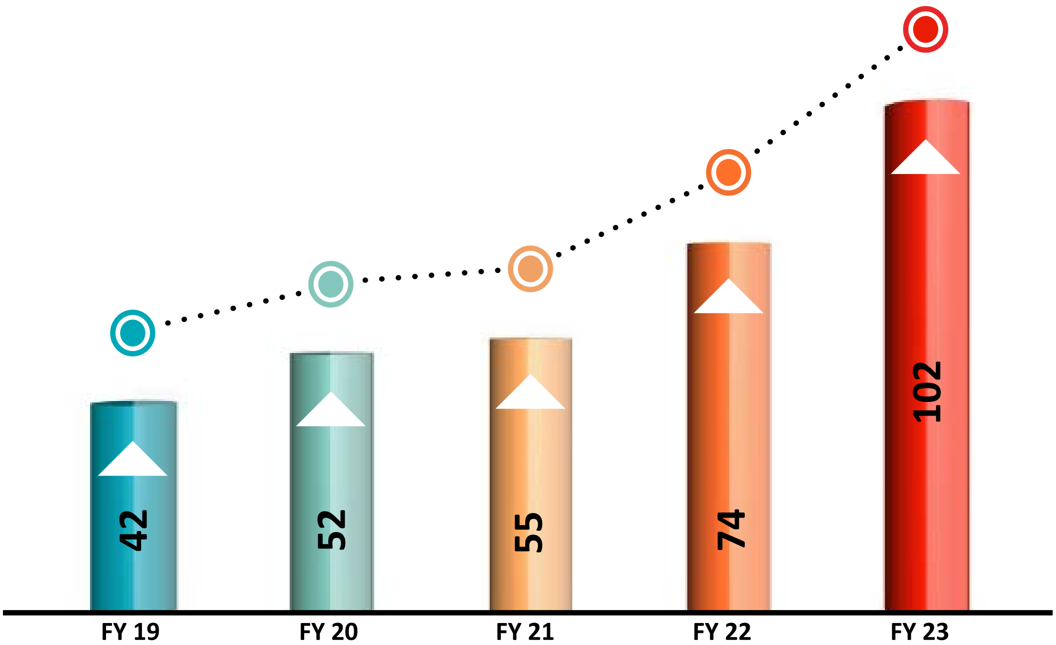
Book Value Per Share (₹)



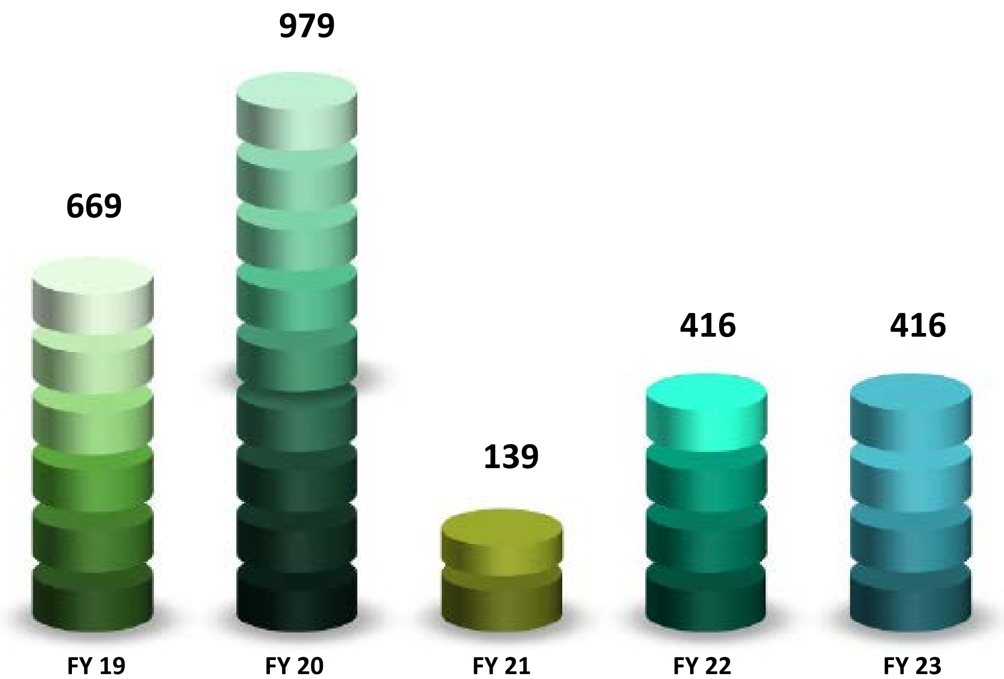
Retained Earnings (₹ Crore)



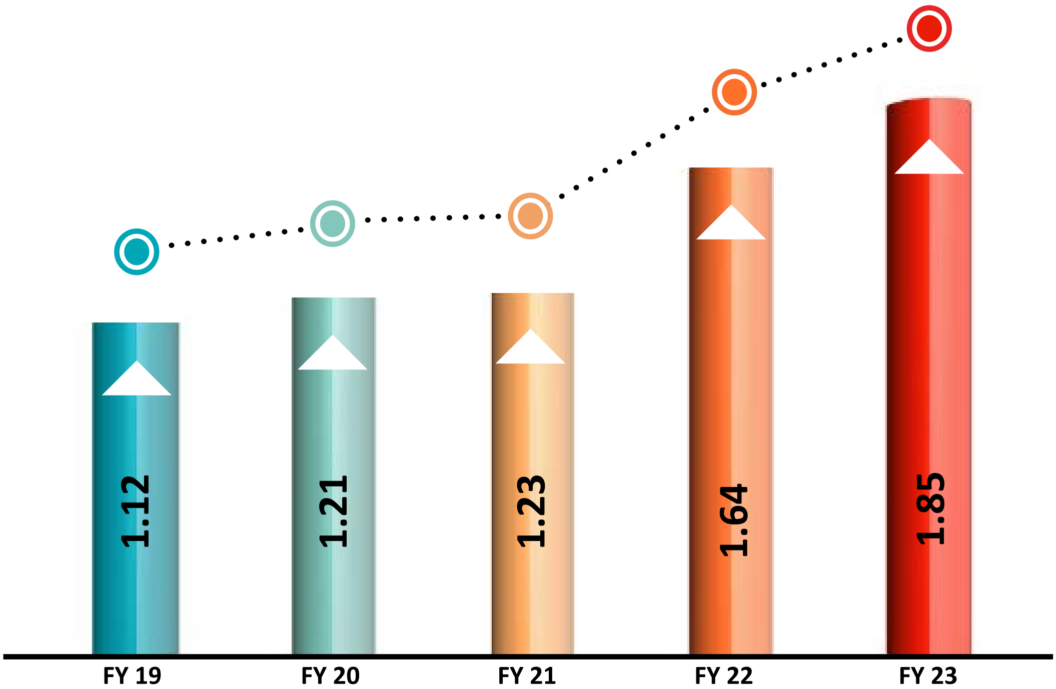
Value Added per Employee (₹ Lakh)



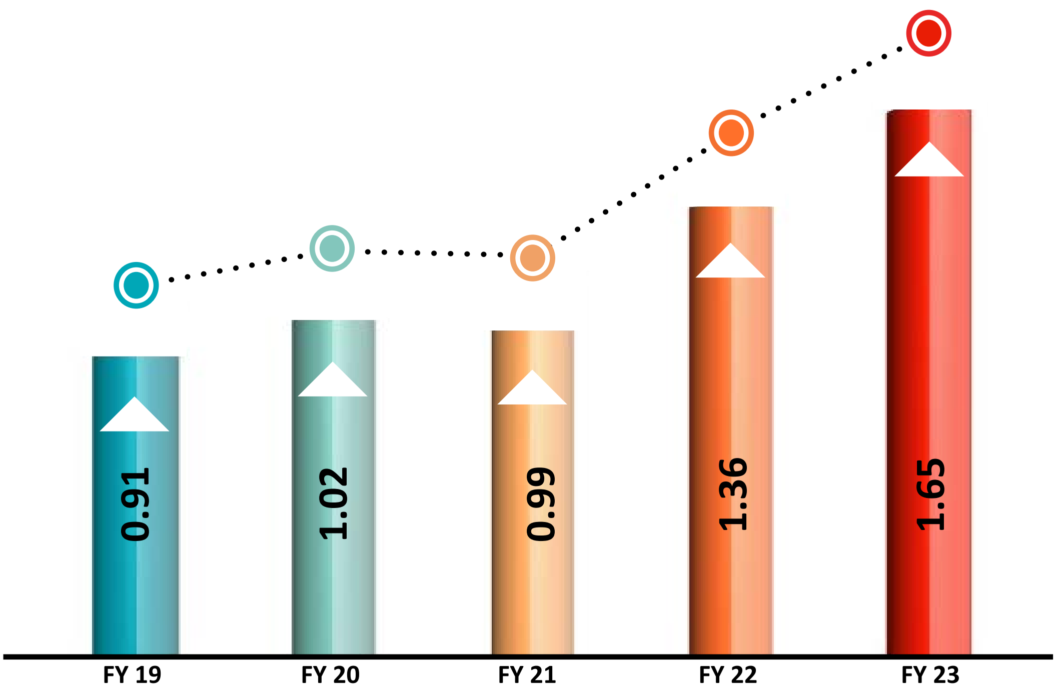
Dividend (₹ Crore)



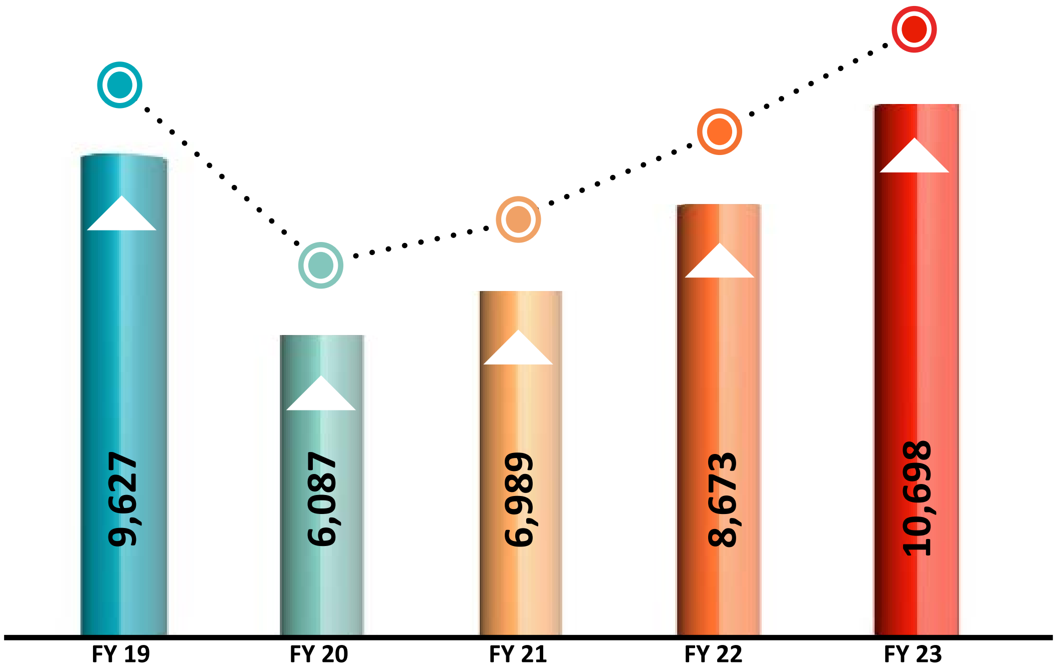
Current Ratio



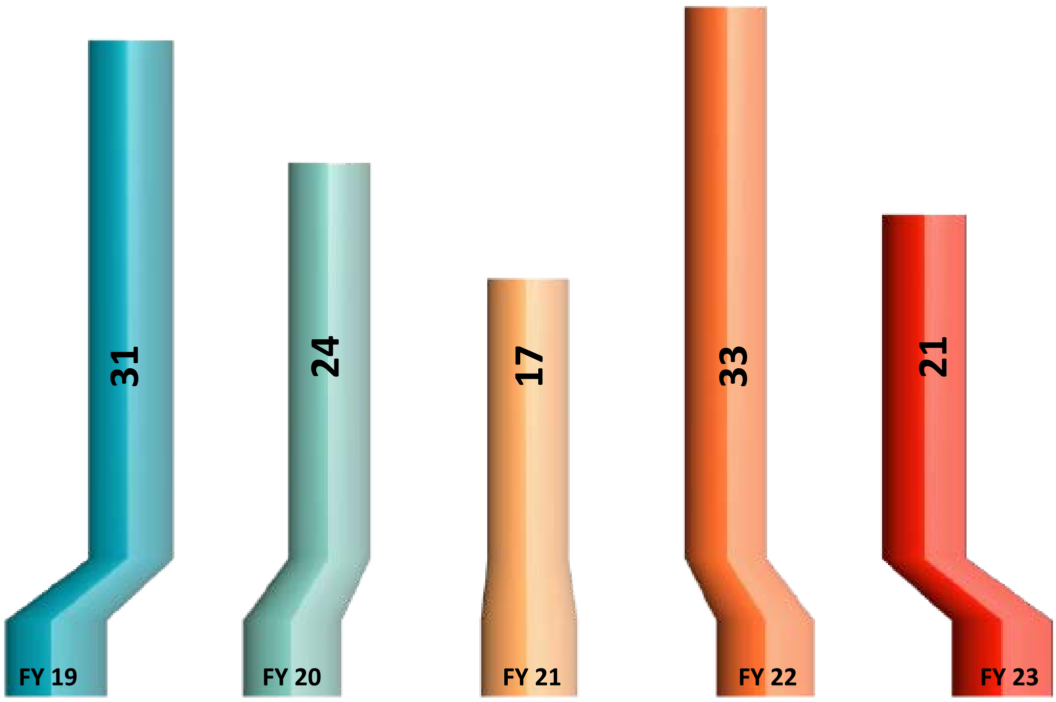
Quick Ratio



Market Capitalization (₹ Crore)

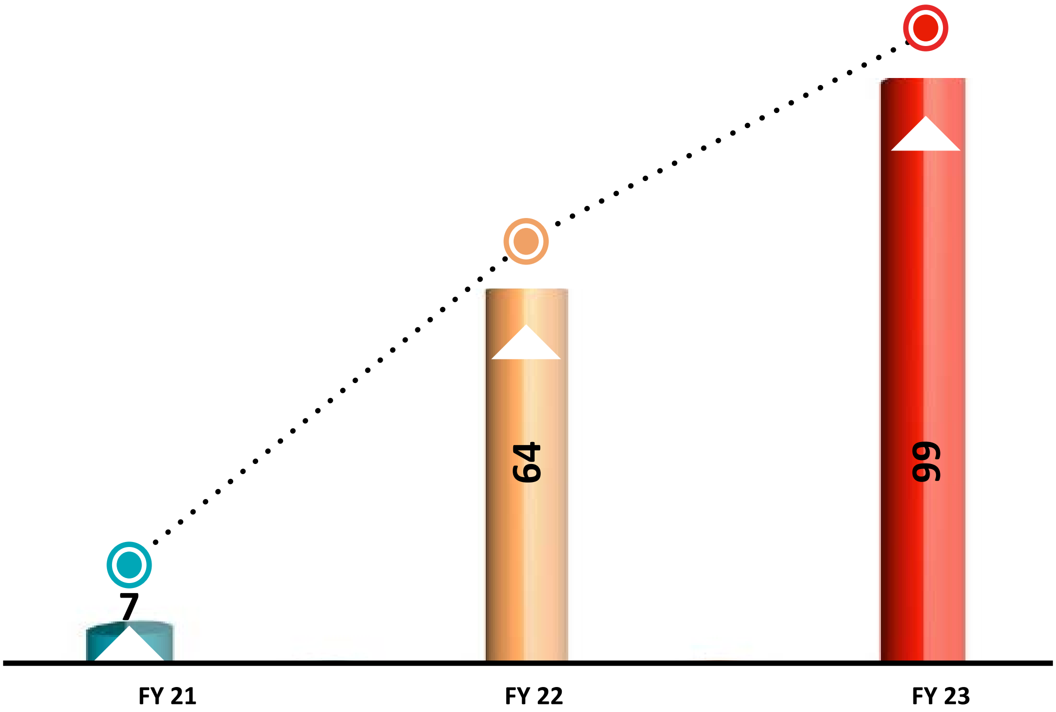


Lignite Sales (in LT)



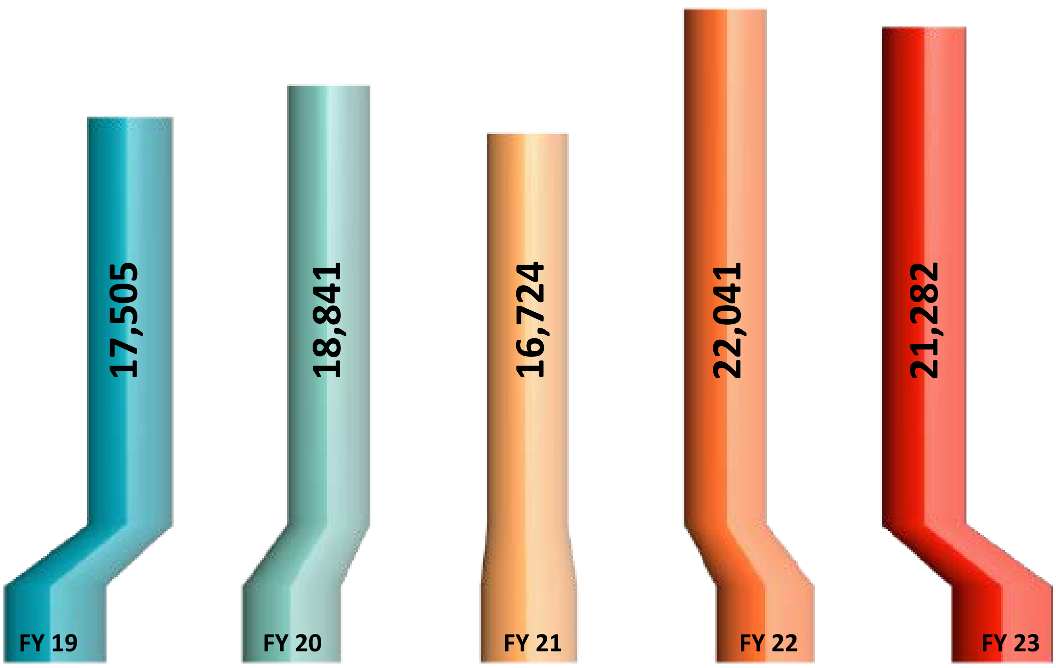
LT-Lakh Tonnes

Coal Sales (in LT)



LT-Lakh Tonnes

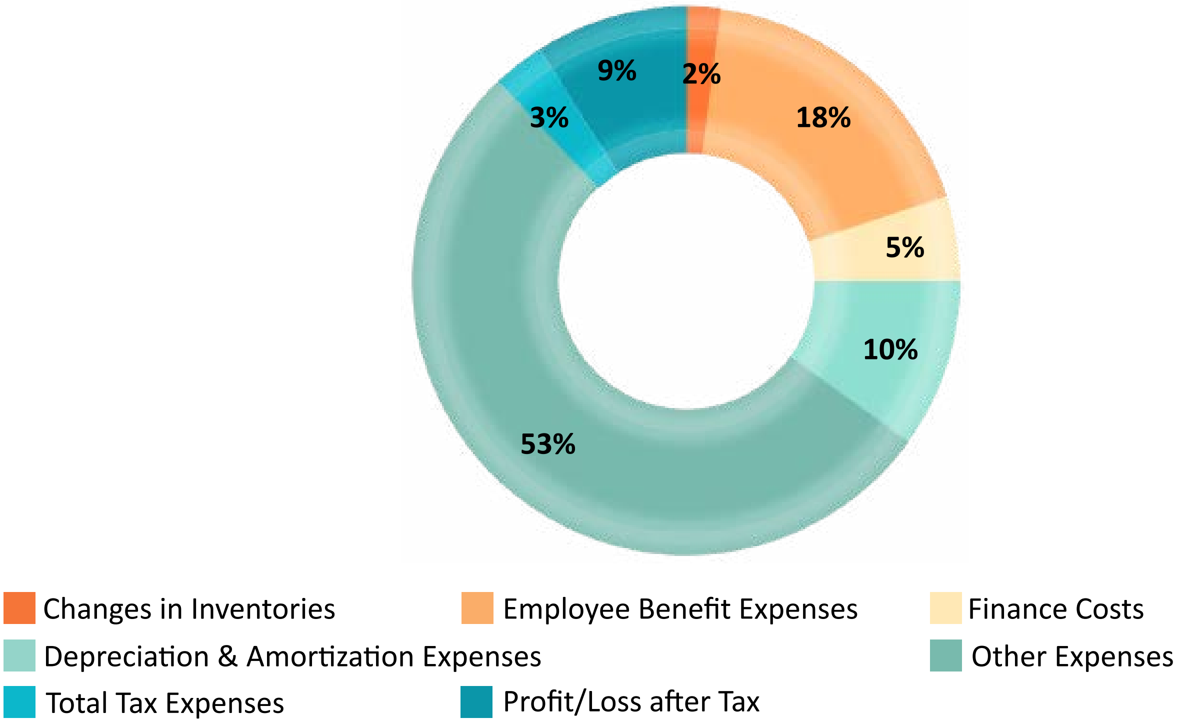
Power Sales (in MU)



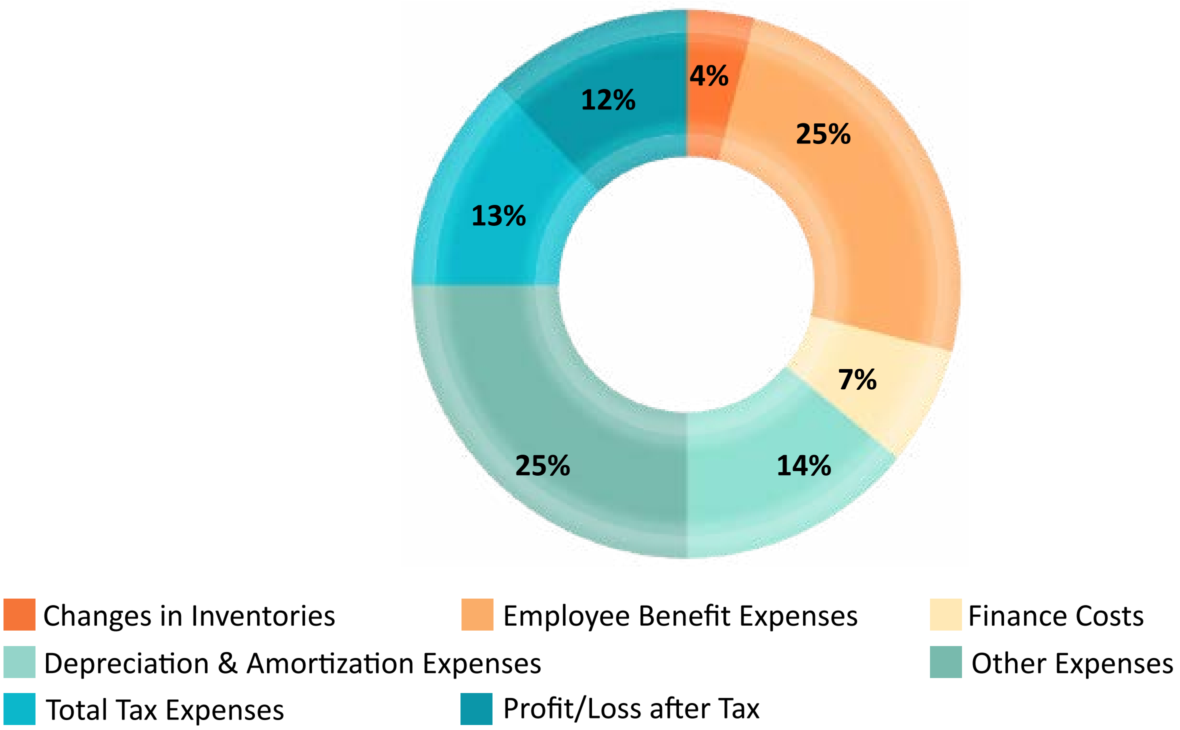
MU-Million Units

Cost & Profit as Percentage of Total Income

FY 2022-2023

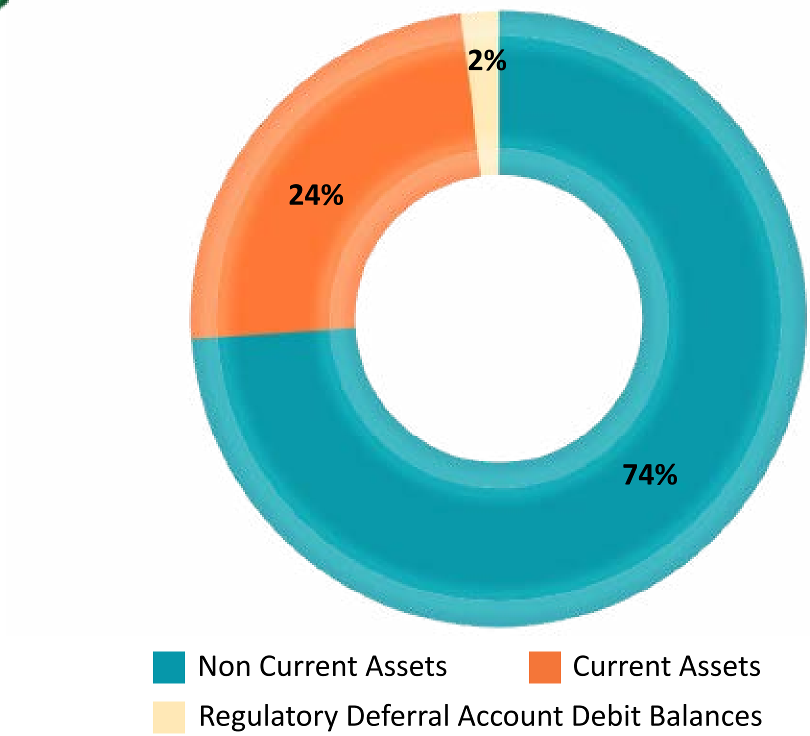


FY 2021-2022

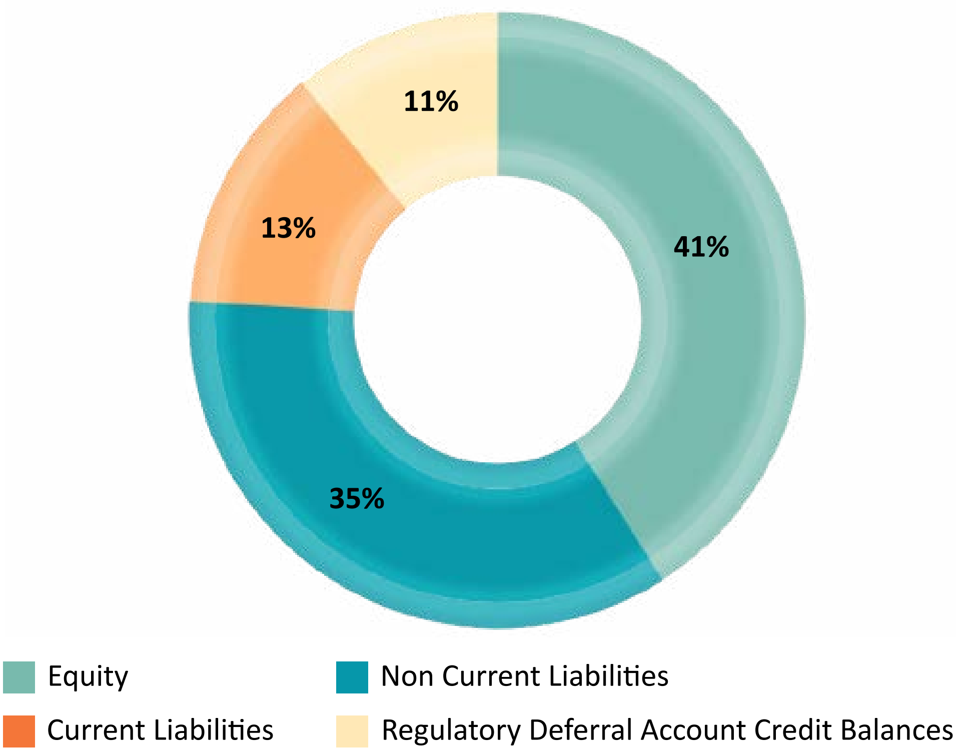


Balance Sheet (FY 2022-23)

Assets

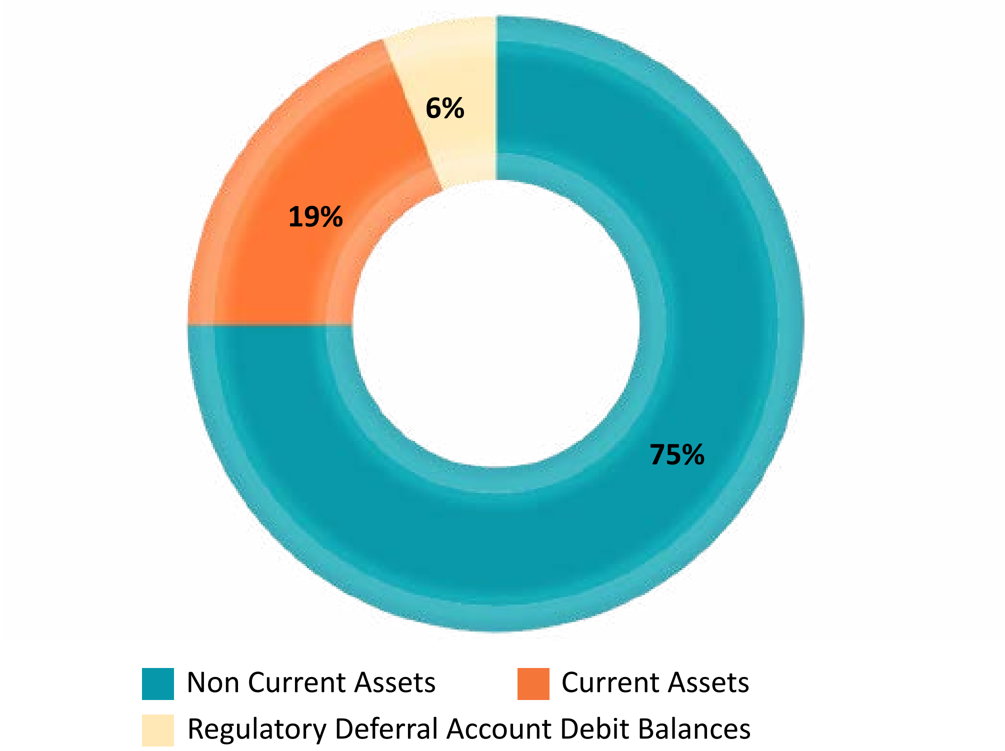


Equity and Liabilities

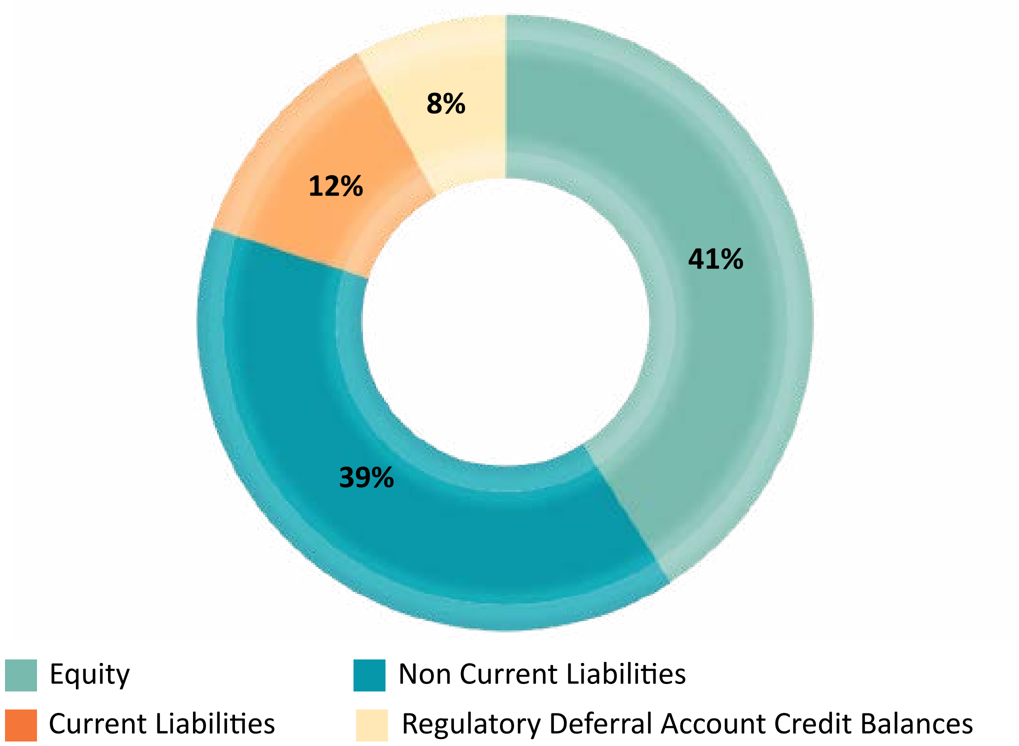


Balance Sheet (FY 2021-22)

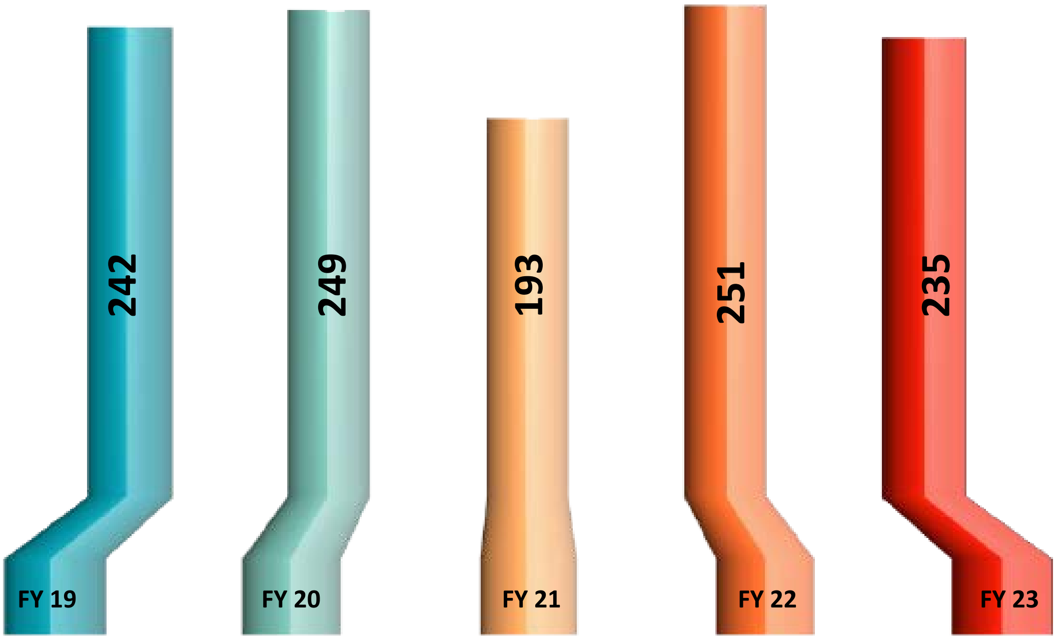
Assets



Equity and Liabilities

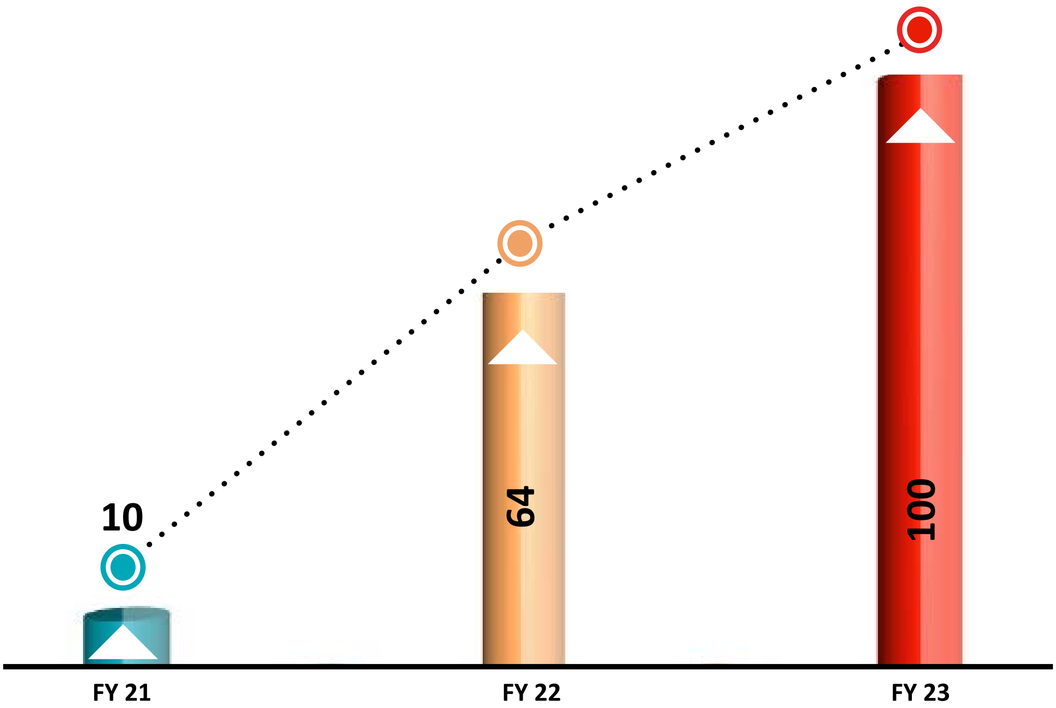


Lignite Production (in LT)



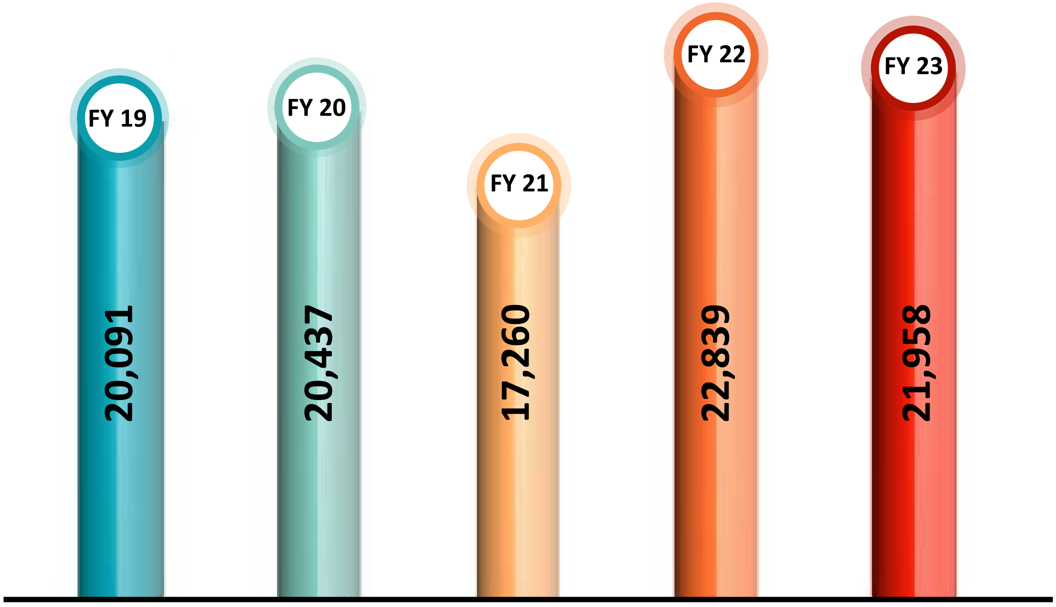
LT-Lakh Tonnes

Coal Production (Talabira) (in LT)



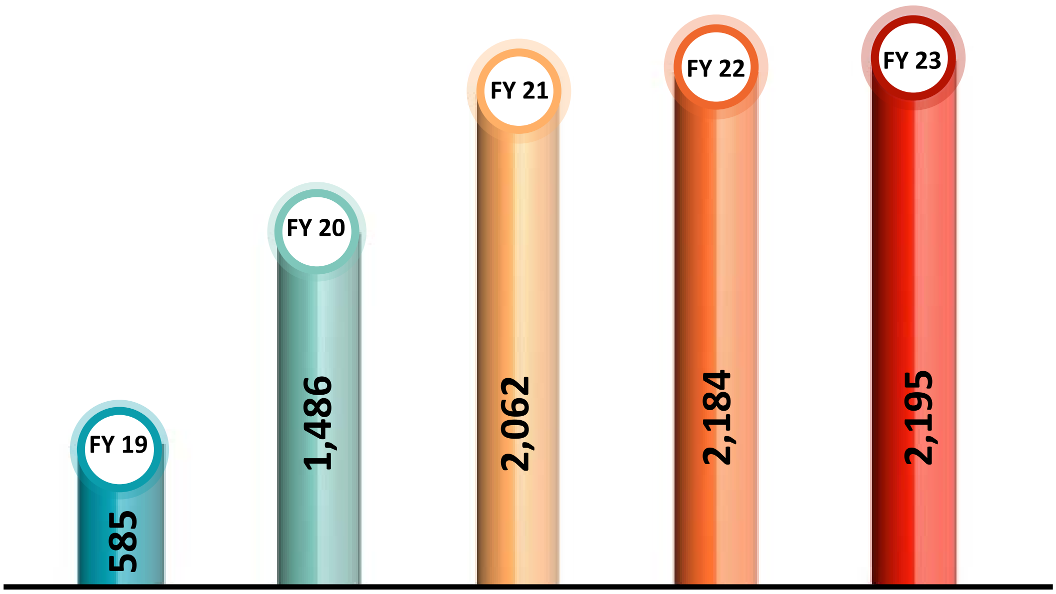
LT-Lakh Tonnes

Power Generation (Gross) - Thermal (in MU)



MU-Million Units

Power Generation – Renewable Power(in MU)



MU-Million Units

10 Years Performance at a Glance - Physical

PARTICULARS	UNIT	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
PRODUCTION :											
LIGNITE											
MINE-I	LT	71.44	70.05	62.89	79.76	74.02	81.53	94.01	91.01	90.55	90.03
MINE-IA	LT	50.51	40.82	25.74	29.70	29.97	27.46	27.80	28.17	29.15	30.01
MINE-II	LT	93.24	125.48	91.62	125.70	126.42	126.70	140.23	123.09	132.21	130.52
Barsingsar	LT	20.11	14.77	12.37	13.48	12.08	15.84	14.13	12.24	13.52	15.53
TOTAL	LT	235.30	251.13	192.62	248.64	242.49	251.53	276.17	254.51	265.43	266.09
COAL											
Talabira	LT	100.26	63.58	10.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
POWER											
T.P.S.I	Gross MU	0.00	0.00	533.72	2710.81	3105.78	3379.15	3696.70	3160.98	3631.05	4058.14
	Net MU	0.00	0.00	446.85	2327.65	2691.04	2939.29	3256.99	2776.89	3192.95	3594.55
T.P.S.I EXPN	Gross MU	3113.80	3267.70	2785.51	3328.58	2949.60	3247.15	3337.33	3268.16	3385.03	3292.10
	Net MU	2831.96	2984.93	2532.24	3047.59	2707.32	2972.80	3055.32	3000.07	3107.27	3013.59
T.P.S.II	Gross MU	7997.96	9724.21	6955.13	10425.38	10745.08	10259.02	11052.17	10583.15	11131.33	11179.16
	Net MU	7139.57	8788.32	6270.82	9392.09	9692.52	9245.40	9988.05	9546.47	10063.06	10104.37
BTPS	Gross MU	1716.70	1627.86	1451.08	1527.82	1357.97	1648.09	1463.49	1285.57	1380.71	1438.24
	Net MU	1504.59	1426.13	1260.86	1333.05	1179.76	1435.43	1275.20	1106.09	1255.79	1256.96
T.P.S.II EXPN	Gross MU	1974.00	2040.25	2095.70	1616.96	1932.71	2007.86	1375.25	851.46	199.57	21.01
	Net MU	1665.08	1724.76	1767.82	1345.89	1639.31	1685.20	1130.16	660.77	125.38	14.00
NNTPS	Gross MU	7155.80	6178.74	3439.17	827.40	0.00	0.00	0.00	0.00	0.00	0.00
	Net MU	6719.09	5758.70	3176.32	783.42	0.00	0.00	0.00	0.00	0.00	0.00
Renewable Power	Gross MU	2194.55	2183.61	2061.69	1486.03	585.03	199.56	108.16	32.89	1.44	0.00
	Net MU	2193.64	2182.39	2059.30	1482.60	574.82	194.42	104.99	32.59	1.44	0.00
TOTAL	Gross MU	**24152.81**	**25022.36**	**19322.00**	**21922.98**	**20676.18**	**20740.84**	**21033.10**	**19182.21**	**19729.13**	**19988.65**
	Net MU	**22053.93**	**22865.22**	**17514.21**	**19712.29**	**18484.77**	**18472.55**	**18810.71**	**17122.88**	**17745.89**	**17983.47**
SALES :											
LIGNITE	**LT**	**21.18**	33.04	16.75	23.87	30.90	16.16	13.26	17.16	25.48	32.54
COAL	**LT**	**98.98**	63.69	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
POWER	**MU**	**21281.99**	22041.04	16723.92	18840.84	17505.30	17418.83	17719.46	16104.02	16671.23	16956.40

LT-Lakh Tonnes
MU-Million Units

10 Year Performance at a Glance - Financial

(₹ Crore)

	2022-23	2021-22	2020-21 (Restated)	2020-21	2019-20 (Restated)
INCOME STATEMENT					
Sales	12,955.00	9,856.48	7,249.63	7,249.63	7,916.30
Other Income	1,240.90	805.89	1,716.88	1,716.88	1,216.98
Total Income	**14,195.90**	**10,662.37**	**8,966.51**	**8,966.51**	**9,133.28**
Operating Expenses	7,991.45	6,407.40	5,300.12	5,296.00	5,142.07
Depreciation	1,419.69	1,528.13	1,231.62	1,204.41	958.39
Interest	755.63	783.78	980.63	980.63	820.38
Net Movement in Regulatory Deferral Account Balances - Income/ (Expenses)	-2,292.66	273.53	314.72	314.72	-4.41
Profit/(Loss) before Exceptional and Tax	1,736.47	2,216.59	1,768.86	1,800.19	2,208.03
Exceptional Items - Income/(expenses)	-12.32	389.83	-46.79	-46.79	-3.44
Profit Before Tax	**1,724.15**	**2,606.42**	**1,722.07**	**1,753.40**	**2,204.59**
Provision for Tax	475.91	1,369.64	711.61	711.61	790.74
Profit for the Year	**1,248.24**	**1,236.78**	**1,010.46**	**1,041.79**	**1,413.85**
Other Comprehensive Income	-0.02	26.76	32.04	32.04	-125.36
Total Comprehensive Income	**1,248.22**	**1,263.54**	**1,042.50**	**1,073.83**	**1,288.49**
Earning Before Exception Item, Int., Deprn.& Tax (including Regulatory)	3,911.79	4,528.50	3,981.11	3,985.23	3,986.80
Dividend	416.00	416.00	138.66	138.66	978.97
Dividend - Tax	-	-	-	-	181.21
BALANCE SHEET					
Equity Capital	1,386.64	1,386.64	1,386.64	1,386.64	1,386.64
Reserves & Surplus	13,252.22	12,420.00	11,572.46	12,188.04	10,668.62
Free Reserves	12,384.08	11,580.46	10,776.08	11,391.66	9,928.16
Networth	14,638.86	13,693.06	12,857.42	13,473.00	11,927.59
Loans Outstanding	9,348.34	10,239.03	14,917.69	14,917.69	16,780.47
Net Fixed Assets	18,731.91	19,184.95	20,045.74	20,781.20	17,716.16
Investments	4,196.32	3,932.67	3,621.99	3,621.99	3,519.40
Net Current Assets	4,818.74	3,610.60	2,830.65	2,827.02	2,525.80
Capital Employed #	26,889.03	26,576.02	30,207.88	30,823.46	30,820.59
RATIOS					
Operating Margin(OPM)(%)	11.73	21.66	13.65	14.07	22.90
Return on Capital Employed (ROCE)(%)	9.27	11.29	9.10	3.38	4.59
Return on Networth (RONW)(%)	8.53	9.03	7.86	7.73	11.85
Debt Equity (times)	0.64	0.75	1.16	1.11	1.41
Current Ratio	1.85	1.64	1.23	1.23	1.21
Quick Ratio ##	1.65	1.36	0.99	0.99	1.02
Value added per employee (in ₹ Lakh)	102.18	73.91	54.82	54.85	51.88
BOOK VALUE PER SHARE (in ₹)	**105.57**	**98.75**	**92.72**	**97.16**	**86.02**
EARNING PER SHARE (in ₹) after adjustment of net regulatory deferral balances	**9.00**	**8.92**	**7.29**	**7.51**	**5.98**
DIVIDEND - (%) **	**35.00**	**30.00**	**25.00**	**25.00**	**70.60**

* Except other wise Stated
# Tangible Networth (Networth less Intangible asset), Deferred tax and Paid up debt capital (both long term and short term) from FY 2019-20 (restated) onwards.
** Dividend on accrual basis.
Restated

(₹ Crore)

2019-20	2018-19	2017-18	2016-17	2015-16 (Restated)	2015-16	2014-15	2013-14
7,916.30	7,145.92	8,496.20	8,652.59	6,652.05	6,669.05	6,087.68	5,967.23
1,216.98	913.35	586.85	674.57	525.15	525.15	709.29	1,024.76
9,133.28	**8,059.27**	**9,083.05**	**9,327.16**	**7,177.20**	**7,194.20**	**6,796.97**	**6,991.99**
5,142.07	5,611.79	5,386.66	5,267.38	4,462.90	4,452.35	4,162.53	4,011.03
958.39	745.72	861.15	683.07	641.49	599.23	440.62	517.28
820.38	390.09	204.98	169.06	188.36	188.36	156.06	181.58
-4.41	859.41	-49.03	-873.56	-906.34	-	-	-
2,208.03	2,171.08	2,581.23	2,334.09	978.11	1,954.26	2,037.76	2,282.10
-3.44	-35.21	59.44	-180.08	-28.38	-28.38	345.57	-72.97
2,204.59	**2,135.87**	**2,640.67**	**2,154.01**	**949.73**	**1,925.88**	**2,383.33**	**2,209.13**
790.74	868.90	791.89	-214.81	721.73	721.73	803.65	707.25
1,413.85	**1,266.97**	**1,848.78**	**2,368.82**	**228.00**	**1,204.15**	**1,579.68**	**1,501.88**
-125.36	-34.20	61.03	-26.61	12.62	-	-	-
1,288.49	**1,232.77**	**1,909.81**	**2,342.21**	**240.62**	**1,204.15**	**1,579.68**	**1,501.88**
3,986.80	3,306.89	3,647.36	3,186.22	1,807.96	2,741.85	2,634.44	2,980.96
978.97	669.42	646.58	1,121.97	503.32	503.32	469.76	469.76
181.21	137.60	127.67	228.42	101.50	101.50	96.94	79.83
1,386.64	1,386.64	1,528.57	1,528.57	1,677.71	1,677.71	1,677.71	1,677.71
11,252.87	11,124.69	11,806.01	10,670.05	11,247.79	13,797.28	13,193.97	12,225.91
10,512.41	10,287.62	10,961.57	9,934.79	10,678.02	13,233.78	12,686.63	11,799.24
12,511.84	12,393.53	13,135.53	12,046.65	12,721.06	15,270.55	14,772.45	13,881.07
16,780.47	13,166.31	8,719.81	6,959.15	3,539.98	3,539.98	3,164.34	3,150.29
18,308.16	11,684.43	10,574.11	9,625.03	9,654.23	9,654.23	6,425.66	6,470.62
3,519.40	2,823.58	2,421.37	2,421.37	1,949.12	1,949.12	1,934.06	1,616.89
2,518.05	3,188.69	6,190.38	6,276.94	7,440.68	7,181.88	6,056.75	6,065.28
31,404.84	27,647.05	23,726.50	20,541.54	17,994.35	20,543.84	18,946.60	17,988.05
22.90	20.58	26.04	23.51	11.16	24.25	24.39	24.11
4.50	4.58	7.79	11.53	1.27	5.86	8.34	8.35
11.30	10.22	14.07	19.66	1.79	7.89	10.69	10.82
1.34	1.06	0.66	0.58	0.28	0.23	0.21	0.23
1.21	1.12	1.76	2.03	3.77	3.42	3.60	3.44
1.02	0.91	1.44	1.52	3.07	2.80	3.09	3.04
51.82	42.06	49.98	43.72	33.25	33.36	29.61	28.42
90.23	**89.38**	**85.93**	**78.81**	**75.82**	**91.02**	**88.05**	**82.74**
10.20	**8.54**	**12.09**	**14.14**	**1.36**	**7.18**	**9.42**	**8.95**
70.60	**45.30**	**45.00**	**73.40**	**30.00**	**30.00**	**28.00**	**28.00**

AWARDS AND RECOGNITION

Barsingar Lignite Mine awarded with
"Gold Award"
in
"Apex India Occupational Health & Safety Award - 2022"

Barsingar Lignite Mine awarded with
"Platinum Award"
in
"13th Exceed Occupational Health Safety & Security Award - 2022"

Mine - I won
"22nd Annual Greentech Environmental Awards 2022"
Under Environment Protection Category

Mine - IA won
"22nd Annual Greentech Environmental Awards 2022"
Under Green Belt
Development Category

Neyveli New Thermal Power Sation
awarded **"Gold Award"**
power sector for Occupational Health
and Safety by Sustainable
Development Foundation suported by
Ministry of Labour Employment GoI

NLCIL recognised with
"National Power Plant Awards"
in
"Best Performing Unit Award 2023"
in the category of
IPP Lignite 125-250 MW

TPS II Awarded with
“Second Position”
for
“The Best Maintained Unit”
by Swachhta Pakhwada - 2022

Neyveli New Thermal Power Station
awarded
“Winner - best Performing Unit”
in the category of IPP Lignite -
above 250 MW organized by Council
of Enviro Excellence (CEE)

Neyveli New Thermal Power Station
“Winner - IPP Lignite”
for
“Best Power Generator of the Year”
in public sector organized by Council
of Enviro Excellence (CEE)

NLCIL ranked as
“First”
in
“Timely Payment”
among Central Public Sector
Enterprises Buyers

NLCIL won
“Second Position” in
“The Best Enterprise (Navratna)”
category by the Forum of Women in
Public Sector (WIPS)

In our commitment to ESG principles, we prioritize sustainable growth, environmental stewardship and social responsibility, ensuring that our actions today leave a lasting, positive impact for generations to come

GOVERNANCE

At NLCIL, we prioritize upholding exemplary standards of corporate governance, positioning ourselves as a conscientious corporate entity. Our organizational ethos revolves around transparency, integrity, accountability, diversity, social responsibility and responsiveness, forming the foundation of our sustainable governance framework. Our governance model combines centralized and decentralized management principles, ensuring holistic benefits for the organization.

We strongly advocate for wealth creation that extends to the welfare of all stakeholders, recognizing their vital role in our operations. Therefore, we actively address the needs of our stakeholders and strive to foster inclusive growth. Our commitment to these principles ensures a harmonious and equitable environment, allowing all stakeholders to flourish and thrive.

Business Ethics and Standards

We maintain a strong commitment to conducting our business activities with the utmost adherence to ethical standards, consistently upholding principles of equality and fairness in our interactions with suppliers, contractors and bidders of products and services. To effectively realize these commitments, we have implemented the Integrity Pact Programme in collaboration with the Central Vigilance Commission (CVC) and Transparency International India, a globally recognized non-governmental organization.

Under this program, all tenders exceeding an estimated value of ₹ 1 Crore require an accompanying Integrity Pact with the respective vendors or contractors. This stringent monitoring process ensures transparent and accountable conduct for all parties involved.

In order to reinforce our ethical foundation, we have implemented comprehensive policies and procedures that apply to all stakeholders, including vendors, suppliers, contractors, employees and the Board of Directors. These robust measures serve as safeguards to promote ethical practices across all aspects of our organization's operations. By adhering to these policies, we cultivate a culture of integrity and ensure that our business activities consistently align with our ethical standards.

Anti-Corruption Process and Practices

In order to cultivate transparency and ensure efficient governance within our organization, we have instituted a comprehensive code of conduct that specifically applies to our Top Management Personnel and Board-level executives. This code of conduct serves as a catalyst for promoting high morale and fostering an inclusive and transparent management process.

To guide our personnel in upholding our ethical standards and actively participating in our anti-corruption endeavors, we have provided them with a Personnel Manual. This document outlines their responsibilities and actively engages them in our collective efforts to combat corruption.

Our commitment to ethical practices, anti-bribery measures and anti-corruption policies extends to all employees within our corporate structure, encompassing the Board of Directors, as well as our Group Subsidiaries, Associates, Joint Ventures, Suppliers, Contractors and NGOs. We are dedicated to upholding the regulations and guidelines established by the Central Vigilance Commission, which apply not only to us but also to our diverse range of business interests. By adhering to these standards, we demonstrate our unwavering dedication to responsible governance and ethical conduct throughout our organization and its associated entities.

Vigilance

In order to preserve the integrity of our operations and safeguard against corruption and misconduct, we have established a specialized Vigilance Department within our organization. This department plays a pivotal role in ensuring the adherence to our stringent anti-corruption policies and practices.

To proactively address potential risks and raise awareness among our employees, we regularly conduct preventive vigilance programs and workshops. These initiatives serve as vital platforms for disseminating information about our Company's anti-corruption policies, emphasizing the importance of ethical conduct and fostering a culture of vigilance and compliance.

In addition, our vigilance section has taken a commendable step by establishing an "Ethical Forum" in collaboration with students from Neyveli Schools & College and the NTPL project. This unique forum serves as an essential avenue for engaging the student population and cultivating vigilance awareness from an early stage. By actively involving these young minds, we contribute to the development of a vigilant and ethically conscious society. Through these concerted efforts, our organization remains steadfast in its commitment to upholding the highest standards of integrity and transparency. By fostering vigilance awareness at all levels, we fortify our collective resolve to combat corruption and ensure the sustained success of our operations.

Vigilance Awareness Week – 2022

(31st October, 2022 – 06th November, 2022)

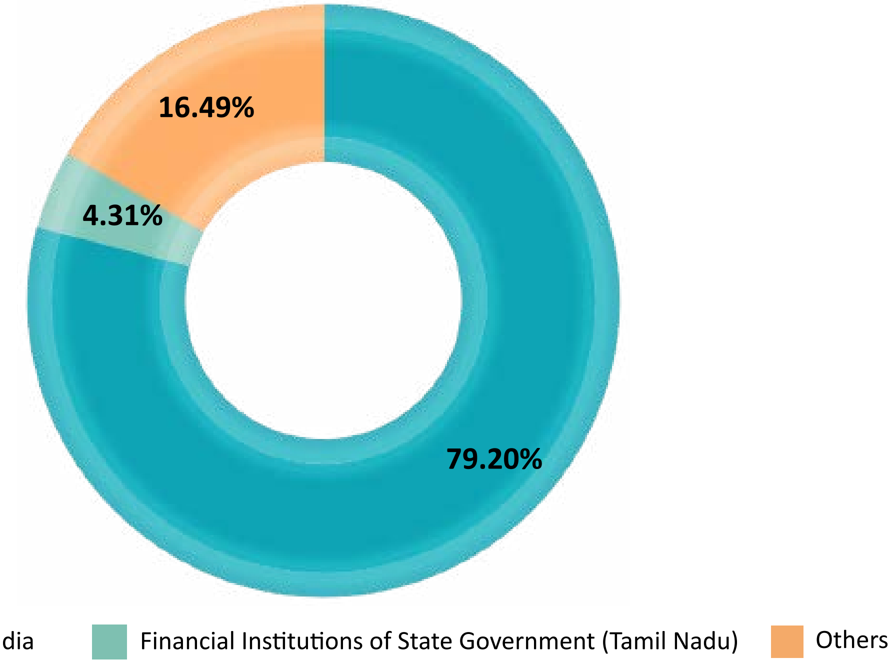
We celebrated Vigilance Awareness Week under the theme "Corruption-free India for a Developed Nation." The valedictory function featured a video presentation providing an overview of the week, followed by the distribution of awards to commend the most vigilant employees.

Vigilance Awareness Week - 2022

Governance Structure

The Board of Directors assumes primary accountability for the comprehensive Corporate Governance framework. The Audit Committee adheres to the Companies Act of 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015 and the DPE Guidelines on Corporate Governance. Although there may be occasional exceptions mentioned in the Certificate on Corporate Governance and the Secretarial Audit Report, we have duly complied with the Corporate Governance requisites specified in the SEBI Regulations and DPE guidelines.

Shareholding Pattern



Shri Pralhad Joshi, Hon'ble Minister of Parliamentary Affairs, Coal and Mines along with Shri Amrit Lal Meena, Secretary, Coal, Smt Vismita Tej, Addl Secretary, MoC, Shri Prasanna Kumar Motupalli, CMD, NLCIL and other officials during the review visit of NUPPL.

Board Members

The Board of Directors plays a pivotal role in overseeing and managing the Company's business and operations. It is composed of the Chairman and Managing Director, four functional Directors, two Non-executive Directors and four Independent Directors, ensuring a diverse and well-balanced expertise.

Each Board Member brings specialized knowledge in areas such as mining, engineering, power generation and commerce, thereby providing a comprehensive range of skills to effectively guide the Company. This diverse composition ensures that the Board can make informed decisions and provide strategic direction, contributing significantly to the success and growth of the organization.

Shri. Prasanna Kumar Motupalli
Chairman and
Managing Director

Non-Executive Directors

Smt. Vismita Tej

Dr. Beela Rajesh

Functional Directors

Shri. K. Mohan Reddy
Director - Planning and Projects

Dr. Suresh Chandra Suman
Director Mines &
Director Finance (Addl. charge)

Shri Samir Swarup
Director - Human Resources

Shri M. Venkatachalam
Director - Power

Independent Directors

Shri Subrata Chaudhuri

Shri Prakash Mishra

Prof. Nivedita Srivastava

Shri M.T.Ramesh

Board of Directors Profile

Shri. Prasanna Kumar Motupalli
Chairman and Managing Director
DIN- 08456692

Shri M. Prasanna Kumar assumed charge of Chairman and Managing Director of NLC India Limited (NLCIL) on January 12, 2023. Prior to his appointment as CMD, NLCIL, he served as the Managing Director of Gujarat State Electricity Corporation Ltd. (GSECL) from 4th November, 2020.

With his rich experience more than 3 decades in the energy sector including power sector and Coal industry, Shri M. Prasanna Kumar had held many prestigious positions including Executive Director at NTPC (Corporate Fuel Management). He also served as the Chairman of the prestigious Western Region Power Committee (WRPC) for seven western states in the year 2021-22 and achieved remarkable performance even during challenging times.

Shri M. Prasanna Kumar has successfully fulfilled responsibilities as Director of CNUPL (CIL NTPC Urja Pvt. Ltd.) and Joint Managing Director of MGCL (MahaGuj Collieries Limited). He hails from erstwhile Andhra Pradesh / Telangana and holds a gold medal in Mechanical Engineering from Andhra/Nagarjuna University. He is holding MBA in four specializations, viz. Operations Management, Marketing Management, Human Resource Management and Financial Management. He is also a certified Energy Auditor from Bureau of Energy Efficiency, GoI, Certified Project Manager from International Project Management Association (IPMA) and having Certification in Power Distribution Management.

He is a fellow member of The Institution of Engineers (India), has presented and published numerous papers in prestigious National and International Conferences and Journals. He has received many accolades, including the Best Journal Award from The Institution of Engineers (India) and the “Horizon Best Article Award” from NTPC Management Journal. Throughout his career, he has been recognized with number of Power Excel Awards and Meritorious Awards for his outstanding contributions and received Bravery Award in NTPC for averting major accident in Singrauli Super Thermal Power Plant with his timely courageous efforts.

Shri M. Prasanna Kumar’s expertise lies in power plant erection, operations and maintenance, Coal management & handling, maintenance of heavy earth moving equipment, rolling stock operations and maintenance. His role as Executive Director (Corporate Fuel Management) involved coordinating with Railways and Coal companies to ensure uninterrupted and reliable power generation for NTPC plants of more than 50,000 MW capacity. He was instrumental in bringing National level policies in the Ministry of Power, Ministry of Coal, Ministry of Petroleum & Natural Gas that helped in efficient and optimum utilization of coal and gas in various power stations reducing the power tariff.

During his tenure as MD, GSECL, excelled in Safety, Operational fronts, Capacity Addition on Renewable Energy front through constant innovation and initiatives - received Outstanding Performance Appreciation accolades from Govt. of Gujarat.

After his assumption of charge as Chairman and Managing Director in NLCIL within the short span of time, NLCIL has successfully participated in competitive bidding and won maiden RE projects 600 MW Solar in Gujarat, 810 MW Solar in Rajasthan and also has forayed into commercial mining first time by winning North Dhadu Coal Block (Western Part) under stiff competition. The much awaited revised cost approval of Ghatampur Super Critical Thermal Power Project (3 x 660 MW) has been obtained in record time as per the GoI guidelines with the help of Ministry of Coal. Augmented balance power tie up (300 MW solar from Rajasthan, 200 MW Solar from Telangana, 492.72 MW Thermal from Assam) for the existing project of NLCIL which has made these projects sustainable. He ensured all round performance improvement of the Company in all fronts including building Stakeholders confidence and enhancing the market capitalization.

Smt. Vismita Tej
DIN- 08255194

Smt. Vismita Tej is a member of the Indian Revenue Service (Income Tax) 1990 Batch, brings a wealth of experience to her role. With academic qualifications including MA in Political Science from Utkal University, MA in Gender Studies from the University of Essex, MA and Diploma in Public Policy and Sustainable Development from TERI University and MPhil in International Studies from Jawaharlal Nehru University, Smt. Vismita Tej has a strong educational background.

Throughout her career, she has served in various capacities within the Income Tax Department in Bhubaneshwar, Patna, Hyderabad, Ranchi and Delhi, gaining extensive experience in assessment, investigation, administration and policy. From 2009 to 2014, she held the position of Chief Vigilance Officer (CVO) at Central Coalfields Limited in Ranchi. Currently, she is serving on deputation as Additional Secretary at the Ministry of Coal, Government of India.

Dr. Beela Rajesh
DIN- 02729408

Dr. Beela Rajesh holds MBBS from Madras Medical College. She is a member of Indian Administrative Service 1997 Batch (TN Cadre). She has held various important positions in Government of Tamil Nadu. She started her career as Sub-Collector, Chengalpattu, Tamil Nadu. She also served as Special Officer, CM Grievance Cell, Government of Tamil Nadu. She also served as Collector, Dhanbad, Government of Jharkhand. She also served with Government of India as Executive Director, Handloom Export Promotion Council, Ministry of Textiles, Government of India. She also served various important key assignments and positions in Govt. of Tamil Nadu viz., Fisheries Department, Department of Housing, Health & Family Welfare, Commercial Taxes & Registration and Land Reforms. Dr. Beela Rajesh is presently serving as the Principal Secretary to Government of Tamil Nadu, Energy Department.

Shri. K. Mohan Reddy
DIN- 09514050

Shri. Kalasani Mohan Reddy, a Mining Engineer, holds a First Class Mine Manager Competency Certificate (Coal) from the Directorate General of Mines Safety (DGMS). He also possesses an MBA degree in Finance and has completed advanced strategic management courses from prestigious institutions such as IIM Lucknow and ISB Hyderabad. With over 34 years of experience in the Energy Sector, including Mining and Power Generation, Shri Kalasani Mohan Reddy currently serves as the Director (Planning & Projects) at NLC India Limited. Before assuming this role, he was the CEO of Neyveli Uttar Pradesh Power Limited, where he played a pivotal role in various achievements and developments. He has also made significant contributions to the geographical expansion of the Company, including the signing of a memorandum of understanding with Assam state for establishing 1 GW Solar plants. Prior to joining NLC India Limited in 2013, Shri Kalasani Mohan Reddy held important positions in Western Coalfields, a subsidiary of Coal India Limited and Singareni Collieries Company Limited.

Dr. Suresh Chandra Suman
DIN- 09549424

Dr. Suresh Chandra Suman, a Mining Engineer, assumed the position of Director (Mines) at NLC India Limited on 11th May, 2022. He graduated with distinction from Bihar Institute of Technology and holds a Doctorate in Coal Mining Safety from IIT (Indian School of Mines), Dhanbad. Dr. Suman has extensive experience in the mining industry, having served for 23 years at Eastern Coalfields Ltd., a challenging subsidiary of Coal India Limited and 3 years at South Eastern Coalfields Ltd. He has held various responsible positions in both Coal India Limited and NLC India Limited, including Manager of Mines and Agent of Mines.

Prior to his appointment as Director, Dr. Suman served as the Executive Director/Mines at NLC India Limited, where he successfully handled challenging projects and played a crucial role in awarding and managing significant coal mining projects. He has a track record of achieving clearances and permissions ahead of schedule and introducing innovative reclamation techniques such as high-tech farming and hydroponic farming. Under his leadership, two Neyveli mines received a 5-star rating from the Ministry of Coal. Dr. Suman is a visionary leader with expertise in greenfield and brownfield mining projects, MDO contracts, project planning, contract management and both underground and opencast mining. He hails from Koderma, Jharkhand.

Shri. Samir Swarup
DIN- 09648745

Shri. Samir Swarup assumed the charge of Director (Human Resources) at NLC India Limited on 27th February, 2023. Prior to joining NLCIL, he served as Executive Director (P&A) at the Corporate Office of Steel Authority of India Limited (SAIL), where he oversaw the entire Personnel and Administration stream. With over three decades of experience, Shri Swarup has made significant contributions to various aspects of Human Resources, including recruitment, industrial relations, organization development, shop floor HR and CSR. He holds a post-graduate degree in Political Science and an MBA in Human Resource Management. Throughout his career, he has worked at different units of SAIL, such as Alloy Steels Plant in Durgapur, Bokaro Steel Plant in Bokaro and Central Marketing Organization in Kolkata. Shri Swarup has also served in the Vigilance Branch of SAIL and held the position of Director in the Indian Iron and Steel Sector Skill Council, an organization under the National Skill Development Corporation (NSDC).

Shri. M.Venkatachalam
DIN- 10045337

Shri. M.Venkatachalam is a Mechanical Engineer from the University of Madras and holds the distinguished position of Distinguished Scientist in the Department of Atomic Energy. He has a diverse range of specializations and qualifications in project management, finance and corporate governance. Prior to joining NLCIL, he served as an Executive Director at the Nuclear Power Corporation of India Limited (NPCIL). With 35 years of experience in nuclear station operations, project construction, commissioning and corporate functions, Shri Venkatachalam has played a significant role in various capacities. Some notable achievements include the erection and commissioning of the first 700 MW unit at Kakrapar Atomic Power Project, major upgradation and life extension activities at Madras Atomic Power Station (MAPS) and handling natural calamities such as the tsunami event at MAPS. He has also contributed to the standardization of procedures, preparation of codes and guides and enhancing human performance for safe and reliable operation of units. Shri Venkatachalam is recognized as an expert by the World Association Nuclear Operators (WANO) and has delivered talks on commissioning and operation to senior international personnel. He has actively participated in public awareness initiatives, engaging with students, state officials and community elders and has received several awards, including the prestigious NPCIL Excellence Award and meritorious group awards.

Shri. Subrata Chaudhuri
DIN- 05346876

Shri. Subrata Chaudhuri is an experienced entrepreneur with a diverse background and he holds an MBA (PGDRM) from the Institute of Rural Management (IRMA), Gujarat and a bachelor's degree in Agriculture from BCKV, West Bengal. With over 24 years of experience, he has expertise in areas such as exports, imports, international marketing, agribusiness and business development. He has successfully started and managed businesses in the fields of edible oil, copra, agri produce, coal, rubber, basmati rice and more. Notably, he played a crucial role in setting up a coconut processing manufacturing unit in Indonesia. Additionally, Subrata Chaudhuri has worked as an advisor for NCDEX e-Market Ltd, contributing to the development of an electronic market for farmers' produce. He has also been involved in exporting cheese and various agricultural products to Bangladesh as a Director of Brihaspati Pvt Ltd. Apart from his entrepreneurial endeavors, Subrata Chaudhuri is a multilingual novelist and actively engages in debates on television regarding socio-economic issues, global economy, commodity markets and governance.

Shri. Prakash Mishra
DIN- 09388622

Shri. Prakash Mishra is a highly accomplished individual with a distinguished career in the Indian Police Service. He holds a postgraduate degree in Applied Economics from Utkal University and a Bachelor's degree in Law. Throughout his service, he has held various significant positions in Odisha and the Government of India. Notable roles include Superintendent of Police (SP) in Mayurbhanj and Rourkela Districts, Deputy Inspector General (DIG) of Bhubaneswar Range and Inspector General (IG) at the Headquarters. He has also served as the Director General of Police (DGP) in Odisha.

Shri Prakash Mishra has worked as an SP and DIG in the Central Bureau of Investigation (CBI), Inspector General in the South Eastern Railway, Joint Director of the National Police Academy, Special DG of the National Investigation Agency (NIA) and DG of the National Disaster Response Force (NDRF). He has also held the position of Special Secretary in the Ministry of Home Affairs and DG of the Central Reserve Police Force (CRPF).

Shri Prakash Mishra's contributions have been recognized with the Indian Police Medal for Meritorious Service and the President's Police Medal for Distinguished Service. After his retirement, he served as an Advisor to the Governor of Uttarakhand and as DG of Civil Defence and Fire Services in the Government of India. Since 2018, he has been actively involved in public life and social service, serving as the Chairman of the Aastha Alok Trust, which focuses on feeding the underprivileged in Cuttack, Odisha.

Prof. Nivedita Srivastava
DIN- 09388948

Prof.Nivedita Srivastava, a post graduate in Chemistry and holding a Doctorate from Central Drug Research Institute, Lucknow is presently the Professor in the Department of Applied Chemistry, M.J.P. Rohilkhand University, Bareilly ,UP. Prof.Nivedita Srivastava has more than two decades of experience in academics as faculty at various levels.She has also more than 27 Years experience of research in Organic Chemistry.

Prof. Nivedita Srivastava has published several Research Papers in prestigious National and International Journals and has presented Papers in various Seminars / Conferences. She also presented her paper in South Korea in 2013 .She has published number of Articles in newspapers / magazines etc. She is also in Editorial board of Magazine Vaqdhara.

Prof. Nivedita Srivastava has been honoured with the "Distinguished Service Award" for her outstanding contributions in the field of Chemistry by the Society of Biological Sciences & Rural Development and "Sahityakar Gyan Swaroop Kumud Smriti Samman" by ABKMS and Sahityakar Gyabn Swaroop Kumud Smriti Samman Samiti.

Till today 4 Ph.D is awarded under her supervision. She is always involving in social welfare work.

Shri. M.T.Ramesh
DIN- 07313892

Shri. M.T.Ramesh is a dedicated social worker with a Bachelor's degree in History. Over the past three decades, he has actively participated in numerous social service activities, demonstrating his commitment to the betterment of society. Additionally, he engages in philanthropic endeavors to contribute positively to the community.

Chief Vigilance Officer


Brajesh Kumar Tripathy

Executive Directors


Hemant Kumar
Corporate Safety


Mukesh Agrawal
Finance & Commercial


Jagadish Chandra Mazumdar
Barsingsar Mines & Thermal


Rajasekhara Reddy A
Neyveli Mines


Mathi K
PBD, REPP & IE


Jasper Rose I S
SME, Conv. & Land


Ranialli G
CCD, MM, CARD & MS


Prabhu Kishore K
Public Relations, CSR & Training


Franklin Jayakumar N
Talabira Mines


Srinivas G
Civil & Contracts - Mines Division

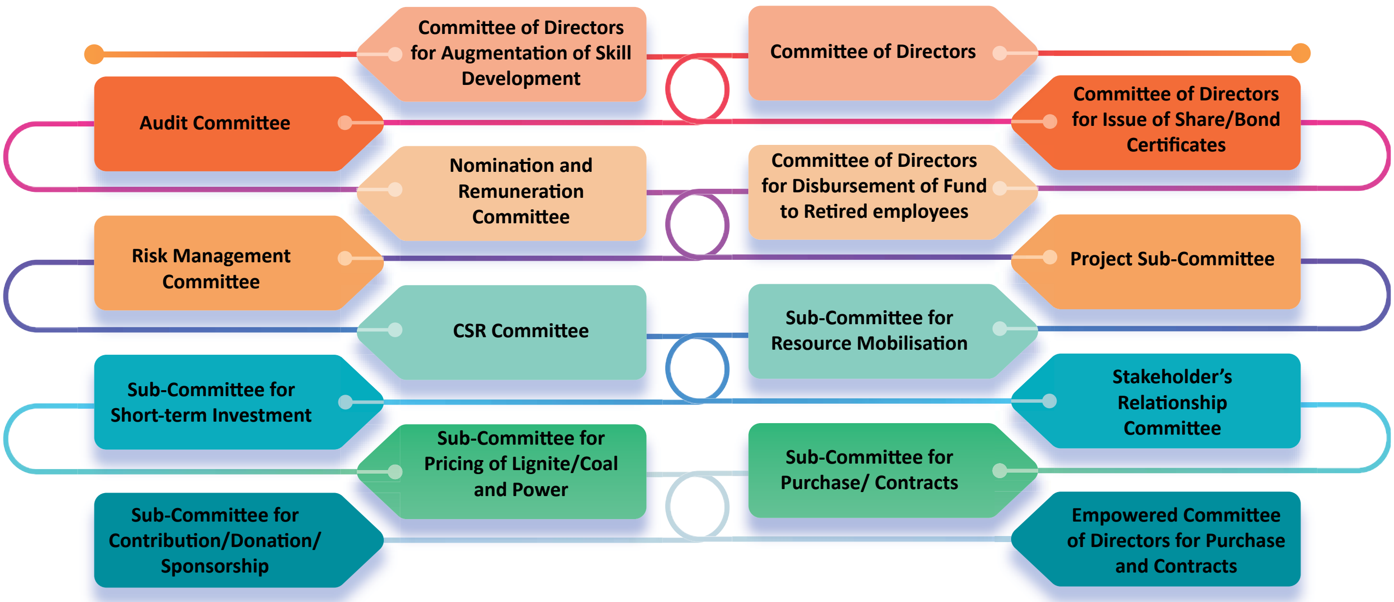

Satya Prasad K
NTTPP, Talabira


Santhosh C S
CEO-NUPPL


Dhabaseelan G
Thermal

Board Committees

The Board of Directors holds a critical role in our organization, providing leadership and strategic guidance with the primary objective of creating value for stakeholders while maintaining robust controls. To aid the Board in fulfilling its responsibilities effectively, we have established a comprehensive system of 16 committees. These committees efficiently distribute responsibilities to operational teams and actively contribute to the decision-making process of the Board. As a result, this multi-tiered structure ensures the overall success and prosperity of the Company, fostering a governance framework that enhances transparency, accountability sound decision-making. The committees play a crucial role in overseeing key areas of the organization, such as Finance, Audit, Risk Management, Corporate Social responsibility and Governance. Their collective efforts, coupled with the Board's strategic vision, drive the Company towards sustainable growth and long-term success while safeguarding the interests of all stakeholders.



Risk Governance and Management Framework

To achieve sustainable growth and corporate goals, effective risk management is fundamental to our approach. We are committed to managing risks in line with the risk-reward preferences of our stakeholders, while advancing our Company's vision and objectives.

Recognizing the responsibilities associated with mining and providing cleaner, reliable and affordable energy, we meticulously analyze, evaluate and recommend mitigation strategies for any ESG risks associated with our Thermal Power Plants and Mines, along with their value chain operations.

At NLCIL, we have established a comprehensive Integrated Risk Management Policy and Framework, defining tasks, responsibilities and risk prioritization. The process of updating our risk policy and framework adheres to internationally recognized standards, including COSO's internal control - Integrated framework and enterprise risk management - Integrated framework, as well as ISO 31000:2018 - Risk management - guidelines. By following these frameworks, we ensure that our risk management practices align with globally accepted standards, reinforcing our commitment to maintaining a robust and effective risk management approach.

Our organization has established a robust internal control system and practices to effectively manage and mitigate risks. This includes the implementation of manuals for Contracts, Purchase and HR, providing clear guidelines and procedures for these specific areas of operation. These manuals have been duly authorized, ensuring consistent adherence to standardized practices throughout the organization.

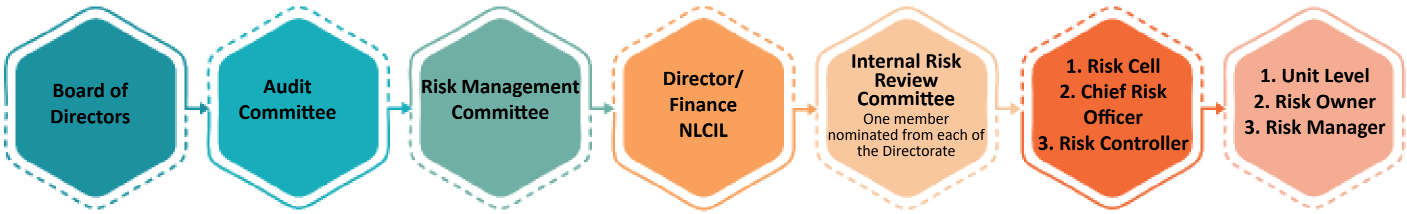
The Audit Committee holds a pivotal role in monitoring the Financial Reporting Process. They conduct regular reviews of the Financial statements and engage in consultations with both Internal and Statutory Auditors to assess the effectiveness of our Internal Control Systems. This collaborative approach facilitates the identification of areas for improvement and ensures the accuracy and reliability of our financial reporting. By diligently scrutinizing these processes, we maintain transparency and enhance the overall governance and risk management framework within the organization.

To ensure transparency in our Financial Operations, we engage external firms of Chartered Accountants to conduct Comprehensive Internal Audits across all our offices and units. These audits thoroughly assess our Financial Systems and Practices, providing valuable insights. The Audit Committee meticulously reviews the audit findings to identify any potential issues or areas requiring attention. We promptly address the identified findings, reinforcing the integrity and reliability of our financial systems.

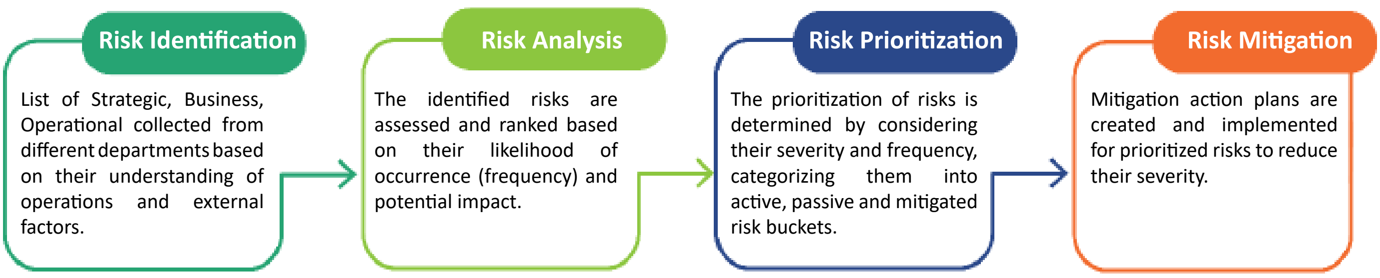
Maintaining a robust Internal Control Framework, conducting regular audits and involving external experts are instrumental in upholding the highest standards of transparency and accountability in our financial operations. This approach allows us to proactively identify and address risks, ensuring the integrity and efficiency of our Financial and Non-Financial reporting procedures.

To further strengthen our Risk Management Practices, our employees undergo periodic risk management training. Additionally, a quarterly risk evaluation is carried out by the Internal Risk Review Committee. The Risk Management Committee, Audit Committee and Board periodically review the risk assessment and mitigation processes. This concerted effort helps us navigate potential challenges and safeguards the interests of our stakeholders, ensuring the organization’s long-term sustainability and success

Risk Governance Structure:



We follow a 4-step process to address the risks:



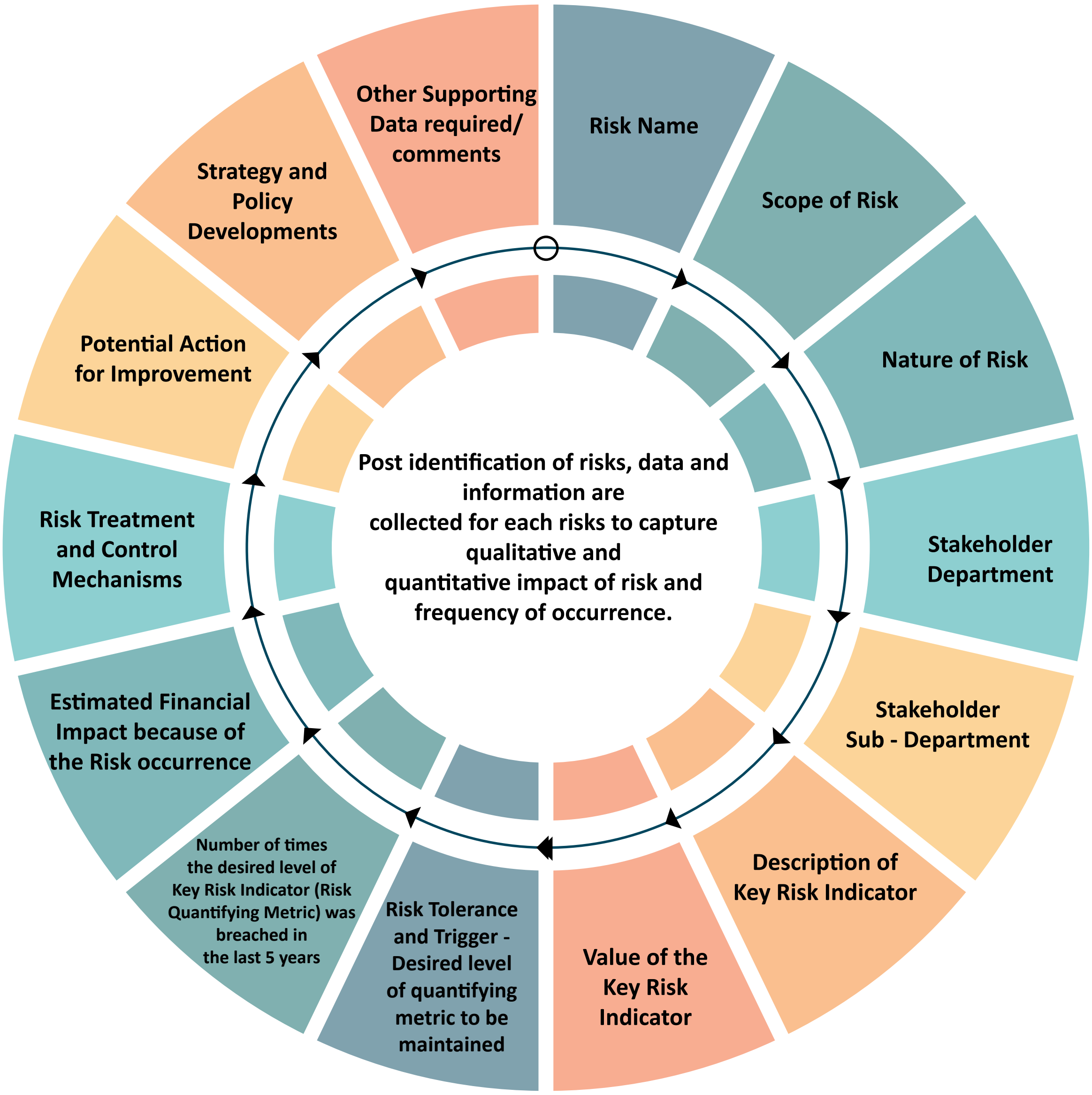
A. Risk Identification:

At our organization, the Corporate Risk Cell plays a critical role in the systematic identification, management and assessment of risks. This specialized team gathers risks from various departments across the Company and consolidates them into a comprehensive risk register. Periodically, the risk register is presented to the Risk Management Committee (RMC) of the Board for review and decision-making.

To enhance risk management effectiveness, we categorize risks into three main categories: Strategic, Business and Operational. This classification allows us to gain a deeper understanding of the nature and scope of each risk, enabling us to align our risk management strategies accordingly. By employing this structured approach, we ensure proactive and targeted risk mitigation, safeguarding the organization’s interests and promoting sustainable growth.

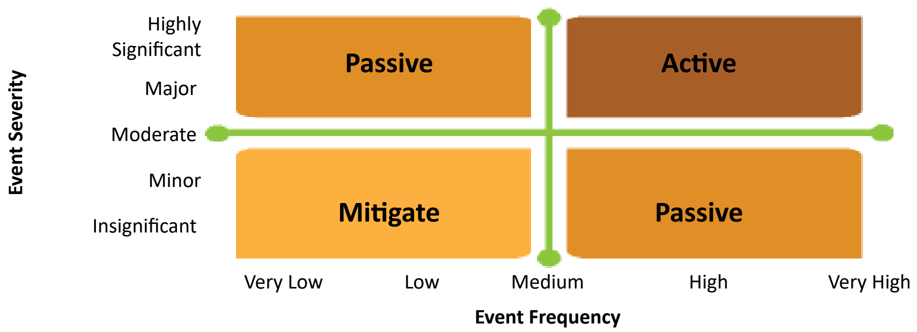
B. Risk Analysis:

The evaluation of risks was conducted by assessing both the severity of their impact and the frequency of their occurrence. Through this comprehensive analysis, we gained insights into the significance and likelihood of each risk materializing. By prioritizing our risk management efforts based on these factors, we can effectively focus on addressing risks that pose the greatest threats or have the potential for significant negative consequences. This approach ensures that our risk management strategies are targeted and aligned with the critical areas of concern, enabling us to mitigate potential adverse impacts and enhance overall organizational resilience.



C. Risk Prioritization:

Following the Risk Analysis, risks are classified into different levels within the organization. Risks with high severity and occurrence are categorized as Active, requiring continuous monitoring and mitigation at the highest level. Passive risks, on the other hand, necessitate monitoring and mitigation at the risk owner level. Mitigated risks are those for which mitigation plans are already in place, or the risks are no longer valid due to effective risk management measures. Merged risks refer to risks that have been combined or consolidated for better management and oversight, ensuring a streamlined approach to Risk Management across the organization. These risk classifications enable us to allocate appropriate resources and attention to effectively address and control risks in a structured and targeted manner.



D. Risk Mitigation:

Mitigation strategies have been diligently formulated for each of the identified 8 active risks. These strategies are thoughtfully designed to address and minimize the potential impact and occurrence of these risks. By proactively implementing these measures, we aim to enhance the organization's resilience and ensure optimal risk management.

Key Risks	Description	Mitigation Strategy
Mining	Land acquisition and availability delay for operations (BHH)	Minimum land compensation has been revised in consultation with District Administration & Public Representatives
Organizational	Safety in NLCIL's Operations	All the safety protocols, recommendations stipulated by statutory authorities are being followed strictly to avoid the accidents.
	Monitoring the Project progress	Implemented strong monitoring mechanisms. (i) Legal safeguards are in place to ensure progress and compliance with capex projects. (ii) Award tenders to qualified professionals and form Special Purpose Vehicles (SPVs) to provide targeted support activities for the projects. (iii) All statutory Environmental and Forest clearances are being followed with the respective ministries to avoid the delay.
Thermal Power	Non-Compliance to New Environmental emission norms for Neyveli Thermal Power Station	Installation of Flue Gas De-sulfurization (FGDs) through tenders with reputed service providers
Commercial	Non realization of EB dues	(i) Employed effective treasury management practices such as Letters of Credit, Direct Debit Mechanisms and Bill discounting. (ii) In cases of late payments, a surcharge is considered to compensate for any credit delays
Thermal Power	Sustained Operation of CFBC Boiler in TPS II Exp	Global expert in CFBC boilers, M/s. Doosan Lentjes submitted its draft study report on technical issues associated with CFBC Boilers, viz: frequent boiler tube puncture in Fluidised Bed Heat Exchangers, which results in heavy generation losses and the draft report under scrutiny
Commercial	Increasing trend of Power Surrender	Our strategy to mitigate the risk involves engaging in power trading in the open market
Renewable Power	Forfeiture of agreed tariff due to delay in commissioning of project within the control period prescribed by TNERC for tariff purpose when the projects are executed under the preferential tariff scheme	Actively seek legal solutions to ensure the realization of outstanding dues.
Business	Implication of BTTP and BTPSE project which are put on hold	Legal Arbitration is in progress to mitigate the risk.

Our Policies

Our corporate policies are carefully designed to align with our Vision and Mission, forming the foundation of our organizational conduct. These policies are crafted to ensure strict compliance with legal requirements and industry benchmarks, including the National Guidelines on Responsible Business Conduct (NGRBC) Principles. By adhering to these principles, we establish a robust framework that governs our key concepts and policies.

Our policies encompass all stakeholders, including vendors, suppliers, contractors, employees and the Board of Directors. We emphasize a culture of shared responsibility and accountability, encouraging everyone associated with our organization to operate within the framework of these policies. Through this approach, we demonstrate our unwavering commitment to ethical practices and responsible business conduct.

Our Policies (Contd.)

These meticulously crafted policies reflect our dedication to aligning our business operations with our core values and principles. They foster trust among our Stakeholders and the wider community by guiding our decisions and actions with a strong ethical foundation. Going beyond mere compliance, we seek continuous improvement in our responsible business practices by embracing industry benchmarks and legal mandates. Our commitment to shared responsibility creates an inclusive and collaborative environment, empowering each stakeholder to contribute to the sustainable growth and success of our organization.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL	CODE OF CONDUCT FOR INSIDER TRADING	REHABILITATION AND RESETTLEMENT POLICY	ARCHIVAL POLICY	POLICY ON RELATED PARTY TRANSACTION
PREVENTION OF SEXUAL HARASSMENT	MENTORING POLICY	CORPORATE SOCIAL RESPONSIBILITY POLICY	NOMINATION AND REMUNERATION POLICY	CYBER SECURITY POLICY
ENVIRONMENT POLICY	PARENTAL LEAVE AND MATERNITY POLICY	WHISTLE BLOWER POLICY	DIVIDEND DISTRIBUTION POLICY	POLICY ON MATERIAL SUBSIDIARY
BUSINESS CONTINUITY AND DISASTER MANAGEMENT PLAN	LEARNING AND DEVELOPMENT POLICY FOR EMPLOYEES & CAREER ADVANCEMENT ADVOCACY POLICY	COMPLAINT HANDLING POLICY	KNOWLEDGE MANAGEMENT POLICY	POLICY FOR INVESTMENTS OF SURPLUS FUNDS
ESG POLICY	HEALTH & SAFETY POLICY	WASTE MANAGEMENT POLICY	VENDOR GRIEVANCE POLICY	POLICY FOR MATERIALITY OF EVENT
CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING	RISK MANAGEMENT POLICY	IT POLICY	SABBATICAL LEAVE POLICY	RECRUITMENT POLICY

Night View of Neyveli Mines

VALUE CREATION

Inputs

Financial Capital

Net Worth : ₹ 14,638.86 Crore
Debt: ₹ 9,348.34 Crore
CAPEX: ₹ 1,540.08 Crore

Manufactured Capital

Thermal Capacity: 3,640 MW
RE Capacity: 1,421.06 MW
Lignite Capacity: 30.10 MTPA
Coal Capacity: 20 MTPA

Intellectual Capital

R&D Expenses: ₹ 26.98 Crore
Dedicated CARD Centre
Institutional Research Team, IIT Madras, NIT Trichy, BHEL, Anna University, SID-IISC, ICRISAT

Human Capital

Total workforce: 3,778 employees & 22,841 workers
Man-hours of training: 4,61,176 hours

Social & Relationship Capital

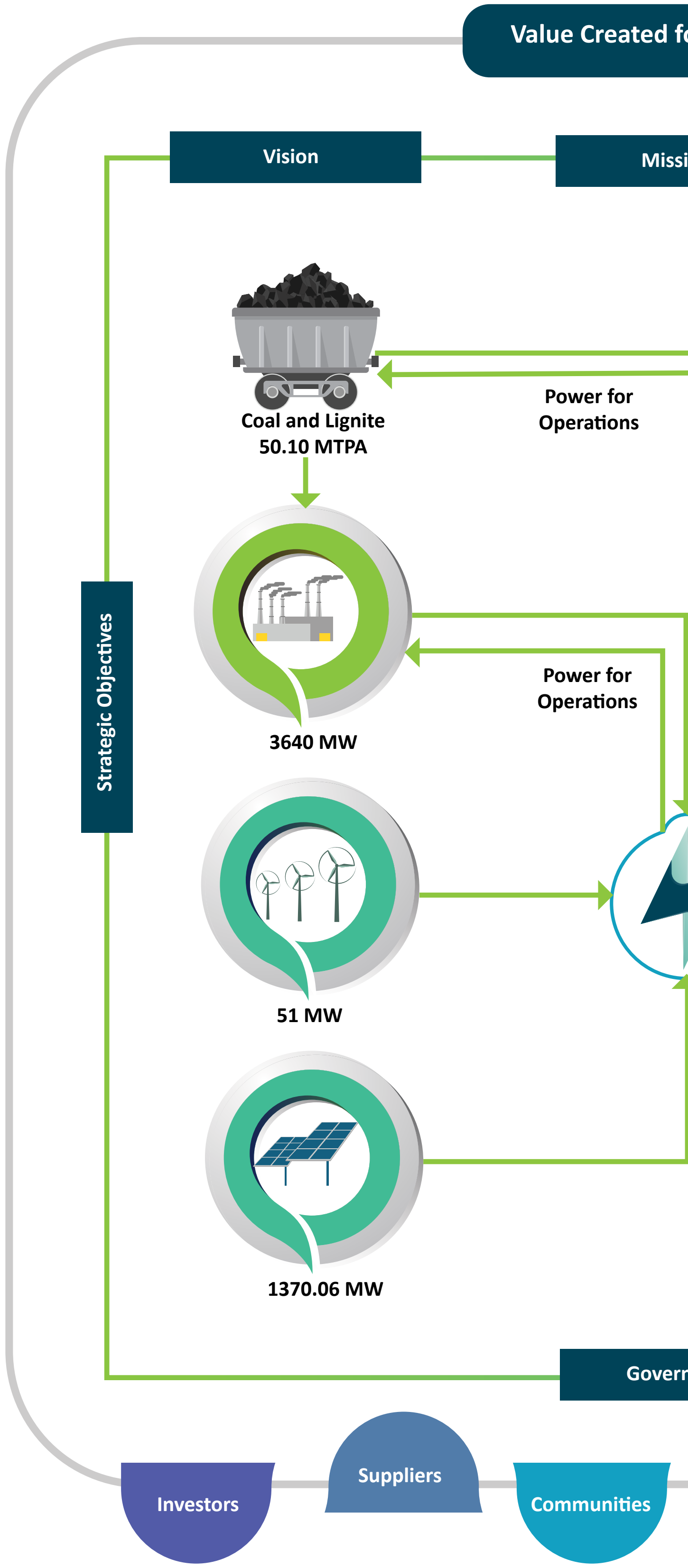
Total CSR expenditure: ₹ 43.07 Crore
OEDC DAC Framework to assess CSR initiatives impact

Natural Capital

Water consumed: 8,35,98,960 KL
Energy consumed: 28,77,88,084 GJ
RE Capacity: 1,421 MW

ESG vision

To continue to be a social responsiveness company



Outcomes

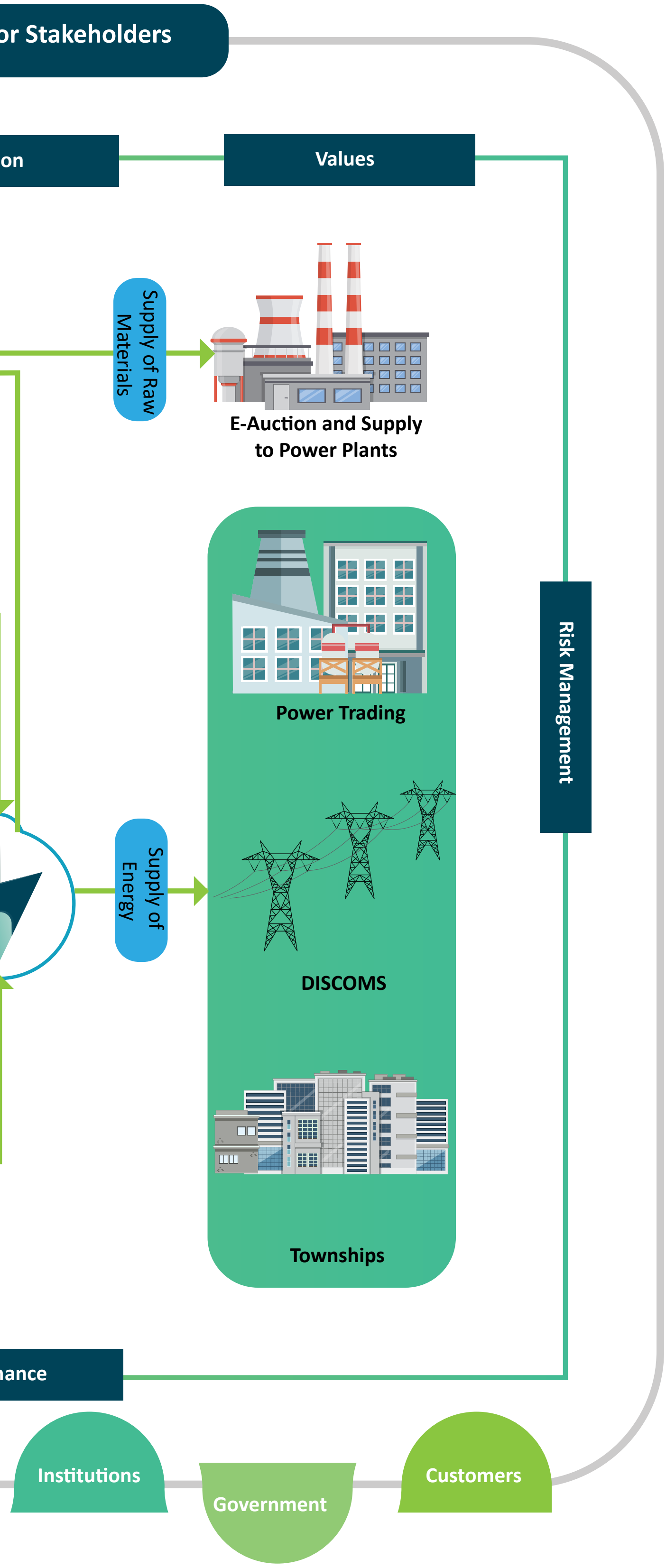
One of India's largest Lignite Coal based energy generation CPSE

31% of Renewable generation capacity as of total

India's 1st CPSI
installed capacity

ESG Mission

To play an active role in society and be sensitive to emerging environment issues



Outputs

Financial Output

Revenue: ₹ 12,955 Crore
PAT: ₹ 1,248.24 Crore
Dividend: 35%
EPS: ₹ 9
Return on net worth: 8.53%

Manufactured Output

Average PLF for thermal plants: 68.86%
Average CUF for RE plants: 17.63%
Certified for ISO 9001, 14001, 45001, 17025

Intellectual Output

4 Patents
9 Major R&D projects

Human Output

% of women workforce: 8.5%
Employees covered in safety training: 2,514
Safety training hours: 588
Employee hired: 631
Output per manshift for Thermal & Mines: Lignite (16.53 tonne) and Power (39,532 KWh)

Social & Relationship Output

Stronger relation with value chain partners
Number of beneficiaries through CSR initiatives: 6,24,452

Natural Output

Waste Managed: 46.78 MT (treated & disposed)
Scope 1 emissions: 2,55,23,638 tCO_2e
Scope 2 emissions: 253.2 tCO_2e
Afforestation: 1,605 hectares of reclaimed land
Biodiversity: 1.95 Lakh trees

E to cross 1 GW of Solar generation

Market Capitalization ₹ 10,698 Crore (NSE) as on March 31st, 2023

Best Industry Credit ratings: (AAA/Stable) from CRISIL, CARE, ICRA, FITCH, Infomerics, Acuite

STAKEHOLDER MANAGEMENT

At the core of our value chain, we maintain an unwavering commitment to delivering value to all our stakeholders. With purposeful intent, we harmonize our operations and business processes to meet the expectations of our diverse stakeholders, thereby intricately tailoring our strategy to address the priorities of valued individuals such as employees, contractors, communities, institutions, customers, suppliers and vendors. Through this inclusive approach, we seek to foster enduring relationships and mutual prosperity with all those connected to our organization.

Through a continuous, consultative and constructive engagement approach, we earnestly endeavour to establish enduring relationships with our stakeholders. By fostering open dialogue and active collaboration, we gain invaluable insights that form the bedrock of our sustainable business strategy. We firmly believe that this inclusive approach empowers us to adapt and innovate, fostering mutual prosperity and realizing our collective goal.

Stakeholder Identification and Engagement Strategy:

Our organization adheres to a dynamic and strategic stakeholder engagement process, which entails the discerning identification of key stakeholder groups from a vast array of potential stakeholders. This selection process is underpinned by a meticulous evaluation of each group's material influence on the Company's capacity to generate value, as well as the reciprocal impact of the Company on their interests.

Through this methodical approach, we have presently ascertained seven pivotal internal and external stakeholder groups. These groups encompass Employees, Government and Regulatory Authorities, Customers, Communities and Civil Society / NGOs, Suppliers, Institutions and Investors. By conscientiously recognizing and actively involving these stakeholders, we strive to cultivate constructive relationships that foster sustainable growth and mutually advantageous outcomes.

Through this robust Stakeholder Engagement Mechanism, we strive to build enduring relationships, promote shared objectives and ensure that our business activities create value not only for our organization but also for our stakeholders and the wider society we serve.

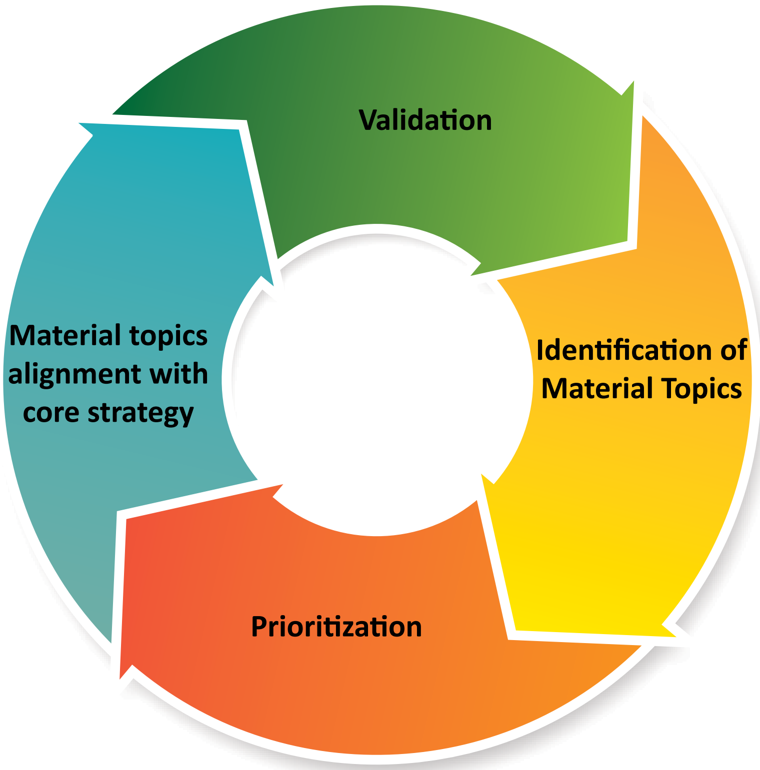
S.NO.	Stakeholder Group	Mode of Engagement	Engagement frequency	Key areas discussed
1.	Employees	• Direct communication • Email communication	Engaged on a need-basis depending upon the purpose	• Training and awareness on relevant topics • Welfare programme • Open and transparent performance evaluation programs and promotion cycle • Professional growth
2.	Suppliers	• Email communication • Conferences and seminars	As necessary and appropriate	• Business-related conversations Ex: Timely payments etc., • Workshops, seminars, • Awareness-raising initiatives
3.	Institutions	• Email communication • Industry associations • Conferences	As necessary and appropriate	• Programme for talent cooperation and training
4.	Communities and Civil Societies / NGOs	• CSR activities, • Community meetings, • Email communication	As necessary and appropriate	• CSR and welfare activities • Employment opportunities • Development of Infrastructure

S.NO.	Stakeholder Group	Mode of Engagement	Engagement frequency	Key areas discussed
5.	Customers	• Customer meetings, • Website communication • Conferences • Email communication • Advertisement	As necessary and appropriate	• Business-related conversations, • Workshops, seminars, • Awareness-raising initiatives
6.	Investors	• Annual General Meetings, • Quarterly results • Investor meetings, • Stock exchange intimations, • Emails communication • Advertisement • Website communication	Engaged through several regulatory meetings and other interactions as appropriate	• Gather and analyze information on financial and other key parameters, incorporating critical inputs from our shareholders • Increased disclosure on ESG aspects
7.	Government and Regulatory authorities	• Compliance meetings, • Comments given on regulatory matters • Industry associations, • Email communication	As per statutory provisions	• Policy advocacy • statutory meetings

Material Issues

We firmly recognize the pivotal role that Risk Management plays in promoting sustainable development and facilitating the achievement of our business objectives. Consequently, we are wholly committed to the effective and efficient management of risks, while ensuring alignment with the risk-reward appetite of our stakeholders, as outlined by our Company's vision and mission.

To attain these objectives, we have diligently executed a four-step process, meticulously identifying the key material issues that bear relevance to our business operations. Through this rigorous approach, we proactively address challenges and capitalize on opportunities that harmonize with our strategic direction, ultimately fostering the long-term success and resilience of our organization.



(A) Identification of Material Topics: We conduct a thorough and exhaustive assessment to identify key material issues, taking into account various factors such as sector level, business objectives, peer analysis, global concerns, regulatory policies, statutory requirements and stakeholder feedback. Moreover, we carefully evaluate the impact of our business activities on these issues. Subsequently, we classify these identified issues according to their alignment with the different components of ESG and compliance with GRI standards. This meticulous approach allows us to prioritize and address critical aspects of sustainability and responsible business practices, guiding our efforts towards a comprehensive and impactful approach to societal and environmental management.

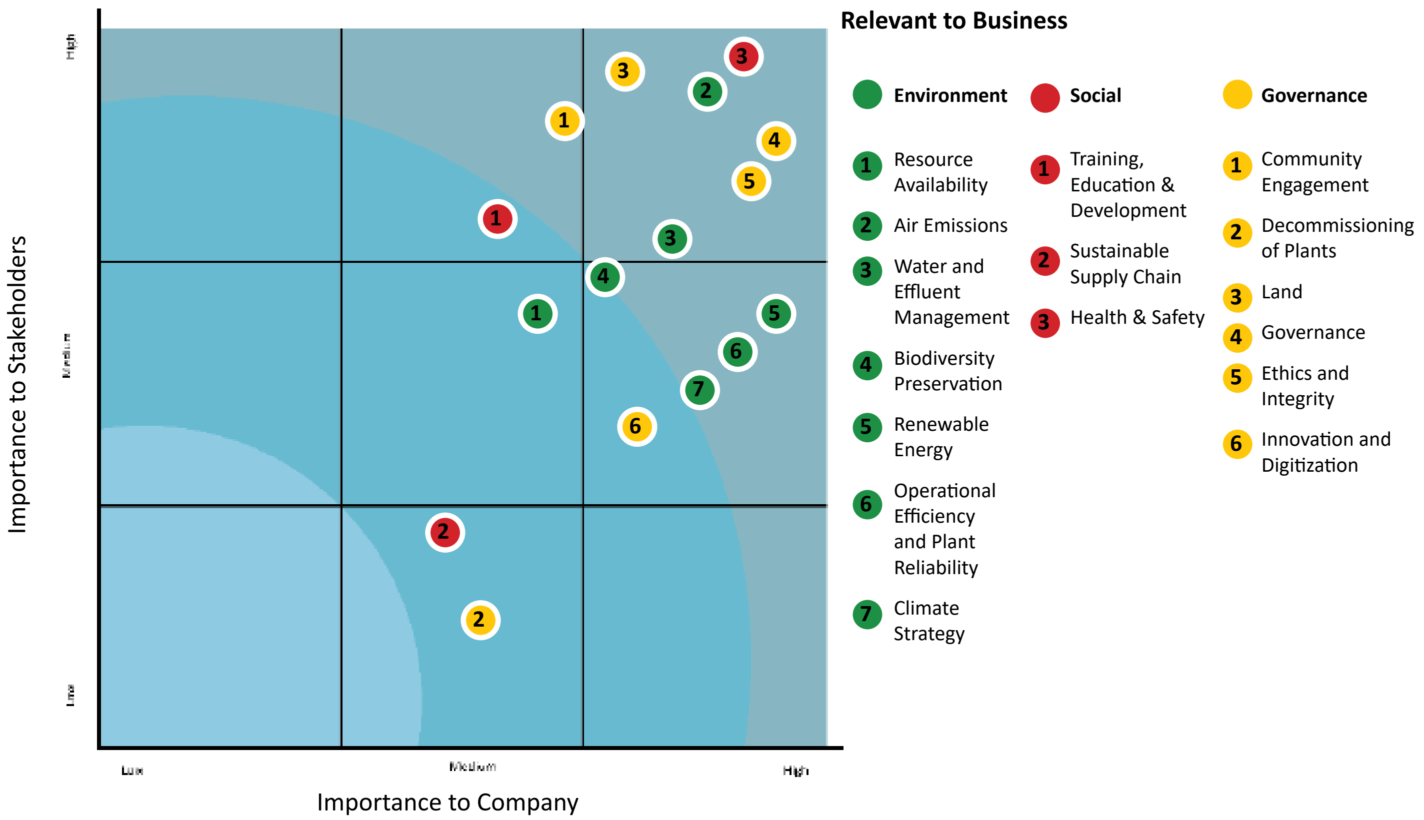
(B) Prioritization: After a thorough identification of material issues, we evaluated their risk, opportunity and financial impact on the business to determine the most critical ones. Subsequently, extensive consultation with key internal and external stakeholders led to the final selection of these crucial material issues.

Our stakeholder engagement process involved reaching out to key internal and external stakeholders to gather feedback on the priority issues. Through focus group discussions and primary online surveys, we assessed the importance of 16 shortlisted topics from the perspectives of material suppliers, communities, NGOs, customers, institutions, investors, employees and senior management.
To gain a comprehensive understanding, we supplemented the primary data with secondary research, enabling us to assess the issues' significance from the viewpoints of Government, Regulators and other relevant entities.

(C) Material Topic Alignment with Core Strategy: The identified key material issues undergo further refinement, taking into account their impact on our business strategy while being mindful of enterprise risk management considerations. Through this rigorous process, material issues that hold utmost significance to our business are thoughtfully and definitively finalized.

(D) Validation: Following the prioritization and alignment of identified material issues with strategic importance, the critical material issues underwent a thorough review and validation by the Senior Management Team, comprising all Functional Directors and the Chairman and Managing Director (CMD). This robust process ensures that the most significant material issues are carefully examined and endorsed at the highest level of leadership within the organization.

Materiality Plot:



Sl. No.	Material Issues	Risk/ Opportunity (R/O)	Rationale	Adaptation or Mitigation approach	Financial implication	SDG Alignment	Capital links
1.	Community Engagement	R	The communities emerge as a significant stakeholder when taking the nature of the business into account	Communities are involved through CSR programs, contract work, public sanitation, infrastructure development, health camps and skill development.	Negative	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND	SOCIAL
2.	Health and Safety	R	Due to the nature of activities, there is a potential for incidents that might negatively influence the health and safety of the relevant stakeholders.	Safety measures and action taken to avoid fire incidents in Industrial units are: • Testing the readiness of the fire detection and suppression system on a regular basis; weekly inspections of the fire pump, hydrant pipeline and valves; and the availability of a fire tender and a foam tender on all locations. • Everyone has the power to object to and halt dangerous activity in accordance with the Safety and Health policy. Employees and contract workers of the NLC have access to free medical facilities.	Negative	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION	SOCIAL HUMAN

Sl. No.	Material Issues	Risk/ Opportunity	Rationale	Adaptation or Mitigation approach	Financial implication	SDG Alignment	Capital links
2.	Health and Safety (Contd.)			• The OHSAS 45001-2018 standard is now in use. • Once a year, a joint fire safety programme is run with the CISF fire crew. All staff and contractors received hands-on training using portable fire extinguishers. Periodically, safety audits are done.			
3.	Air Emissions	R	The main sources of emission of pollutants are: • Excavation work • Drilling operations, lignite/coal transportation • Storage yard and haul roads • CO_2 emissions • Fly Ash transportation system • Ash handling system	The steps taken by NLCIL for controlling emissions are the Deployment of: • Sprinkler and fog systems • Greenbelt development around bunker areas & at prominent locations in and around the plants. • Transport Road Sprinklers • Pressurised mobile water sprinkling systems for roadways within mines • Water splashing on a conveyor • Operating pipes for facial water spray • Water sprinklers in the Bunker area • The Coal Stock Yard's Fog Cannon dust suppression system • Flue Gas Desulphurization (FGD) is also ongoing.	Negative	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION 15 LIFE ON LAND	NATURAL MANUFACTURING INTELLECTUAL

Sl. No.	Material Issues	Risk/ Opportunity (R/O)	Rationale	Adaptation or Mitigation approach	Financial implication	SDG Alignment	Capital links
4.	Land Acquisition	R	May impact on NLCIL's operations (BHH)	• "Rehabilitation and Resettlement" (R&R) policy is in place that compensates above and beyond the criteria. • The initiative provides project beneficiaries with opportunities for skill development, temporary employment placement along with active engagement in Agricultural & Farming Activities	Negative	11 Sustainable Cities and Communities	Natural
5.	Resource Availability	O	Abundant resource availability	• Setting better operational conditions can help you use less lignite and water. • Adoption of technology that is resource efficient.	Positive	7 Affordable and Clean Energy 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production	Natural Manufactured
6.	Renewable Energy	O	One of the main areas of the NLC's long-term policy is renewable energy.	There are efforts to develop and expand renewable energy capacity across the Nation.	Positive	7 Affordable and Clean Energy 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production	Natural Manufactured

Sl. No.	Material Issues	Risk/ Opportunity (R/O)	Rationale	Adaptation or Mitigation approach	Financial implication	SDG Alignment	Capital links
7.	Operational Efficiency and Plant Reliability	O	Operational efficiency is a critical factor in resource preservation.	• The thermal power station at Talabira is using supercritical boilers of 800 MW with lower specific fuel consumption and CO_2 emissions. • The use of green mining techniques as part of sustainable mining operations.	Positive	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	NATURAL INTELLECTUAL
8.	Water and Effluent Management	R	Suspended Solids are the main contaminant in the seepage and surface water. In addition, reuse of treated water & Ground Water recharge measures are also under taken.	• The necessary STPs/ ETPs are made available to all Units to fulfil the criteria for treated wastewater and its reuse for greenbelt development. • Rainwater collection in the grounds of NLCIL. • In the recharge area, artificial recharge using the gravity approach. • The use of injection well technology for artificial recharging.	Negative	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION 14 LIFE BELOW WATER	NATURAL INTELLECTUAL
9.	Governance	R	Being a regulated organisation, we require the highest level of compliance in every area.	• Development of ESG policy to solve important issues and guide NLCIL's progress towards sustainable development. • Provision of anti-corruption and anti-competitive conduct trainings and awareness campaigns. • Educating stakeholders about the change in regulatory standards. • Risk management under Board supervision. • Training and advice on the code of conduct for all our stakeholders.	Negative	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	SOCIAL

Sl. No.	Material Issues	Risk/ Opportunity (R/O)	Rationale	Adaptation or Mitigation approach	Financial implication	SDG Alignment	Capital links
10.	Training, Education and Development	O	We comprehend the shifting environment in terms of career advancement, compliance management and upskilling.	One of the primary activities carried out during the pandemic period was the deployment of the personnel and the provision of accessibility through digital methods.	Positive	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	HUMAN SOCIAL
11.	Climate Strategy	R	Our commercial operations are carbon-intensive in nature. Creating a climate plan is essential to us given the changing regulatory landscape and compliance requirements for carbon markets.	• Augmenting RE capacity into our portfolio. • Additionally, through our R&D team (CARD), we want to create solutions that would lower our carbon footprints.	Positive	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND	NATURAL
12.	Innovation and Digitization	O	To encourage green innovation and foster a welcoming workplace, in our opinion, persistent innovation is necessary.	Strengthening alliances and partnerships with innovative start-ups in the energy solutions and services sector using digital technologies to boost customer experience and asset performance.	Positive	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	INTELLECTUAL
13.	Sustainable Supply Chain	O	We believe a sustainable supply chain is essential to our objective of giving our customers robust electricity.	Adoption of sustainable supply chain best practices: • Capturing ESC data of suppliers on a voluntary basis • Capacity building activities for suppliers on Environment, Social and Economic fronts to produce shared value	Positive	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	INTELLECTUAL SOCIAL

Sl. No.	Material Issues	Risk/ Opportunity (R/O)	Rationale	Adaptation or Mitigation approach	Financial implication	SDG Alignment	Capital links
14.	De-commissioning of old plants	R	Some of our plants have reached the end of their useful lives. Such plants would be decommissioned.	Plant decommissioning is controlled by Ministry of Power (MoP) regulations and adhering to MoEF & CC guidelines. Ensuring public safety, environmental effect and human safety during decommissioning.	Negative	9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities	Manufactured
15.	Ethics and Integrity	O	The organisation must uphold the highest standards of ethics given that it is a Regulated Institution.	All business procedures are in line with the ethics and integrity standards since they are among the Company's basic values. • In place policies for managing complaints, processing whistle-blower requests and prohibiting commercial transactions. • Complete adherence to rules and regulations, providing an atmosphere at work devoid of corruption. • Notice boards in every office urging visitors to resist pressure and report any instances of corrupt behaviour to the Chief Vigilance Officer.	Positive	4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions	Human
16.	Biodiversity and Preservation	O	In the mined areas that have been restored, we want to preserve and enhance the biodiversity.	Ensuring biological reclamation of the mined out land. Enhancement of operational parameters to lower coal and water use. Ensuring and implementing ethical business practices in regions with significant biodiversity values.	Negative	13 Climate Action 14 Life Below Water 15 Life on Land	Natural


SDG Achievements by NLCIL
1 No Poverty
3 Good Health & Well - being
4 Quality Education
5 Gender Equality
6 Clean Water & Sanitation
7 Affordable & Clean Energy
8 Decent Work & Economic Growth
9 Industry, Innovation & Infrastructure
10 Reduced Inequalities
11 Sustainable Cities & Communities
12 Responsible Consumption & Production
13 Climate Action
14 Life Below Water
15 Life on Land
16 Peace, Justice & Strong Institutions
17 Partnerships for the Goals

SUSTAINABILITY AT NLCIL

NLCIL is committed to setting benchmark standards in the realm of **Environmental, Social and Governance (ESG)** practices, with a vision to become the leading employer that fully addresses the social, economic and environmental needs of the nation and the local communities where we operate.

As we endeavour to achieve this goal, we strive to excel in the following areas, recognizing their significance in shaping a successful and responsible organization: Social, Economic and Environmental aspects. Our commitment to ESG excellence reflects our unwavering dedication to ensuring sustainable growth, promoting social well-being and creating a better future for all.

Social Sustainability

6,24,452
CSR beneficiaries

₹ 43 Crore
CSR expenditure

4,61,176
Hours of training

0.13
LTIFR
(Lost Time
Injury Frequency Rate)

8.5%
Female permanent employees and workers

At NLCIL, we are steadfast in our commitment to upholding the reputation of being a model CPSE. As a responsible CPSE, we understand the significance of aligning our business objectives with the needs and aspirations of the society in which we operate. In our CSR initiatives, it is our goal to make a positive and lasting impact on the communities we serve and uphold our responsibility as a responsible CPSE.

Our consistent and sustained CSR programs have contributed to our economic considerations and enhanced our overall reputation. Our CSR initiatives are designed and implemented to address critical social, economic and environmental concerns. By focusing on these areas, we aim to make a meaningful and lasting impact on the communities we serve. Through our CSR programs, we strive to fulfil our obligations as a responsible corporate citizens. We invest in socio-economic development, education, healthcare, environmental conservation and community welfare. These initiatives not only contribute to the well-being of the society but also create a positive and conducive environment for our employees to thrive.

We are committed to fostering a work environment that values and prioritizes our employees in terms of their safety, professional development, fair compensation and overall health and well-being.

Environmental Sustainability

100%
Fly ash utilization

29.97 Million
Units of energy saved

1,421.06 MW
Renewable energy capacity

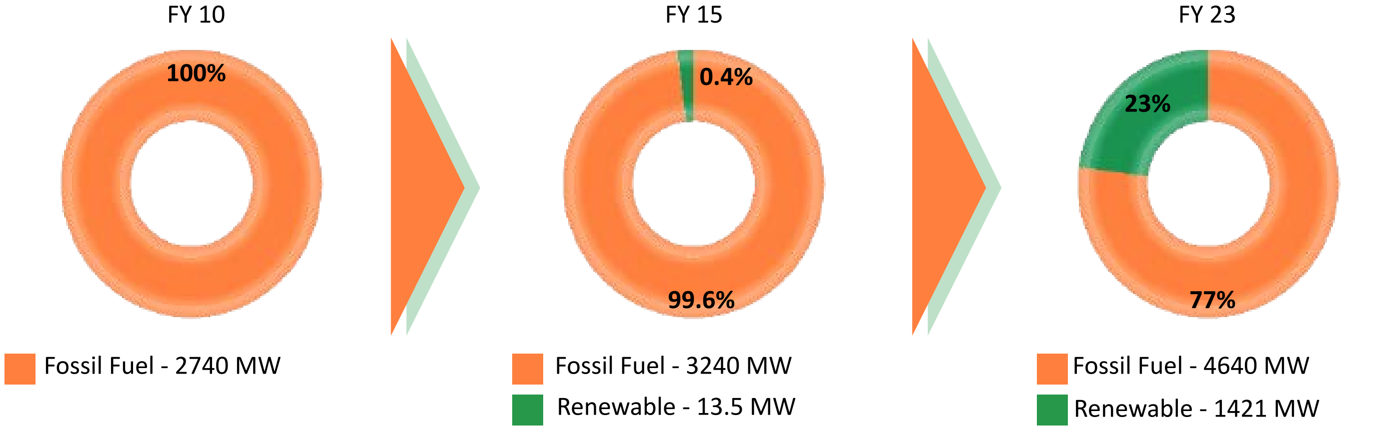
8%
Reduction in water intensity

24%
Reduction in energy intensity

25%
Reduction in emission intensity

Our commitment to environmental management extends beyond compliance with regulations. In our journey towards implementing renewable energy, we have been steadily increasing our renewable mix over the decade.

Capacity addition over the decade.



To achieve our goals, we employ a range of measures that prioritize environmental stewardship and promote clean power generation.

- Proactive implementation of robust environmental management practices to minimize pollution, preserve ecological balance and create a sustainable future.
- Reduction of carbon footprint and minimize the environmental impact of our operations through the adoption of advanced technologies and best practices.
- Active identification and implementation of innovative solutions to mitigate workplace and environmental pollution to ensure that our operations align with global environmental standards and practices.
- Embracing sustainable methods to contribute to the collective effort of preserving our planet for future generations.

Economic Sustainability

31%
Increase in Revenue

₹ 1,248.24 Crore
Profit after Tax

8.53%
Return on Net worth

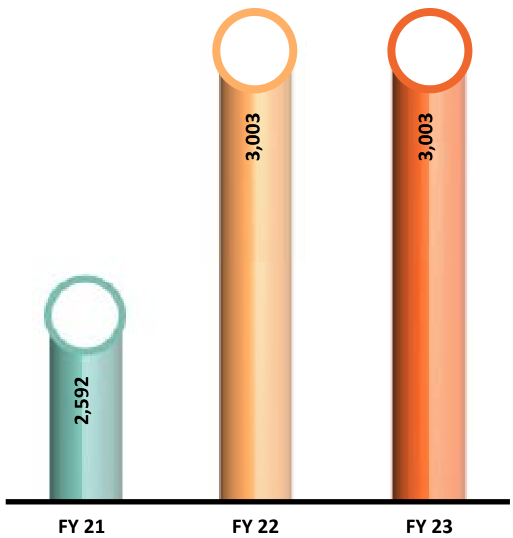
₹ 26.98 Crore
R&D Expenditure

37%
Increase in R&D expenses

NLCIL understands the pivotal role it plays in the economic development of the nation, the progress of the local community it operates in and the overall well-being of society.

- We are deeply committed to fulfilling our responsibility as a catalyst for growth and wealth creation in these areas.
- As a prominent entity, we recognize that our development is intrinsically linked to the economic prosperity of the nation.
- We actively contribute to the country's economic growth by generating employment opportunities, enabling innovation and attracting investments.
- Through our operations, we aim to create a sustainable and inclusive environment that drives overall economic progress.

Economic value retained in ₹ Crore



ESG Governance

Our journey to sustainable development is underpinned by a clear vision and a comprehensive approach. We are dedicated to implementing policies, procedures and forming committees that oversee our actions from an ESG perspective. We have developed an ESG policy based on UNGC principles to address ESG topics. The development of our ESG policy is a testament to our commitment to ethical practices, environmental stewardship and positive social impact.

We understand that sustainable development requires continuous improvement and adaptation. We actively seek opportunities to enhance our ESG practices and engage in dialogue with our stakeholders to understand their expectations and concerns. NLCIL is in the process of developing an ESG committee to address the ever-evolving needs of the society and to enhance the environment we operate in. This committee reflects our dedication to sustainability and responsible business practices. We recognize that addressing environmental and social issues, as well as maintaining robust governance practices is vital to the long-term success of our Company and the well-being of all stakeholders involved.

Environmental	Social	Governance
Environmental Management Systems	People Management	Regulatory Compliance
Climate Change Mitigation and Adaptation	Diversity and Equal Opportunity	Risk Management
Operation Stewardship	Health, Safety and Well-being	Corporate Governance
Biodiversity Management	Community Engagement	Stakeholder Engagement
Water Management	Sustainable and Responsible Procurement	External Disclosure and Reporting
Waste Management	Human Rights and Fair Labour Practices	
Renewable Energy and Operational Efficiency	Focus on Customers	

Afforestation Area, Neyveli

FINANCIAL CAPITAL

ACHIEVING SUSTAINED ECONOMIC PERFORMANCE

As a socially responsible organization, our primary objective is to grow our business while creating a sustainable future and delivering long-term value to all stakeholders. We recognize the importance of maximizing shareholder profit for financial stability and growth, while equally prioritizing the alignment of objectives with sustainability principles.

Our approach involves engaging with stakeholders, understanding their expectations and addressing their concerns. We actively seek collaborations with like-minded organizations to foster innovation and develop sustainable solutions for global challenges. Transparency and accountability are integral to our sustainability initiatives as we strive to be a responsible business, inspiring positive change within our industry and beyond. By embracing sustainable practices, we envision a future where our growth positively impacts the environment and society, creating a more prosperous and equitable world for all.

SDGs Alignment

- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Interlinkage with Capitals

- Intellectual
- Human
- Natural
- Manufacturing
- Social

Material Issues

- Investment in R&D for Sustainable Alternatives
- Resource Availability
- Compliance Management
- Land Acquisition and Rehabilitation of Displaced Population
- Risk Mapping and Disaster Management
- Leverage Reduction

FY 23 - Highlights

- Increase in Revenue - 31.4%
- Return on Net Worth - 8.5%
- Increase in Value Added per Employee - 38.2%
- Increase in Market Capitalization- 23.3%
- Increase in Current Ratio - 12.8%
- ROE - 9%

Capital inputs

- Owners Capital ₹ 14,638.86 Crore
- Capital WIP ₹ 1,011.59 Crore
- Intangible Assets ₹ 175.42 Crore
- External Debt ₹ 9,348.34 Crore

Overview

At NLCIL, our unwavering commitment to upholding the highest standards of corporate governance is complemented by our relentless pursuit of growth and excellence in performance. Our strong financial position and robust corporate reputation are a testament to the ethical and fair corporate governance system and policies we have diligently implemented. We firmly believe that responsible governance is essential to earn the trust and confidence of our valued stakeholders.

Our core focus revolves around maximizing asset utilization, sustainable development, inclusive growth and fostering prosperity while maintaining a stable balance sheet. We prioritize prompt and equitable payments to our capital providers and suppliers, forging strong and enduring partnerships that exemplify our dedication to stakeholders.

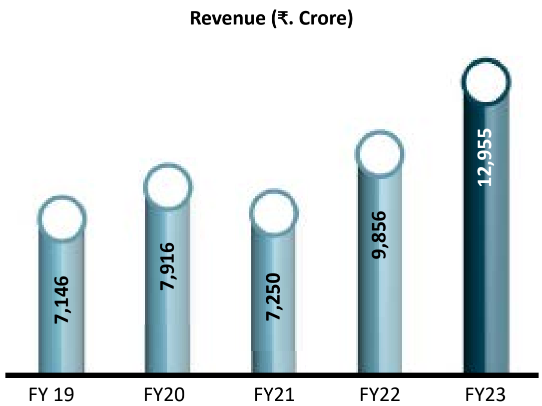
To continually enhance value for investors, shareholders and our dedicated workforce, we actively seek opportunities to expand our presence and optimize overall expenses. Embracing innovation and sustainability, we are determined to explore and invest in non-fossil fuel-related ventures, proactively mitigating climate change risks while seizing opportunities for growth through renewable energy initiatives. Through this, we actively contribute to a greener future, ensuring the well-being of the environment and society at large.

The success of NLCIL is a result of the collective efforts and unwavering commitment of our talented workforce, guided by our shared values. They play a pivotal role in driving our growth journey and making a positive impact on the communities we serve.

Moving forward, we remain steadfast in our pursuit of excellence, propelled by the principles of ethical governance and sustainable growth. Together with our stakeholders, we aspire to shape a brighter future, creating enduring value and prosperity for all, while demonstrating that environmental responsibility and business success can be mutually beneficial.

Our Financial Performance

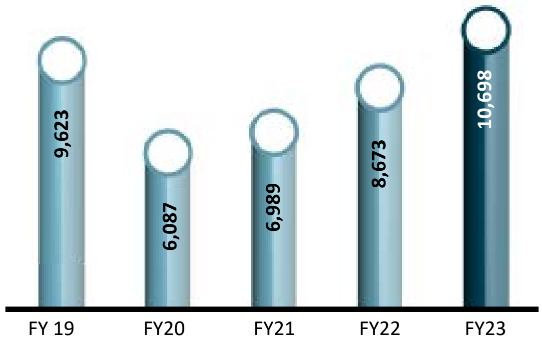
In this remarkable year, we achieved significant accomplishments, with our revenue soaring by an impressive 31% (YoY), surpassing ₹ 12,955 Crore and setting a record-breaking level. Notably, we achieved an operating margin of over 12%, showcasing our dedication to operational excellence and prudent practices.



Our commitment to enhancing shareholder wealth is evident through our robust financial performance, boasting a Return on Equity (ROE) of 8.81% and a Return on Capital Employed (ROCE) of 9.27% during the year. To reinforce our shareholders' confidence in the business, we have maintained a dividend pay-out ratio of about 35%, striking a balance between rewarding shareholders and retaining earnings for future growth.

The market capitalization of the Company witnessed an impressive 23% increase, reaching ₹ 10,698 Crore as on 31st March, 2023, reflecting the confidence that capital markets have in our Company. Furthermore, our prudent financial management has enabled us to maintain several credit ratings, elevating the visibility of our securities.

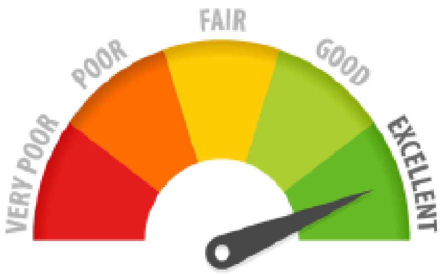
Market Capitalization (₹. Crore)



We are delighted to share that our business generated an impressive ₹6,085.74 Crore in cash, showcasing our effective financial resource management. Moreover, our dedication to enhancing liquidity is evident in the rise of our current ratio to 1.85 over the year, signifying our capacity to meet obligations promptly and efficiently.

Furthermore, we take pride in achieving a reduction in our debt equity ratio from 0.75 to 0.64. This positive trend highlights our prudent financial management practices, minimizing reliance on debt and strengthening our financial position. Armed with enhanced liquidity and increased free cash flow to support expansion initiatives, we are confidently pursuing growth opportunities.

We proudly hold the highest credit ratings (AAA/Stable) from esteemed agencies CRISIL, FITCH, ICRA, CARE, Infomerics Ratings and Acuite Ratings & Research. These ratings reflect our strong financial position, prudent management and credibility in the financial markets. With this recognition, we are well-equipped to drive growth and deliver value to our stakeholders and investors.



These financial indicators exemplify our commitment to sound financial stewardship and the relentless pursuit of sustainable value creation for our shareholders. At NLCIL, we remain dedicated to maintaining financial stability, fostering growth and delivering long-term value to our esteemed stakeholders.

In summary, this has been a year of outstanding achievements and steady growth, solidifying our position as a Company committed to delivering value to shareholders while maintaining strong financial health and market confidence.

Direct Economic Value Generated and Distributed

At NLCIL, operational excellence is deeply ingrained in our organizational ethos, driving our commitment to prudently allocate and optimize resources. Our disciplined approach to both value development and stakeholder management empowers us to create meaningful impact. Through meticulous forecasting and budgeting processes, we gain a comprehensive understanding of our capital structure, enabling informed decision-making.

By leveraging cutting-edge tools and technologies, we rigorously evaluate our financial standing, ensuring efficiency and transparency. We firmly believe that effective financial management and resource allocation hold the key to generating substantial value for a diverse spectrum of stakeholders. From the Government to esteemed customers and reliable suppliers, we prioritize stakeholder satisfaction and cultivate mutually beneficial partnerships that foster growth and prosperity along our entire value chain.

Through our strategic financial practices, we aim to achieve sustainable value creation and cultivate enduring relationships with all stakeholders. Our unwavering commitment to continuous improvement drives us to refine our resource allocation processes continually. As we strive to deliver exceptional outcomes, our primary focus is on generating shared value for our wide-ranging stakeholder base. The details of the economic value generated and distributed can be found in the table below, reflecting our efforts to deliver positive outcomes and foster sustainable growth for all stakeholders.

Sl.No	Particulars	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
A	**Direct economic value generated (₹ Crore)**					
1	Revenue	11,903	10,936	9,281	9,138	8,919
B	**Direct economic value distributed (₹ Crore)**					
2	Operating costs	5,154	3,265	2,615	2,180	2,356
3	Employee wages & benefits	2,526	2,624	2,689	2,805	2,964
4	Payments to providers of capital	1,172	1,200	1,119	1,981	1,197
5	Payments to Government	5	802	219	378	405
6	Community investments	43	41	47	76	49
A-B	**Economic value retained**	**3,003**	**3,003**	**2,592**	**1,719**	**1,947**

Our Strategic focus

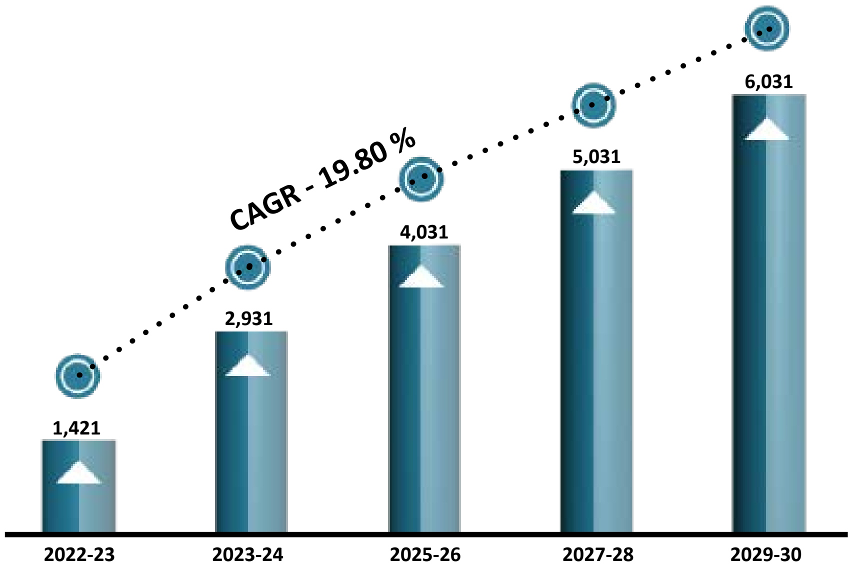
At NLCIL, we have strategically transformed our business matrix by embracing an optimal combination of thermal and renewable energy generation, bolstered by diversification into innovative ventures. Among these groundbreaking initiatives were commercial mining, the establishment of electric vehicle charging stations, green hydrogen, pumped storage hydropower projects, blending of lignite with coal and underground coal gasification. This approach has enabled us to broaden our scope, leverage opportunities in different markets and contribute to a more sustainable and balanced energy landscape.

To achieve our goals, we have implemented successful practices that will remain central to our operations. These include judicious resource consumption and operation, ensuring efficient use of resources while maintaining optimal productivity. Additionally, we emphasize capacity addition and use of the best available technologies to enhance our operational capabilities and meet growing demands effectively.

Better management of working capital remains a priority, enabling us to optimize our financial resources and ensure smooth business operations. Concurrently, we are committed to creating value for our shareholders through consistent performance and strategic decision-making.

As an integral part of our strategic vision, we are making a deliberate shift in the allocation of our capital resources. We are redirecting investments from lignite and coal operations towards businesses that prioritize cleaner solutions. This strategic reallocation reflects our steadfast commitment to sustainability and our dedication to meeting the changing demands of our valued customers. By embracing cleaner technologies and sustainable practices, we aim to create a positive impact on the environment and contribute to a greener future. This transformational journey aligns with our vision for a more sustainable and responsible business approach, enabling us to actively participate in addressing environmental challenges and providing cleaner solutions to our customers.

Renewable Power Capacity Addition (MW)



Source: NLCIL Corporate Plan 2030

Building upon an exceptional performance year, we have proactively charted out a comprehensive plan for the future. We have established ambitious financial goals to achieve by 2030, which have been integrated as key performance indicators (KPIs) for our management. This ensures alignment, accountability and confidence in our ability to drive growth and increase shareholder wealth.

Night view of Coal Based Thermal Power Plant (NTPL)

MANUFACTURED CAPITAL

CREATING ROBUST AND ENVIRONMENT - FRIENDLY INFRASTRUCTURE

Manufactured capital is an indispensable element for our enduring success, as it lends us increased adaptability, acuity to market trends and societal requirements, resourcefulness and proficiency in service delivery. It involves the physical assets, infrastructure and resources that we possess, rent, or manage as a corporate entity, offering substantial support to our production competencies and service range.

Guided by our far-reaching vision, we are steadfast in our commitment to serve our customers with multifaceted benefits. We are committed to ensure access to cost-effective power, boost our renewable energy capabilities and endorse eco-friendly agendas through sustainable methodologies. In a bid to uphold innovation, we seek to support our country's climate objectives by devising state-of-the-art solutions that are synonymous with environmental sustainability.

SDGs Alignment

Interlinkage with Capitals

Material Issues

Land Acquisition

Resource Availability

FY 23 Highlights

3640 MW
Capacity for Lignite based power generation

20 MTPA
Capacity for Coal mining

30.1 MTPA
Capacity for Lignite mining

1000 MW
Capacity for Coal based power generation

1421.06 MW
Capacity for renewable energy

30.08 BU
All time highest ever power generation

10.03 MT
All time highest ever coal production

23.53 MT
Lignite production

2.19 BU
All time highest ever green power generation

Vision for 2030 - Marching towards 17,171 MW by 2030

Mining Capacity addition (32 MTPA)

Lignite
11.5 MTPA

Coal
24 MTPA

Planned capacity reduction:
3.5 MTPA (Mine-I)

Power Generation Capacity Addition (11110 MW - Including JVs)

Lignite based power
1320 MW

Coal based power
5180 MW

Solar power
4510 MW

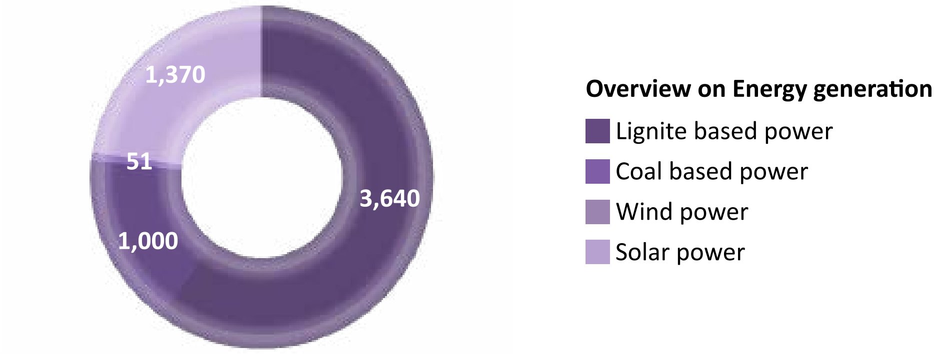
Wind power
100 MW

As a prominent leader in the mining and power sector, we wholeheartedly embrace our responsibility to support India's growth while minimizing any adverse environmental impact resulting from our operations. At NLCIL, our core commitment lies in shaping a sustainable energy future that effectively balances our environmental stewardship with society's ever-growing energy demands. We continuously strive for excellence by adopting cutting-edge technologies and actively participating in global initiatives to combat climate change. Furthermore, we are unwavering in our dedication to ensuring energy security and fostering positive outcomes for the communities where we operate.

Looking ahead, our aspirations are set high, aiming to achieve an impressive 17,171 MW of capacity by 2030, comprising Lignite, coal-based energy and renewable energy sources. Our unwavering dedication to sustainable development drives us to further elevate our renewable power production, making substantial contributions to our nation's clean energy objectives. Through unwavering determination and a commitment to responsible practices, we aim to serve as an inspiring example of industry leadership that fosters environmental sustainability and societal progress.

Overview on Energy Generation

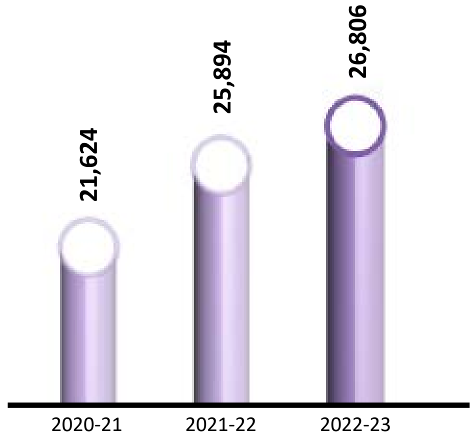
Power generation forms the core of our operations, with lignite-based thermal energy serving as our primary source. However, recognizing the importance of aligning with the government's sustainability objectives, we have made significant strides in augmenting our renewable energy capacity. Embracing the shift towards sustainability, we have not only diversified our energy portfolio but also prioritized enhancing the efficiency of our power generation assets. This concerted effort enables us to reliably supply power to our esteemed clients while simultaneously creating value for all our stakeholders.



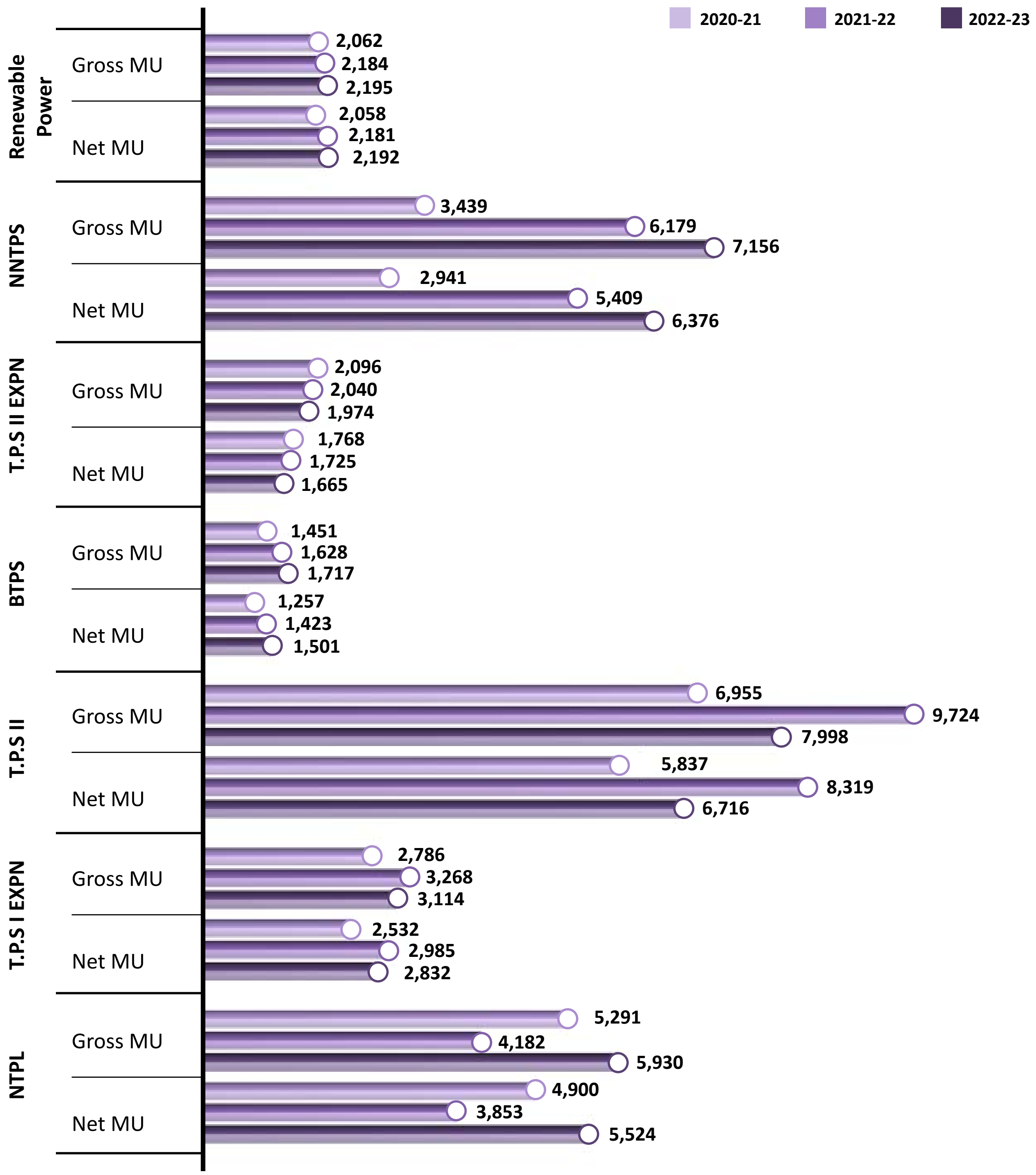
In terms of power generation on standalone basis, we operate lignite-based thermal power plants with a combined capacity of 3,640 megawatts (MW). Additionally, we are proud to contribute to the renewable energy sector with a total production capacity of 1,421 MW.

Solar Plant, Tirunelveli

Power Sales (in MU)



Energy Generated - Overall- FY 23



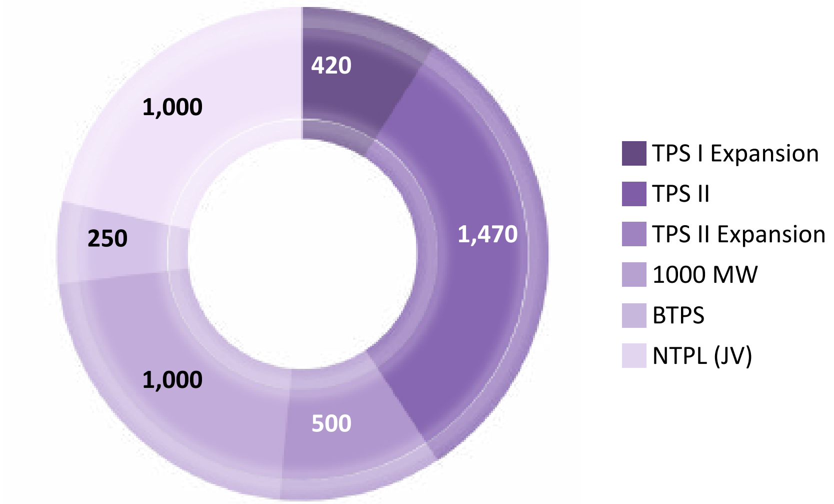
Power Trading

NLCIL engages in power trading in the Day-Ahead and Real Time Market as a part of its operations. Power trading allows NLC to efficiently distribute its generated electricity to various regions, enhance revenue and contribute to the overall stability of the power grid.

- Trading the Un-Requisitioned Surplus (URS)/Regulated power in the Day-Ahead Market (DAM) through the Power Trading Department of NLCIL since January 2019. During the year 2022-23, 48.03 MU of Power have been traded thereby fetching a revenue of ₹ 27.61 Crore.
- Trading the URS / Regulated Power in Real Time Market (RTM) through Power Trading Department of NLCIL since June 2020, to mitigate surrender of power. During the year 2022-23, 172.66 MU have been traded thereby fetching a revenue of ₹ 67.03 Crore.

Overview on Thermal Power

Through our mining operations, we are the sole provider of lignite fuel for our thermal power facilities. Our extensive expertise in the mining industry has allowed us to extract lignite sustainably, ensuring its availability for our power generation activities. This wealth of experience has been instrumental in our ability to consistently deliver reliable power to our valued clients over the years, cementing our reputation as a trusted energy provider.



We have established a formidable presence in the coal power segment through our joint venture, NTPL, which constitutes a 1,000 MW coal-based power plant. Looking ahead, our vision includes a significant expansion of coal power production, with a targeted increase of 5,180 MW by 2030. However, we are not solely reliant on coal-based generation. Recognizing the importance of diversification, we are actively working towards expanding our energy generation mix to ensure long-term competitiveness, mitigate fuel-related risks and drive the growth of sustainable electricity. Through our geographically dispersed stations, we efficiently supply electricity to a vast network of consumers across the length and breadth of India. Our detailed thermal energy statistics are mentioned below:

Sl. No	Unit	Fuel Type	Capacity	Location
1	TPS II	Lignite	1,470 MW	Neyveli Cuddalore, Tamil Nadu
2	TPS I Expansion	Lignite	420 MW	Neyveli Cuddalore, Tamil Nadu
3	NTPL (JV)	Coal	1,000 MW	Harbour Estate, Tuticorin, Tamil Nadu
4	BTPS	Lignite	250 MW	Barsingsar, Bikaner district, Rajasthan
5	NUPPL (JV)	Coal	1,980 MW (Under construction)	Ghatampur Tehsil, Kanpur Nagar district, Uttar Pradesh
6	TPS II Expansion	Lignite	500 MW	Neyveli Cuddalore, Tamil Nadu
7	NNTPP	Lignite	1,000 MW	Neyveli Cuddalore, Tamil Nadu
8	NTTPP	Coal	2,400 MW (In tendering stage)	Kumbhari & Tareikela villages in Jasuguda district & Thelkolai village in Sambalpur district
9	TPS II 2nd Expansion	Lignite	1,320 MW (At Initial Stage)	Neyveli Cuddalore, Tamil Nadu
10	NTTPP [Phase II]	Coal	800 MW (Under Formulation)	Kumbhari & Tareikela villages in Jasuguda district & Thelkolai village in Sambalpur district

Overview of Renewable Energy

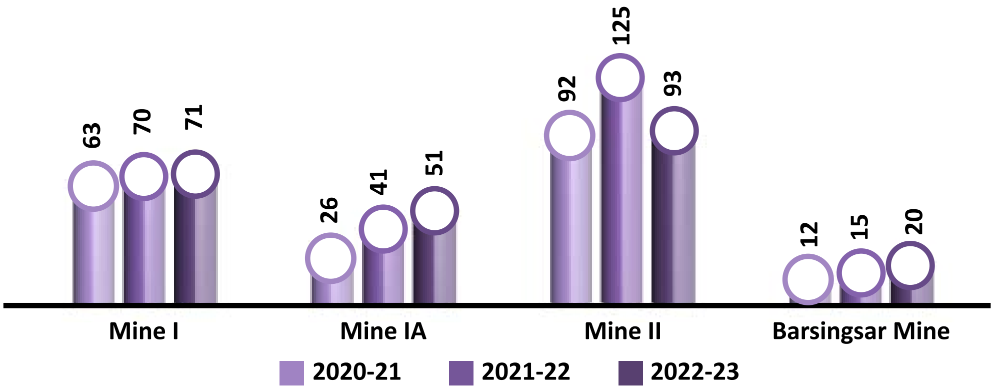
As a testament to our dedication to sustainable power generation, our primary focus lies in enhancing our renewable energy production. Our dedicated efforts in this direction have resulted in a significant increase in our overall renewable energy capacity, which currently stands at an impressive 1,421.06 MW. Within this capacity, 1,370.06 MW is derived from solar energy, while 51 MW is harnessed from wind energy sources. Looking ahead, our ambitious vision for 2030 involves elevating our renewable energy capacity from 1.42 GW to an impressive 6.03 GW. By realizing this goal, we aim to make substantial contributions towards achieving a sustainable energy future. Below table represents our renewable energy installations across the country.

Sl. No	Capacity & Unit	Location / Address
1	500 MW - Tamil Nadu	Sethupuram, Virudhunagar Thoppalakarai, Virudhunagar Saminatham, Virudhunagar Kadamangalam, Ramnad Ettankulam, Tirunelveli Chelianallur Tirunelveli
2	709 MW - Tamil Nadu	Therkupatti, Tirunelveli Puthur, Tirunelveli Onamakkulam, Tuticorin Poolangal, Virudhunagar Avathandai, Ramnad Kamuthi, Ramnad Maranthai, Tirunelveli
3	Neyveli 130 MW - Tamil Nadu	Neyveli, Cuddalore
4	Neyveli 1.06 MW - Tamil Nadu	Neyveli, Cuddalore
5	Neyveli 10 MW - Tamil Nadu	Neyveli, Cuddalore
6	20 MW - Andaman & Nicobar Islands	Andaman, Nicobar
7	Wind 51 MW - Tamil Nadu	Alangulam, Tenkasi

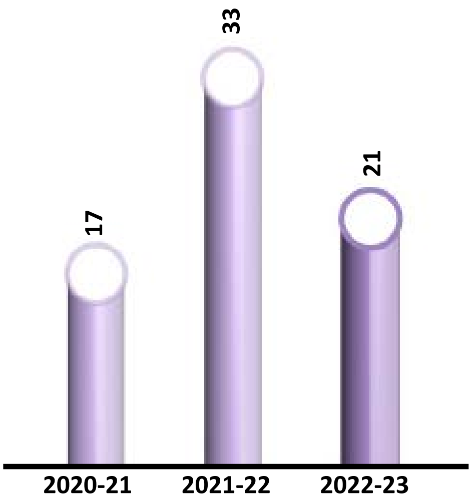
Overview on Mining

We are engaged in lignite mining, with a capacity of 30.1 million metric tonnes per annum (MTPA) and coal mining, with a capacity of 20 MTPA. Our mining operations encompass a diverse portfolio, including one open-cast coal mine, Talabira II & III and four open-cast lignite mines, namely Mine I, Mine II, Mine IA and Barsingsar Mine. The lignite extracted from these mines serve as a crucial fuel source for our interconnected pit head power plants. Additionally, small-scale enterprises procure lignite from us to power their production processes. Looking ahead to 2030, we have ambitious plans to expand this capacity by 11.5 MTPA, ensuring a sustainable and reliable energy supply. Simultaneously, we are dedicated to augmenting our coal mining capacity from the present level of 20 million tonnes per annum (MTPA) to an impressive 44 million tonnes per annum (MTPA) by 2030. These expansion plans are driven by our commitment to bolster our nation's resilience and ensure steadfast energy security.
Through our mining endeavours, we aim to contribute significantly to the continued growth and prosperity of our country while reinforcing its energy independence.

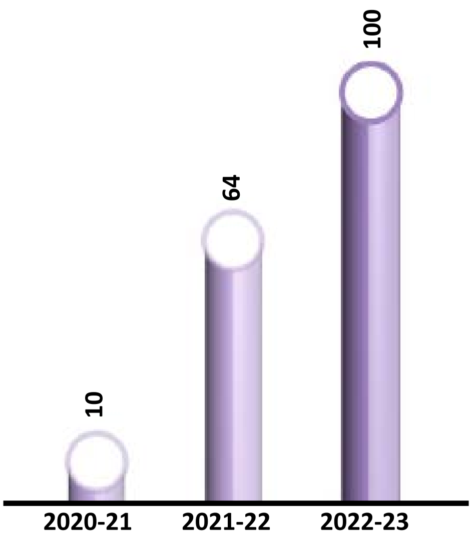
Lignite Production (in LT)



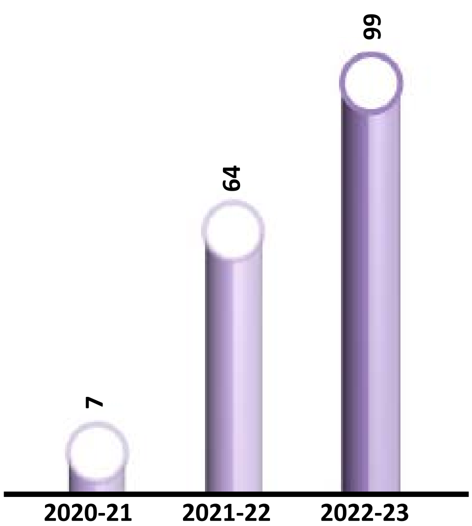
Lignite Sales (in LT)



Coal Production (in LT)



Coal Sales (in LT)



Fly Ash Management

We take immense pride in our unwavering commitment to environmental sustainability, especially in the efficient management of ash generated by our thermal units. Since 2013, we have achieved a remarkable milestone of 100% ash utilization in our thermal units, which include TPS I Expansion, TPS II, TPS II Expansion, NNTPS and BTPS.

In line with our commitment to responsible practices, we have introduced Ash Handling Manual, a visionary document that addresses the entire ash utilization process, from generation to the end product. This manual's primary objective is to maximize the productive usage of ash while fulfilling social and environmental obligations. It serves as a green initiative, protecting nature and ensuring a better environment for future generations.

Through strategic partnerships and strict adherence to MoEF&CC Fly Ash Gazette Notifications, we have successfully supplied the generated ash to various stakeholders, such as brick and cement manufacturers, low-lying areas and mine voids. By effectively channeling the ash produced, we not only minimize environmental impact but also contribute to resource conservation and promote sustainable practices.

Our accomplishments in ash utilization over the last three years are as follows in the below given table. This achievement underscores our deep-rooted commitment to responsible and eco-friendly operations, aligning with regulatory guidelines and best industry practices. We remain dedicated to further enhance our environmental stewardship for a greener and more sustainable future.

2022-23 (in MT)	TPS I Expansion	TPS II	TPS II Expansion	NNTPP	BTPS
Total Ash Generated	2,25,737.8	7,74,991.2	1,42,172	4,53,890	1,98,680
Total Dry Fly Ash Generated	1,65,956.2	3,36,742.3	1,12,150	4,07,195	1,98,680
Total Bottom Ash Generated	59,781.6	4,38,248.9	30,022	46,695	-
Total Dry Fly Ash Utilization	1,65,956.2	3,36,742.3	1,12,150	4,07,195	1,98,680
Total Bottom Ash Utilization	59,781.6	4,38,248.9	30,022	46,695	-
% Of Total Ash Utilization	100%	100%	100%	100%	100%

2021-22 (in MT)	TPS I Expansion	TPS II	TPS II Expansion	NNTPP	BTPS
Total Ash Generated	1,94,650	6,33,854	1,35,630	1,52,101	1,90,974
Total Dry Fly Ash Generated	1,70,320	5,04,113	1,11,230	1,40,970	1,59,918
Total Bottom Ash Generated	24,250	1,88,166	24,400	11,131	31,056
Total Dry Fly Ash Utilization	1,70,320	5,04,113	1,11,230	1,40,970	1,59,918
Total Bottom Ash Utilization	24,250	1,88,166	24,400	11,131	31,056
% Of Total Ash Utilization	100%	100%	100%	100%	100%

2020-21 (in MT)	TPS I Expansion	TPS II	TPS II Expansion	NNTPP	BTPS
Total Ash Generated	1,76,533	4,55,670	1,35,630	2,08,854	1,84,309
Total Dry Fly Ash Generated	1,56,445	3,91,121	1,07,600	1,97,723	35,746
Total Bottom Ash Generated	20,088	64,547	28,060	11,131	1,48,563
Total Dry Fly Ash Utilization	1,56,445	3,91,121	1,07,600	1,97,723	35,746
Total Bottom Ash Utilization	20,088	64,547	28,060	11,131	1,48.563
% Of Total Ash Utilization	100%	100%	100%	100%	100%

BTPS has been awarded with winner prize for 100% Fly ash utilization by Mission Energy Foundation on 23-04-2022

Our Ambition for 2030

As a prominent player in the sector, NLCIL is steadfast in its determination to become a key contributor to the surging energy demand, targeting an impressive power generation capacity of 17,171 MW by 2030. In line with this ambitious vision, the Company has strategically devised plans to strengthen its power generation capabilities encompassing Lignite, Coal and Renewable sources.

NLCIL's unwavering commitment to environmental sustainability propels the Company to spearhead the renewable energy revolution within the sector. This steadfast dedication is evidenced by the Company's planned expansion of renewable energy capacity, which is projected to increase from the current 1,421 MW to an impressive 6,031 MW by 2030. This substantial growth projection highlights NLCIL's resolute focus on harnessing the potential of solar and wind power, as it diligently works towards achieving a greener and more sustainable energy future.

Upcoming Projects:

NLCIL is actively involved in upcoming projects of thermal and renewable energy to effectively address the rising energy demand in the country. A key focus of these endeavours is to establish a greener and more sustainable energy infrastructure. By combining renewable energy sources with conventional thermal power generation, NLCIL is working towards building a resilient energy landscape that aligns with global environmental goals, including the Paris Agreement. These efforts exemplify NLCIL’s commitment to advancing cleaner energy solutions for a brighter and more sustainable future.

Thermal Energy:

1. The Bithnok Thermal Power Project (250 MW) with the linked Bithnok Lignite Mine (2.25 MTPA) in Rajasthan was initially planned with an estimated cost of ₹ 2,709.93 Cr. However, the project was put on hold since June 2017. However, NLCIL and the Government of Rajasthan (GoR) have agreed to jointly work on the project’s revival. The feasibility study report has been prepared and is currently under scrutiny and approval.
2. In Jharkhand, NUPPL has been allotted the Pachwara South Coal Block with a capacity of 9.0 MTPA (Normative) & 13.50 MTPA (Peak) at an estimated cost of ₹ 1,795 Cr. The development of the coal block is in progress and the Mine Developer Operator (MDO) has been appointed. The coal from this block will be used for the Ghatampur Thermal Power Project (3x660 MW) in Uttar Pradesh.
3. In Odisha, NLCIL has received in-principle approval from the Board to set up a 2,400 MW Coal-based Pit Head Power Station at Tareikela, Jharsuguda District. The project is in the development stage, wherein administrative approval has been received for land acquisition and Environmental Clearance obtained on 2nd February, 2021.
4. In Tamil Nadu, the Thermal Power Station -II Second Expansion aims to increase the power generating capacity by adding another 1,320 MW thermal power plant to the existing TPS-II at Neyveli. To support this expansion, a new mine namely Mine-III with a peak capacity of 11.5 MTPA is proposed as linked mine. The project is currently in the tendering stage for awarding the work on an EPC basis.

Renewable Energy:

1. NLCIL has established a wholly owned subsidiary named NLC India Renewables Limited (NIRL) with the aim of effectively managing the current portfolio in the field of renewable energy.
2. NLCIL successfully secured a contract by bidding under the IREDA CPSU Scheme to set up a 510 MW solar power project. The project includes a 10 MW Solar Project aimed at transforming Neyveli Township into a Mini Smart City.
3. NLCIL issued LoA on 27th March, 2023, for establishment/ development of 300 MW Solar Project at Barsingsar. Work on this project has commenced and consent from RUVNL for the purchase of 300 MW CPSU solar power was obtained on 23rd August, 2022. The power purchase agreement (PPA) signed on 17th August, 2023.
4. NLCIL participated and secured the SECI Hybrid tender for establishing/ developing a 150 MW Wind and Solar Power Project. The evaluation process for this tender is ongoing.
5. In addition to these projects, NLCIL has floated a tender for the installation of a 50 MW ground-mounted solar plant in the reclaimed area of mines. Installation of additional 300 MW in vacant land, 100 MW floating solar project and 6 MW rooftop solar projects are under consideration.
6. In 800 MW GUVNL tender, under Governments Waste Land Policy, NLCIL has successfully secured a bid for 300 MW through competitive bidding and an additional 300 MW through the Greenshoe option.
7. NLCIL and APDCL have entered into a Memorandum of Understanding (MoU) to establish a joint venture with 51:49 equity structure. This partnership aims to generate power through renewable energy source in Assam, focusing on solar, wind and hydro power projects. The joint venture will also handle the operation and maintenance of these renewable power projects. The ultimate goal is to supply power to APDCL, State DISCOMs/ Utilities and other consumers in accordance with specified agreements.

New Projects:

NLCIL has devised the following projects on pilot scale:

1. **Green Hydrogen:** In alignment with India's Green Hydrogen Mission, NLCIL is preparing to establish a pilot-scale project aimed at producing green hydrogen. This visionary initiative involves utilizing a 4 MW solar input to power the electrolyzer, showcasing NLCIL's commitment to eco-friendly energy solutions.
2. **Pumped Storage System:** NLCIL has signed an MoU with M/s WAPCOS to jointly develop hydro-power projects, pumped storage systems and reservoirs. This collaboration demonstrates NLCIL's commitment to advancing sustainable energy solutions and efficient energy storage methods.
3. **Battery Energy Storage System (BESS):** Energy storage plays a vital role in providing flexibility to the power system, enabling safe and secure integration of higher volumes of renewable energy into the grid. The BESS is designed to stabilize the electrical grid frequency and align with the Government's Renewable Energy Policy. By reducing the reliance on fossil fuels in the National Energy Grid and curbing greenhouse gas emissions, the BESS will promote the utilization of green energy.

   The Andaman and Nicobar (A&N) Administration has made a formal request to assess the viability of adding a 20 MWhr Battery Energy Storage System (BESS) alongside the existing 8 MWhr BESS. The task of initiating the procurement process will be undertaken by the Solar Energy Corporation of India (SECI) and NLCIL is set to actively participate in the forthcoming tender.

Eco Tourism Park, Neyveli

INTELLECTUAL CAPITAL

STRENGTHENING GROWTH THROUGH INNOVATION

We recognize the paramount importance of innovation in driving our growth and success. Considering Innovation as a core value, we continuously seek new and creative solutions to enhance our mining operations. We invest in research and development initiatives to explore new technologies, improve mining techniques and discover sustainable alternatives. By emphasizing our intellectual capital, we aim to create value not only for the Company but also for our stakeholders, the communities we operate in and the environment we cherish.

SDGs Alignment

Interlinkage with Capitals

Manufacturing

Finance

Natural

Policies

- Research and Development Policy
- Human Rights Policy
- Leadership and Training Policy

FY 23 - Highlights

₹ 26.98 Crore
R&D expenditure

4
Patents

5
Collaboration with Institutes/Organizations

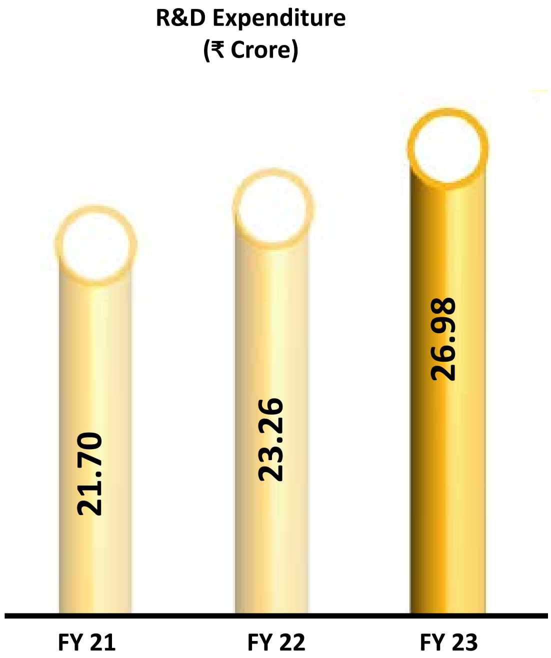
37% of R&D Investments towards environmental and social impacts

9
Active R&D Projects

Overview

To enhance our intellectual capacity, we prioritize the advancement of science and technology, leveraging our research outcomes to pursue patenting and commercialization opportunities. We actively collaborate with industry partners, research institutions and technology providers to stay at the forefront of innovation.

R&D at NLCIL



NLCIL has consistently prioritized the integration of state-of-the-art technology to enhance the security, reliability and efficiency of our power plants. Striking a delicate equilibrium between innovation, adoption and adaptation, we actively pursue cutting-edge technologies that contribute to our mission.

In line with our commitment to continuously improve the effectiveness of the power sector, we diligently address prevailing challenges while remaining vigilant in identifying and capitalizing on emerging opportunities. Recognizing the dynamic nature of the industry, we proactively invest in research and development, gradually increasing our expenditure in recent years. This approach enables us to consistently deliver sustainable solutions that benefit the nation at large.

R&D Policy

The salient features of the R&D Policy include:

- Conducting Research & Development activities aimed at enhancing production in the Mining and Power sectors by providing solutions and baseline data.
- Promoting R&D initiatives at the grassroots level within production units to identify short-term and long-term strategies.
- Developing energy-efficient and eco-friendly technologies for Mining and Thermal Power Plants to conserve natural resources through quality upgradation processes.
- Undertaking research projects focused on creating a clean environment and ensuring fuel security as part of efforts to combat climate change.
- Enhancing the R&D resources of the Center for Applied Research and Development (CARD) to meet international research standards in collaboration with international and national institutions.
- Implementing patent and commercialization activities based on R&D outcomes, wherever feasible, to enhance the reputation of NLCIL.

Centre for Applied Research & Development (CARD)

The Centre for Applied Research & Development (CARD) is NLC India Limited's in-house R&D Center, originally founded as the Central Laboratory in 1958. It gained recognition from the Department of Science & Technology in 1975 and was subsequently renamed CARD in 1983.

Major functions of CARD are as below:

- Technology Development, Patenting and Commercialization
- Carrying out Science & Technology (S&T) Research Projects
- R&D works on Lignite utilization, Diversification, Product Development, etc
- Rendering analytical services towards quality control of various products/ materials
- Environmental monitoring, Pollution level measurements, Quality Control Testing & Consultancy, Technical services.

CARD actively engages in a wide range of R&D projects, which are carefully selected based on the demands from internal units and management directives. The determination of these projects is facilitated through various means such as the evaluation of Expressions of Interest (EoI), bids received from external organizations or institutions and other relevant sources. Once the theme areas are established, the projects are undertaken and categorized as follows:

In-house projects: To explore the potential for scaling up, system enhancements and feasibility, R&D initiatives were undertaken using internal funds. The existing facility will be utilized at a reduced capacity to successfully execute these internal initiatives.

Institutional Collaboration Projects: In order to address specific challenges, collaboration initiatives were started, leveraging the resources of external research organizations. CARD actively engages in collaborations with a diverse range of organizations and prestigious institutions across India for conducting R&D projects.

External Funded Projects: External projects are undertaken with funding from the Ministries of Coal and Mines. Once the required authorization is obtained, project proposals are presented to the Ministries for approval and allocation of the necessary budget. To ensure effective oversight, a panel of external experts appointed by the Ministries is tasked with periodically monitoring the progress of the projects.

Innovation – Incubation Centre

The Government of India, through NITI Aayog, has established the Atal Innovation Mission (AIM). As part of this mission, all Central Public Sector Enterprises (CPSEs) are required to establish Incubation Centers. In line with this directive, NLCIL has taken the initiative to establish an Innovation Incubation Centre in collaboration with esteemed institutions.

To materialize this vision, NLCIL has signed Memorandums of Understanding (MoUs) and Memorandums of Agreement (MoAs) with two premier institutions, namely IISc Bangalore and Anna University Chennai. These partnerships are aimed at establishing robust Innovation and Incubation Centres. The process of setting up the Innovation Incubation Centre has been successfully completed.
In the first phase of implementation, six innovators, along with NLCIL and the respective institutions, have signed MoUs. These agreements mark the commencement of selected prototype projects that will be executed under the purview of the Innovation Incubation Centre.

- Membrane-less, Chemical free, Plug and Play, Hassle Free Water & Wastewater Treatment
- Smart IoT Controlled Cultivation of Herbal Crop
- Hydroponics Farming in the Backfilled Mines Area of NLCIL
- Development and Demonstration of Durable, Inexpensive and Scaleable Super Capacitors for Energy Storage
- Development of Eco-Friendly Geo-Polymer Ash Based Green Bricks Using Solar Heating
- Activated carbon development using lignite – HA sludge

Inauguration of Innovation - Incubation Centre

The Innovation Incubation Demonstration Hub is a facility designed to foster innovation and entrepreneurship by offering essential resources and infrastructure for start-ups and entrepreneurs to cultivate and test their ideas. This hub serves as a dedicated space where innovative projects can thrive and receive the necessary support for their development.

In conjunction with the establishment of the hub, an administrative building has been designated to serve as the central hub for administrative and operational activities.

Furthermore, as part of the program, a noteworthy prototype project titled "Development of Eco-Friendly Geo-Polymer Ash Based Green Bricks Using Solar Heating" was inaugurated by the Chairman. This project exemplifies the potential of the Innovation Incubation Demonstration Hub and its abundant resources in fostering innovation and facilitating the growth of entrepreneurship. It serves as a testament to the capabilities of the hub in promoting sustainable and forward-thinking solutions.

R&D Projects

Development of Mobile EV Based Air Quality Modelling

To monitor the environmental conditions in and around Neyveli, a manual air quality sampling system has been employed. However, in order to enhance the monitoring process, R&D initiatives have been undertaken to develop a sensor-based real-time monitoring system for Ambient Air Quality Monitoring (AAQM). Additionally, the utilization of mobile E-Vehicle for monitoring purposes is also being explored. This project is a collaborative effort with the esteemed institution IITM, Chennai. As part of the project, IITM has installed air quality monitoring equipment at 10 different locations. Moreover, IITM has successfully completed the development of sensor-based monitoring, Isopleth modelling and the integration of real-time sensors in the E-Vehicle. The project has been concluded successfully.

Use of Overburden Clay as alternate for coarse aggregate (OB to sand):

The overburden resulting from mining operations used to be discarded without any utilization, despite containing valuable sand materials. Recognizing the potential, IITM, Chennai and NLCIL have collaborated on a research project, generously funded by the Ministry of Mines, to explore the feasibility of extracting sand and clay from the overburden materials. As a part of this initiative, a small-scale pilot plant has been established at CARD.

To begin, preliminary laboratory studies and trials were conducted at the pilot plant. Subsequently, processed sand samples have been sent to IITM for testing and the analysis of these samples is currently underway. Remarkably, the extraction process has yielded a recovery rate of approximately 40% to 60% of sand from the overburden. Ongoing sampling and trials continue to further refine and optimize the extraction process.

Pilot Plant studies on Beneficiation of Iron recovered from Bottom Slag.

CARD has achieved a significant breakthrough by successfully developing a technology to separate iron from bottom slag on a pilot plant scale. Through a series of trial runs conducted using the bottom slag, it has been observed that approximately 40% of magnetic materials can be effectively separated from the slag.

In light of this initiative, a pilot plant has been installed to facilitate the enhancement of the quality of the separated iron particles. This pilot plant aims to conduct downstream studies and optimize the beneficiation process to achieve a higher Fe content, thereby improving the overall utilization and potential sales of the iron particles. The progress of these downstream studies is currently underway.

Lignite to Diesel

In collaboration with LEMAR Industries, USA, NLCIL has undertaken a feasibility study for the extraction of diesel from lignite. The firm has submitted a comprehensive feasibility report to NLCIL for the diesel extracted from lignite. According to the study, lignite exhibits promising potential for gasification and subsequent processing into diesel fuel. Remarkably, the quality of the extracted diesel has been found to be comparable to the diesel available in the market.

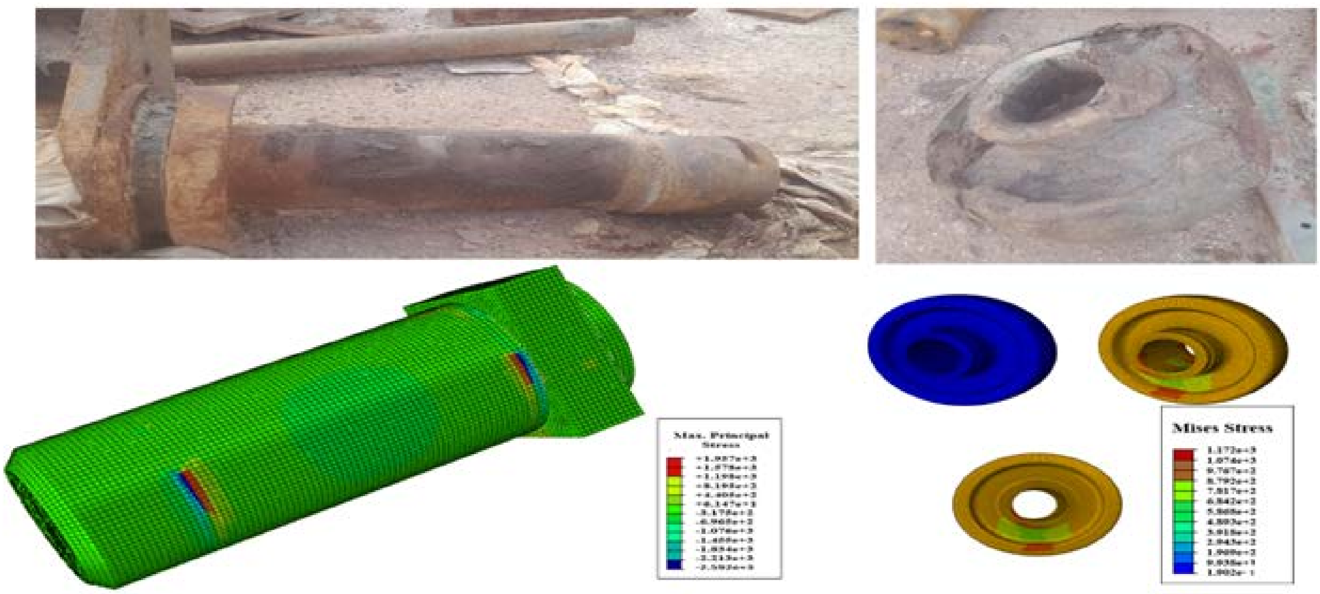
Moving ahead, the project is advancing towards the next phase, which involves initiating a pilot project. This important step will allow further testing and evaluation, enabling the exploration of viable methods for large-scale diesel extraction from lignite.

Study on Development of Hi-Tech Agriculture using Hydroponics / Aeroponics

Regular reclamation and afforestation efforts are being diligently pursued in the mine dumping yards across all three mines in Neyveli. As part of these reclamation activities, a cutting-edge agricultural system utilizing hydroponics and aeroponics techniques is being established. The primary goal of this project is to develop a hydroponic cultivation system within the reclaimed area of Mine-IA, integrated with IoT capabilities for real-time data capture and plant growth monitoring.

This pioneering project has been successfully undertaken in collaboration with the esteemed institution, IISc, Bangalore. Extensive research indicates that this innovative technique holds immense potential for generating increased revenue while efficiently utilizing limited land resources. Furthermore, it offers a viable solution for effectively repurposing waste land generated as a result of mining activities.

Prevention of Premature failures and Enhancing Life in Bottom Rollers used in Bucket Wheel Excavators



In the mining operations of NLCIL, multiple Bucket Wheel Excavators (BWEs) are utilized for the extraction of lignite and removal of overburden. The track systems of these BWEs, which rely on rollers for movement, experience significant stress and strain under heavy loading conditions. Unfortunately, this challenging working environment often leads to premature failures in the bottom rollers.

To address this issue, an extensive research and development study has been undertaken in collaboration with NIT Trichy and IISc Bangalore. The study aims to prevent premature failure of the bottom rollers in the crawler systems of BWEs and enhance their overall lifespan. Funding for this project has been provided by the Coal Science and Technology Sector.

The primary objective of the study is to conduct a comprehensive and systematic investigation into the underlying causes of failure modes in the bottom rollers. Additionally, the study seeks to assess the mechanisms of wear and corrosion through appropriate scientific studies. Currently, these essential studies are ongoing, with the aim of developing effective preventive measures and extending the operational life of the bottom rollers in BWEs.

Lignite to Syngas for Power Generation and Value-added Chemical Production

NLCIL is committed to conducting R&D studies aimed at developing innovative products by processing lignite into value-added commodities. To advance this objective, NLCIL has signed a non-binding Memorandum of Understanding (MoU) with BHEL. The purpose of this collaboration is to jointly undertake studies pertaining to the establishment of a pilot plant for lignite-to-syngas conversion, integrated with clean power generation through the deployment of Integrated Gasification Combined Cycle (IGCC) technology. Additionally, the project aims to explore the production of value-added chemicals derived from this process.

Floating Solar PV Plant at Thermal Lake, Neyveli

To fulfill the industrial water requirements, groundwater is stored in lakes located at our thermal power plants and mines. As a sustainable energy solution, we have implemented a floating solar power plant to generate electricity for operating the water pump and providing illumination. Notably, at NNTPS, we have successfully installed a 200 KW floating solar pilot project.

This innovative floating solar photovoltaic (PV) system has yielded impressive results, generating a total of 3.74 Lakh units of power. This signifies a significant contribution towards utilizing renewable energy sources and reducing our carbon footprint. The successful implementation of the floating solar pilot project demonstrates our commitment to harnessing clean energy and promoting sustainable practices.

Patents

Humic Acid Plant

1. A process to produce “Humic Gold” (A salt of Humic Acid) from lignite. (2006)
2. Lignite fly ash-based zeolites and process for synthesis thereof as scaling inhibitor in process water treatment. (2012)
3. A method to prevent synergistic action of erosion and corrosion in storm water control (SWC) pumps. (2020)
4. Fly ash-based mosquito larvicidal formulations of Bacillus thuringiensis var, israelenis (serotype H14) (2020)

Collaborations

We have collaborated with different Institutes and Organization for Innovation as under:

1. Collaboration with Anna University, Chennai and IISc Bangalore to develop the Innovation Incubation Centre as per Government of India’s Atal Innovation Mission (AIM), to promote a culture of innovation and entrepreneurship in India amongst CPSEs.
2. Collaborated with IIT Madras for:
    - Development of Mobile EV based - Real Time Air Quality Monitoring & Modelling for NLCIL
    - Use of Overburden Clay as alternate for coarse aggregate (OB to sand)
3. Collaboration with BHEL for taking of Feasibility studies on setting up a pilot plant for Lignite to Syngas integrated with clean power generation by Integrated Gasification Combined Cycle (IGCC) and production of value-added chemicals”.
4. Collaboration with NIT Trichy & IISc, Bangalore for a study to enhance the life of bottom rollers used in Bucket Wheel Excavators and prevent premature failure.

Eco Tourism Park, Neyveli

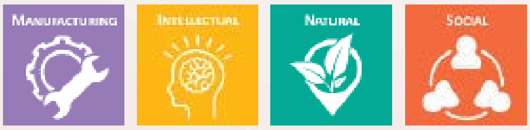
HUMAN CAPITAL

PRIORITIZING WELLNESS OF OUR PEOPLE

NLCIL firmly recognizes and embraces the profound significance of our human capital. We firmly believe that our employees are the heartbeat of the organization, acting as the driving force behind our growth and success. We foster an optimal working environment that empowers our employees to unleash their full potential. We place a high value on their well-being, growth and development, understanding that a motivated and engaged workforce leads to innovation, productivity and exceptional results.

SDGs Alignment

Interlinkage with Capitals



Material Issues

- Employee Engagement
- Diversity and Inclusion
- Learning and Development
- Health and Safety

Objectives

Building employee commitment through collaboration, empowerment and transparency	Upgrading HR Systems to support organizational goals	Fostering an enabling work environment that encourages talent and creativity	Creating an atmosphere of continual learning and competency building	Maximizing stakeholder value in harmony with business goals.	Promoting adherence to value-based culture

Policies

- Recruitment Policy
- Policy for PwD Employees
- Career Growth Policy
- Reward & Recognition Policy
- Transfer Policy
- Medical Benefit Policy
- Employee Benefit Policy
- Child Care Leave Policy
- Code of Conduct

FY 23 - Highlights

8.5% female permanent employees and workers

4,61,176 hours of training

0.13 LTIFR

Overview

At NLCIL, our relentless pursuit is to create a sustainable future, working hand in hand with a capable workforce striving to make the world a better place. We empower our workforce through comprehensive capacity-building programs aligned with Environmental, Social and Governance (ESG) principles. With a strong emphasis on integrity, performance and innovation, we develop our Human Capital to accomplish our organization's well-defined objectives. Beyond focusing solely on the Company's success, we actively look forward to contribute to India's growth and prioritize the welfare of the people in the surrounding communities of NLCIL.

We are also deeply committed to empowering women within our organization. Our implementation of robust human resource regulations, safeguarding against unethical behaviour in the workplace and fostering a safe working environment, speaks of our commitment towards empowering women employees. Furthermore, we have developed strategic initiatives to promote diversity and increase the representation of women employees at NLCIL.

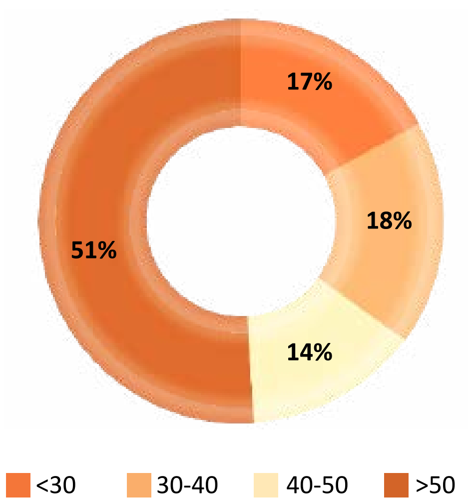
By strategically investing in our human capital, we aim to create a thriving workplace that not only drives our success but also creates a substantial impact on societal development. Together, we forge ahead, united in our vision for a brighter, more inclusive future.

Talent Acquisition

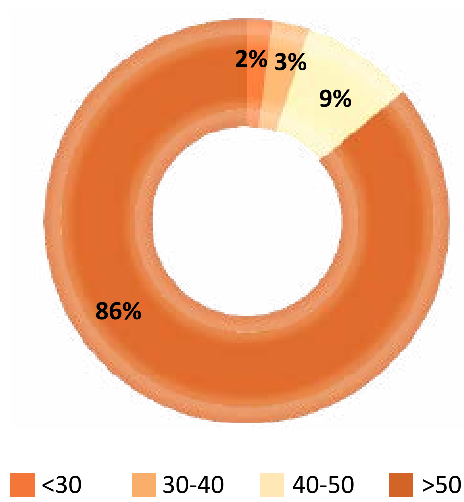
At our organization, we prioritize the development of our workforce to ensure the long-term success and stability of our company. For FY 2022-23, our Company has selected and onboarded 707 highly skilled and talented individuals, for various positions across the Group. This deliberate approach ensures that each department is equipped with the necessary expertise, fostering synergistic collaboration and overall organizational advancement. Also, our attrition rate has remained remarkably low at 1.06%. We have consistently maintained this level of attrition rate and are actively engaged in implementing strategic talent management practices to further reduce it. By adopting a strategic talent management approach, we aim to optimize the skills and potential of our employees. This involves identifying and nurturing talent, providing opportunities for growth and development and fostering a supportive environment that promotes employee satisfaction and engagement. Through our ongoing efforts, we strive to continuously improve our talent retention strategies and create an environment that fosters career advancement, personal growth and job satisfaction.

Age group-wise classification of employees and workers

Permanent Employees
(Age group - wise classification)



Permanent Workers
(Age group - wise classification)



Employee Engagement

We believe that human resource is a vital asset and plays a pivotal role in propelling our country towards the path of prosperity and sustained growth. We develop and implement human resource practices and procedures in conjunction with our employees, which are periodically shared with all of our stakeholders via our digital channels and on our official website. We encourage all our employees to have positive working relationships with their peers. Our employee grievance redressal mechanism is designed to provide a fair and impartial platform for employees to express their concerns and seek resolution. We prioritize confidentiality and ensure that employees feel safe and supported throughout the process.

Rewards and Recognition

In pursuit of excellence through our people, a Comprehensive Rewards and Recognition scheme has been formulated covering all permanent employees and workers.

Objectives	List of criteria for nomination of the awards
• To recognize all round excellence at work and Direct or indirect contributions of employees towards growth and profitability of the Company • To foster and nurture a culture of recognition encouraging talent and unleashing creativity • To build employee commitment through collaboration	• Productivity • Quality, Delivery and Savings in materials • Cost reduction • Project completion • Indigenization • Technology absorption • Design/Process improvements • Environmental protection • In-house software development • Knowledge management

To recognise excellence at work for employees and workers

To recognise overall leadership qualities

Award for members of quality circles who participate in national level competitions

For contribution to Environment or community

To recognise excellence in sports

Performance Management

We continuously analyse employee performance through our in-house Performance Management System which helps organization to sow the seed of business acumen in employees. Through our comprehensive performance appraisal system, we strive to ensure fairness, transparency and accountability. We assess each employee's performance based on clearly defined criteria and objectives, fostering a culture of meritocracy and continuous improvement. We value the unique strengths and talents of our workforce and aim to align their individual goals with our organizational objectives.

Employee Benefits

Recognizing the invaluable contribution of our employees, we provide them with a range of perks and social benefit programs. These include provision of comprehensive medical services for all employees, parental leave, post retirement assistance, educational support, among others.

- Life insurance
- Healthcare support
- Parental leave
- Retirement support
- Transportation facilities
- Housing

Healthcare and Medical Benefits

We prioritize the health and well-being of our workforce by integrating it seamlessly into our business plan, which in turn supports sustainable outcomes and enhances the overall value of our organization.

To ensure the best possible healthcare services, we have established a state-of-the-art hospital facility with 350 beds. This facility is not solely reserved for our employees but also extends its benefits to contract workers, CISF personnel and their dependents. Our hospital is equipped with advanced medical technologies and staffed by a skilled team of healthcare professionals, dedicated to providing top-quality care.

Additionally, we understand that certain cases may require specialized treatments beyond the scope of our facility. To address this, we have partnered with reputable hospitals located across the country. Through these collaborations, we ensure that our workforce has access to the finest medical services, regardless of their location.

By integrating health protection, preservation and promotion into our core vision, we emphasize the importance of the well-being of our workforce while simultaneously driving sustainable growth and maximizing organizational value.

Women Wellness Programme

1. **Cardiac Screening programme for early detection of Heart risk among women** – both women employees and spouse of male employees. The project implemented at a cost of ₹ 66.06 lakh.
2. **Women Cancer Screening Programme:** NLCIL has integrated cancer screening in its overall health care system whereby women are subjected to investigations which include ultrasound breast, ultrasound abdomen and pelvis, digital mammogram and pap smear study which are performed under the guidance of experts. The cancer screening programme successfully covered 4,789 women. The project is implemented at a cost of ₹ 1.43 Crore dedicated solely towards screening.

Parental Leave

As part of our comprehensive Employee Welfare Scheme, we prioritize the well-being of our female employees by offering maternity leave in accordance with the rules outlined in our Personnel Manual, which align with the guidelines set by the Government of India. Additionally, recognizing the importance of parental involvement, we have also introduced a paternity leave policy for our male employees.

This year, five of our female employees have availed maternity leave, allowing them to take the necessary time off for childbirth and childcare responsibilities. Similarly, we have had sixty seven male employees who have availed paternity leave, demonstrating our commitment to supporting equal participation of both parents in family matters.

Furthermore, we understand the significant role of mothers in the upbringing of their children. To provide additional support, female employees on our regular rolls are granted Child Care Leave for a maximum duration of two years (730 days) during their entire service period.

By implementing these policies and provisions, we aim to create a supportive work environment that recognizes and values the importance of family responsibilities. This reflects our commitment towards the welfare of our employees and their families.

Post Retirement Assistance

Our commitment to the welfare of our personnel extends even after their retirement. To ensure that our retiring employees receive the necessary support and information, our Learning and Development Centre organizes monthly programs that highlight the benefits of Post-Retirement Medical Assistance (PRMA) and the NLCIL Pension Schemes. Through these informative sessions, we educate our employees who are nearing their superannuation about the advantages and provisions of PRMA and our pension schemes. By doing so, we strive to equip them with the knowledge and resources they need to make informed decisions regarding their post-retirement medical needs and financial security.

By actively engaging with our retiring employees and providing them with relevant information and assistance, we demonstrate our ongoing commitment to their well-being and ensure a smooth transition into their post-retirement phase.

Educational Support

Presently, we take immense pride for operating a network of 9 schools, catering to a total strength of 4647 students. Our schools serve as a beacon of education for students hailing from peripheral villages, communities, wards of employees, contract employees, daily wage workers and individuals from economically disadvantaged backgrounds. We are dedicated to providing quality education and equal opportunities to all, regardless of their socio-economic status. By admitting students from various backgrounds, we strive to create an inclusive and nurturing environment that supports the holistic development of each child.

We are dedicated to supporting the pursuit of higher education for the wards of our employees and contract workers. Through our educational assistance program, we provide financial aid to eligible individuals undertaking undergraduate degrees, diplomas, or professional courses for a duration of up to five years. This initiative aims to empower and enable deserving students to achieve their educational aspirations.

Recognizing the importance of gender equality and empowerment, we have specifically allocated 50% of the total slots exclusively for girl children under the Contract Workmen Educational Assistance Scheme. By prioritizing their educational needs, we strive to bridge the gender gap and promote equal opportunities for all.

International Yoga Day 2023 Celebrated with Zest at Neyveli:

Hundreds of school students gathered at the iconic Bharathi Stadium on 21st June,2023 to celebrate the ancient practice of yoga. Renowned yoga instructors led the participants through a series of Asanas, Pranayama and Meditation sessions. The event, organized with meticulous attention to detail, was centered around the theme "Yoga for Vasudhaiva Kutumbakam," emphasizing the unity and interconnectedness of the global community.

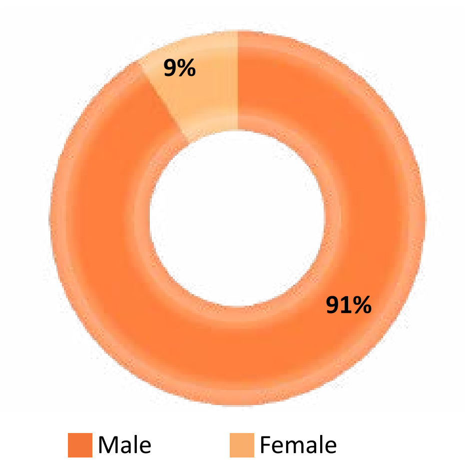
Diversity and Inclusion

We are deeply committed to upholding the principles of equality and providing equal opportunities to individuals from all sections of society. We follow the reservation policy implemented by the Government of India, ensuring fairness and inclusivity in the workforce. We foster a welcoming and inclusive workplace and firmly believe that everyone, regardless of their caste, creed, religion, or gender, should be treated with respect and given an equal chance to thrive and succeed. To actively promote and uphold these ideals of diversity, we have implemented an Inclusive HR policy that caters to the needs and aspirations of various sections of society.

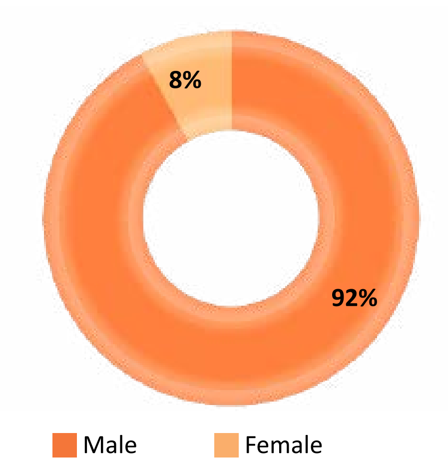
Gender Inclusivity - We are dedicated to creating a work environment that is free from gender bias and discrimination, where all employees are treated with respect, fairness and equity. We actively promote gender equality throughout NLCIL, from recruitment and career development to leadership positions, ensuring that everyone has an equal chance to contribute, grow and succeed.

Gender-wise classification of employees and workers

Permanent Employees



Permanent Workers



The strength of women employees in NLCIL as on 31st March, 2023 stood at 890 constituting 8.26% of the Company's permanent employees and workers. A Forum called Women in Public Sector (WIPS) NLCIL Chapter was formed in the year 1990 having Corporate Life Membership with SCOPE (Standing Conference of Public Enterprises)

Social Inclusivity - At NLCIL, we foster inclusivity and provide equal opportunities to all members of the society, including those from disadvantaged backgrounds. We firmly believe in empowering individuals from weaker sections of society by creating a supportive and nurturing environment. By actively promoting diversity and inclusion, we aim to contribute to the social and economic upliftment of these communities, enabling them to thrive and excel in their professional endeavours.

Specially Abled Workforce - We are dedicated to maintaining adequate representation of specially abled persons in our workforce in compliance of provisions under the Rights of Persons with Disabilities Act, 2016. We have put in place a comprehensive policy for Persons with Disabilities (PwDs) for providing certain facilities, in line with the guidelines issued by Department of Personnel and Training (DoP&T).

The strength of PwDs as on 31st March, 2023, stood at 212 numbers (53 Permanent Employees and 159 Permanent Workers). We are also implementing various social welfare measures towards the cause and upliftment of the Physically Challenged Persons through Neyveli Health Promotion and Social Welfare Society (NHPSWS), "SNEHA" Opportunity Services and School, both patronized by NLCIL.

Learning and Development

In line with the Company's Vision and Values, NLCIL is committed to nurture talent by encouraging and fostering an atmosphere of continual learning and competency building. We aid all our employees to sharpen their skill sets by using our Behavioural Competency Framework to create focused learning and development related interventions. All employees are encouraged to share their insights and develop innovative concepts to improve our production process. Our training aims to enhance the capabilities of our workforce and accomplish the organizational goals. Our training initiatives are aligned with the vision, mission, strategy and business operations. We use a methodical procedure to identify the upskilling requirements and training needs. Our "Training Management System" and employee-based training need analysis, facilitate meaningful interactions with employees and determine their training needs.

Employee Training and Development

Success with People

- Collaboration
- Enabling People & Performance
- Networking and Relationship Management
- Inspirational Leadership

Leading Execution

- Passion for Achievement
- Growth Mindset
- Leading the Change
- Planning & Decision Making
- Ensuring Execution Excellence

Leading Business

- Business Acumen
- Corporate Governance
- Vision & Strategy

Ensuring Personal Effectiveness

- Passion for Learning
- Communication

NLCIL Behavioural Competency Framework

We primarily focus on functional training programmes in our nine key training thrust areas. Employee health and safety are given top priority. Due to the high number of senior-level retirements, management development is also given top importance. The training initiatives are well-organized and in line with the objectives of the Company. In order to provide need-based learning opportunities, to upskill and reskill personnel and to simultaneously serve the needs and interests of the business, a Training Needs Assessment (TNA) is strategically carried out annually in phases.

Training Thrust Areas

- Functional Company
- Behavioural Competency
- Health and Well-being
- Safety areas
- Skill Development
- Management Development
- Quality
- Statutory areas
- CSR awareness

1323 Internal training courses

203 External training courses

The requirement of individual, group and organizational Training & Developmental needs are identified through systematic need identification process comprising of

- Focused discussion with Unit Heads & Division Heads
- Performance Appraisal System,
- Assessment & Development Centres
- Training Need Analysis (TNA) portal and
- Corporate and Business plans of the Company

Skill Development

NLCIL imparts skill development trainings to various stakeholders including Employees, Medical professionals and Project Affected Persons through its three dedicated well equipped skill development centers namely

– Learning & Development Centre (ISO certified),
– Group Vestibule Training Centre (Recognized by DGMS)
– Power Station Training Centre (Approved by CE)
– National Power Training Institute - NLC Sponsored under CSR for PAP & unemployed youth of Cuddalore district for Diploma Courses (by CEA & MoP)

Programmes for Continuing Medical Education (CME) are set up to keep our doctors updated with emerging medical practices. The essential subjects include COVID management, which will make them better prepared to manage future waves. During the latest CME, all clinicians received valuable information on how to manage a potential third wave of COVID, particularly those affecting children. There were six of these CMEs held. Continuing Nursing Education (CNE) programme was conducted for our staff nurses in two sessions, which was handled by eminent professors who spoke on the Topics related to "Active Nursing Care". Additionally, the Directorate General of Mines Safety has listed the IMC at our hospital as a Center for First Aid Training and awarding First Aid Competency Certificates.

Human Rights Training

Human rights training is a cornerstone of our commitment to fostering a respectful, inclusive and ethical workplace. Through our human rights training programs, we aim to foster a culture of diversity and inclusion, prevent discrimination and ensuring ethical business conduct. Training on human rights cover the following aspects

- Awareness programs on POSH
- Gender neutral workplace
- Gender sensitization
- Reservation policy

Health and Safety

At NLCIL, the health and safety of our employees, contractors and the communities in which we operate is of paramount importance to us. We steadfastly uphold the highest standards of safety throughout our operations. To achieve this, we have implemented comprehensive health and safety programs and continuously invest in training, equipment and technologies that support safe working practices. We actively promote a safety culture that fosters open communication, proactive hazard identification and continuous improvement. We encourage all employees and contractors to take personal responsibility for their safety and of their colleagues. Regular assessment and diligent monitoring of our operations enable us to identify risks and hazards promptly and we take immediate action to mitigate any identified threats.

Safety Highlights

2514
Employees covered in safety training

588
safety training hours

0.13
LTIFR

Safety at NLCIL

Our utmost priority is to provide our employees with a safe working environment. We diligently adhere to robust safety protocols and guidelines, ensuring that all necessary Personal Protective Equipment (PPE) is readily available and utilized by our workforce. By equipping our employees with the necessary gear, we minimize their exposure to potential hazards and mitigate risks. Mines at Neyveli (Mine I, Mine IA & Mine II) are being operated with State-of-the-Art Technology i.e., Bucket Wheel Excavators, Spreaders, Stackers and series of conveyors having inbuilt safety features. Standard Operating Procedures have been established for all activities of Mines and Thermal Plants and are strictly implemented.

To proactively manage health and safety risks, we have implemented a comprehensive Health and Safety Risk Management System. This system is regularly reviewed and updated to identify potential risks and develop appropriate mitigation plans and procedures. Risk assessment-based Safety Management Plans have been prepared as per Coal Mines Regulation 2017 for all mining activities. We understand the importance of continuous improvement in risk management and strive to stay vigilant against emerging threats. In the event that a new risk is identified concerning health and safety, we conduct thorough root cause analyses to gain a comprehensive understanding of the underlying factors. This analysis enables us to implement preventive measures that address the root causes and effectively control the identified risk. By focusing on prevention, we aim to create a proactive safety culture and maintain a safe working environment for our employees.

We ensure the health and safety of our workforce through the implementation of stringent safety policy, the provision of adequate PPE and the continuous assessment of risks through our Health and Safety Risk Management System. We strive to protect our employees from potential harm and promote a culture of safety throughout our operations.

The Central Safety Council, consisting of representatives from various units, conducts monthly inspections of predetermined units. The findings are reported to the respective Unit Head. Additionally, the Central Safety Wing performs weekly safety inspections of mines, thermal plants and other units. The inspection reports are submitted to the Unit Heads to ensure compliance and enhance safety standards.

To facilitate communication and address safety concerns, the Central Safety Wing organizes monthly Safety Officers' meetings. These meetings serve as a platform to discuss safety performance, remedial actions and other relevant topics. Furthermore, both the Mine Pit Safety Committee and the Unit Safety Committee for thermal plants hold monthly meetings to discuss safety matters specific to their respective areas.

To ensure comprehensive safety measures, yearly safety audits of all mines are conducted by the ISO Team. Accredited external agencies carry out safety audits of thermal plants once every two years. These audits serve as independent evaluations to assess and enhance safety protocols. Lastly, Annual Safety Week Celebrations are held to engage individuals and spread knowledge about safety measures.

Safety Policy

Salient features of the safety and health policy include:

- Management assumes overall accountability for ensuring safety, health and the promotion of effective risk management throughout the organization.
- Recognizing the importance of allocating separate and ample resources to continually maintain and enhance our safety and health performance. This commitment ensures the availability of necessary tools, equipment and systems in place to proactively address safety concerns and foster a secure working environment.
- Emphasizing training programs to promote safety awareness and safe work practices. Through these initiatives, we equip our employees with the knowledge and skills necessary to recognize and mitigate potential risks. By continuously reinforcing safety principles, we cultivate a culture where safety is ingrained in every task and decision.
- Conducting root cause analyses in the event of near misses, minor incidents, or major accidents. This process enables us to look at the underlying factors and identify the root causes, allowing us to implement effective corrective measures. By understanding the root causes, we can prevent similar incidents from occurring in the future, thereby continuously improving our safety performance.
- Empowering employees to take ownership of safety. We hold each individual responsible for adhering to safety rules and regulations and encourage them to actively challenge any unsafe activities they encounter. By fostering a sense of ownership and accountability, we create an environment where everyone is actively engaged in maintaining a safe workplace.

Safety Park

To address safety training requirements and promote safety awareness among our regular and contract employees, we have developed a state-of-the-art Safety Park within Thermal Power Station II. This facility serves as a dedicated space where employees can access comprehensive training and gain a deeper understanding of safety protocols. Within the Safety Park, features a display hall showcasing working models of equipment commonly found in a thermal power station. These models serve as practical demonstrations of the safety features incorporated in the equipment and the recommended standard operating procedures. For instance, visitors can observe working models such as a conveyor belt, Sky climber (a boiler furnace heating surface cleaning equipment), switch yard equipment, pulverizing mill, safety lockout and tagout system and confined space working models like the condensate tank.

A dedicated section within the Safety Park focuses on fire and chemical safety. Here, visitors can explore a working model of the plant's fire alarm system, along with demonstrations on chlorine leak detection and neutralizing scrubbers. Additionally, we provide comprehensive information on safe handling of chemicals. To address the specific safety needs of employees working at heights, we have included a vertigo test structure where mandatory tests can be conducted. Moreover, we have an array of cutting-edge safety personal protective equipment (PPE) on display, including smoke extractors, water gel blankets and self-breathing apparatus. These latest PPEs highlight our commitment to staying abreast of technological advancements and ensuring the utmost safety for our employees.

To facilitate effective safety training, our safety park accommodates a well appointed, air conditioned training hall. This well-equipped facility caters to the safety training needs of both regular and contract employees, providing them with a conducive environment for learning and skill development. Overall, our Safety Park represents our dedication to prioritizing safety in all aspects of our operations. By offering a comprehensive training facility, practical demonstrations and access to the latest safety equipment, we empower our employees to prioritize safety at all times and contribute to a secure working environment.

Cultivating Safety Together: Building a Culture of Excellence

We enthusiastically foster a culture of collaboration and participation in matters of health and safety by involving both employees and contract workers in deliberations, consultations and effective communication. Our overarching goal is to embed this participatory ethos throughout all organizational tiers and functions, achieved through the consistent implementation of routine training initiatives:

Safety Management Plan:

At NLCIL, each mine follows a meticulous Safety Management Plan (SMP) that incorporates various risk assessment tools as mandated by DGMS regulations. We fully comply with Regulation 104 of CMR 2017 by submitting SMP copies to regional authorities. Regular quarterly reviews and tailored risk-based SMPs for specific mining activities are practiced. SMPs are translated into the local language for better understanding and senior mine officials conduct surprise checks to ensure adherence, reaffirming our strong commitment to safety protocols.

Safety Talks:

We understand that safety is more than a mere practice; it's a way of life. Our Safety Pep Talks stand as a testament to our unwavering commitment to fostering a culture of care and responsibility.

These talks serve as powerful reminders that safety isn't just a protocol – it's a collective mindset that we embrace each day. Led by experienced safety experts and thought leaders, our Safety Pep Talks engage, inform and inspire. Through these discussions, we delve into the core principles of safety, explore daily work scenarios and share insights on mitigating risks. Safety Talk / Pep talk is being conducted in all the three shifts regularly before the start of work. DO's and DON'T's are properly communicated to the workers by the In-charges for Safe working environment.

Safety Mock Drills:

In order to enhance the emergency response of system and personnel, mock drills are conducted every month at different locations in the power stations, different elevations and in different scenarios. Gap Analysis is carried out after the mock drill for the required corrective action and further improvement. Emergency numbers are displayed in all prominent locations

Devices for Industrial Safety:

- **PPE:** Safety is a paramount concern at NLCIL. We ensure that every employee working in mines and thermal plants receives the appropriate Personal Protective Equipment (PPE), including both mandatory items and specialized gear for specific tasks. Strict adherence to PPE guidelines is rigorously enforced to ensure the well-being of our workforce. To maintain transparency and accountability, we maintain a comprehensive PPE issuance register that meticulously records the frequency of PPE distribution. Additionally, our commitment to quality is unwavering, as we meticulously inspect and measure all procured PPE to ensure they meet stringent quality standards before being provided to our workers. These measures exemplify our dedication to upholding safety standards and creating a secure work environment.

- **LOTO:** We uphold stringent Lock Out and Tag Out (LOTO) procedures before commencing any work. Our workers are equipped with dedicated ID cards specifically designed for LOTO purposes, which are affixed to the locks. These ID cards contain comprehensive details about the individual responsible for the lock. Upon completion of the work, the same person is accountable for unlocking and removing the tag. This rigorous LOTO protocol serves as a crucial measure in substantially minimizing the likelihood of accidents during maintenance activities, further emphasizing our steadfast dedication to upholding the highest safety standards.

Safety Training

We proactively embrace and train our employees with the best possible practices in the industry to ensure their health and safety.

- 142 Graduate Executive Trainees has been provided with safety introduction training
- In the FY 2023, we conducted 73 safety programs, covering a total of 2514 employees. Amongst these, 175 were female employees, 106 were NUS and 1629 were non - executives.

Attendees - Safety Training - FY 23
2,514
Attendees

Safety Training Hours - FY 23
588
Hours

Topics Covered in Safety Training

- Basic induction Training as per Mines Vocational Training rules 1966 (MVT Rules) is imparted to all permanent and contract workers. Refresher training is provided to existing employees and contract workers as per MVT rules 1966.
- Simulator training to operators handling SME, Crane, Dozer & Back-Hoe are given on a continual basis.
- Training on Fire safety, working at heights, gas cutting, welding operations, Electrical safety, handling gas cylinders, Explosive magazine etc., is imparted to all employees and contract workers.
- Continuous training provided for Boiler Operation, Turbine operation, LHS system in Thermal Units to enhance proficiency.
- Simulator training is given to all fresh Engineers posted in BGT operations.
- Training for executives at all levels, employees and workers is imparted by external professionals like Deputy Director, Joint Director and Additional Director from Occupational Health and Safety, Tamil Nadu and from experts in Safety fields.

Safety Performance

Safety Incident/Number	Category	FY 23 Current Financial Year	FY 22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.03
	Workers	0.13	0.07
Total recordable work-related injuries.	Employees	0	2
	Workers	8	4
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Man-hours worked	Employees and Workers	60,296,670	59,104,672

Specialized Mining Equipment - Bucket Wheel Excavator Operation in Mines


tenova

SOCIAL AND RELATIONSHIP CAPITAL

ENHANCING THE SOCIAL VALUE

At NLCIL, we are dedicated to being an integral part of society, supporting community advancement through sustainability principles. Our goal is to empower communities for future resilience and expansion. Through active stakeholder engagement, impact assessments and transparent practices, we work towards continuous improvement and positive changes in both rural and urban India. We embrace the uniqueness of each community and strive to deliver meaningful and culturally relevant interventions, fostering lasting partnerships for a more equitable and prosperous society.

SDGs Alignment

Interlinkage with Capitals

Intellectual

Human

Natural

Manufacturing

Finance

Policies

- Corporate Social Responsibility (CSR) Policy
- Corporate Communication Policy
- Customer Relationship Policy
- Stakeholders Engagement Procedure

Material Issues

- Community Engagement
- Health and Safety
- Training
- Sustainable Supply Chain

Key Performance Indicators

CSR Expenditure - ₹ 43.07 Crore

Objective

As a responsible Central Public Sector Enterprise, we maintain a strong reputation through CSR programs that contribute to economic stability, employee motivation and positive public perception. We understand the importance of advancing society, supporting our immediate communities and driving the Nation's economy. Our commitment to sustainability ensures the region's progress and prosperity, making a significant and lasting impact.

Embedding Integrity

To ensure the effective implementation of the Integrity Pact Programme, we continuously assess its impact in collaboration with stakeholders and Independent External Monitors. Our unwavering commitment to safety and quality remains paramount. We actively engage in ongoing safety-related projects, inspections and establishment of stringent rules to govern industrial safety, ensuring the well-being of our personnel and a secure working environment.

To maintain the highest quality standards in our products and services, our dedicated CARD department provides essential support. Through technical assistance, quality control testing and consultation services, we ensure that our offerings consistently meet or surpass industry benchmarks.

By fortifying our Integrity Pact Programme, prioritizing safety and quality and actively participating in regulatory processes, we continually strive to provide dependable products and services while upholding the highest standards of integrity and compliance

Customer Feedback

To foster strong customer relationships and ensure prompt resolution of disputes, our Commercial Department maintains regular communication with our customers regarding Power Sales & Accounts matters. Through meetings, correspondence and periodic reconciliation exercises, we proactively address any issues that may arise. This approach allows us to stay connected with our customers, understand their concerns and work towards mutually beneficial solutions. In addition to our customer-centric practices, we operate within a regulatory framework that closely monitors our operations. This framework ensures that all parties involved have an equal opportunity to express their views and resolve conflicts in a fair and transparent manner. We strictly adhere to the necessary regulatory procedures to ensure compliance and uphold the principles of fairness and impartiality. By actively engaging with our customers, promoting effective communication channels and operating within a robust regulatory framework, we strive to maintain positive relationships, provide excellent customer service and resolve any disputes in a timely and equitable manner.

Boosting Localization of the Supply Chain

As part of our commitment to supporting the "Make in India" initiative, we have actively prioritized domestic procurement, aiming to empower and encourage local firms to contribute to the growth of the Nation. By shifting our focus from global imports to sourcing from the local market, we have made significant strides in enhancing our domestic supply chain. In FY 2023, we achieved remarkable success by sourcing 99.97% of our total raw materials and spares usage from local suppliers. This achievement not only demonstrates our dedication to promoting local industries but also strengthens the overall ecosystem by fostering economic growth, creating employment opportunities and nurturing indigenous capabilities. Through our conscious effort to bolster domestic procurement, we have not only contributed to the "Make in India" initiative but also ensured greater self-sufficiency and resilience in our operations. By leveraging the expertise and resources available within the country, we are not only fostering a vibrant and competitive business landscape but also actively contributing to the economic progress of our Nation.

Building Relationship with Communities

Aligned with our organizational goals and policies, we prioritize community welfare and capacity building. When developing our projects, we not only focus on project planning but also place significant emphasis on rehabilitation and resettlement efforts. Our commitment extends to providing proper care and support for Project Affected Persons (PAPs), considering the assessment of displacement trauma and actively working to minimize its impact. To ensure the well-being of the community, we diligently adhere to the rehabilitation and resettlement recommendations issued by the Government of India. Moreover, we uphold the IFC Performance Standards, which serve as guidelines for our approach to community welfare and development.

We have established well-equipped resettlement centers near the project site, facilitating a smooth and seamless process for individuals affected by the project. In addition to rehabilitation support, we also offer additional legal compensation for any loss of assets experienced by the affected individuals. During the reporting financial year, we undertook significant initiatives to enhance community infrastructure, particularly road infrastructure, to benefit the local community. Furthermore, we provided skill development programs to project beneficiaries, enabling them to acquire new skills and enhance their employability. In terms of complying with legal requirements, we have meticulously followed all applicable State and Union Laws and Regulations pertaining to fair compensation, land acquisition, rehabilitation and resettlement. Our commitment to adherence of these laws ensures that our actions are aligned with legal frameworks and reflect our dedication to ethical practices. By prioritizing community welfare, engaging in responsible rehabilitation and resettlement and complying with relevant Laws and Regulations, we strive to make a positive impact on the lives of Project Affected Persons and contribute to the overall well-being of the communities we operate in.

Since our inception, we have actively engaged in ancillary development projects for the local villages, driven by our vision to become a leading mining and power Company that upholds social responsibility and contributes to National growth

Enhanced compensation awarded to Project Affected Persons (PAPs)
NLCIL and Project Affected Persons mutually agreed for increase in compensation from ₹ 23 lakh per acre to ₹ 25 lakh per acre.

CSR Committee Composition

To guide our CSR initiatives, we have established a robust CSR Policy that governs our projects, programs and activities. Our CSR programs are designed to prioritize sustainable development, foster inclusive growth and address the basic needs of the local communities. We aim to promote the socioeconomic development of the states in which we operate and contribute to the overall progress of our Nation. The CSR activities of our organization are overseen by the CSR Committee, a dedicated body within the Board of Directors of NLCIL. This committee ensures effective implementation and monitoring of our CSR initiatives. Periodically, Board of Directors of NLCIL reviews the progress of these activities and ensures that a minimum of 2% of the average net profit generated over the previous three years is allocated towards CSR endeavours.

By adhering to our CSR Policy, under the guidance of the CSR Committee, we strive to make a positive impact on the lives of local communities, drive sustainable development and contribute to the well-being and progress of the regions in which we operate.

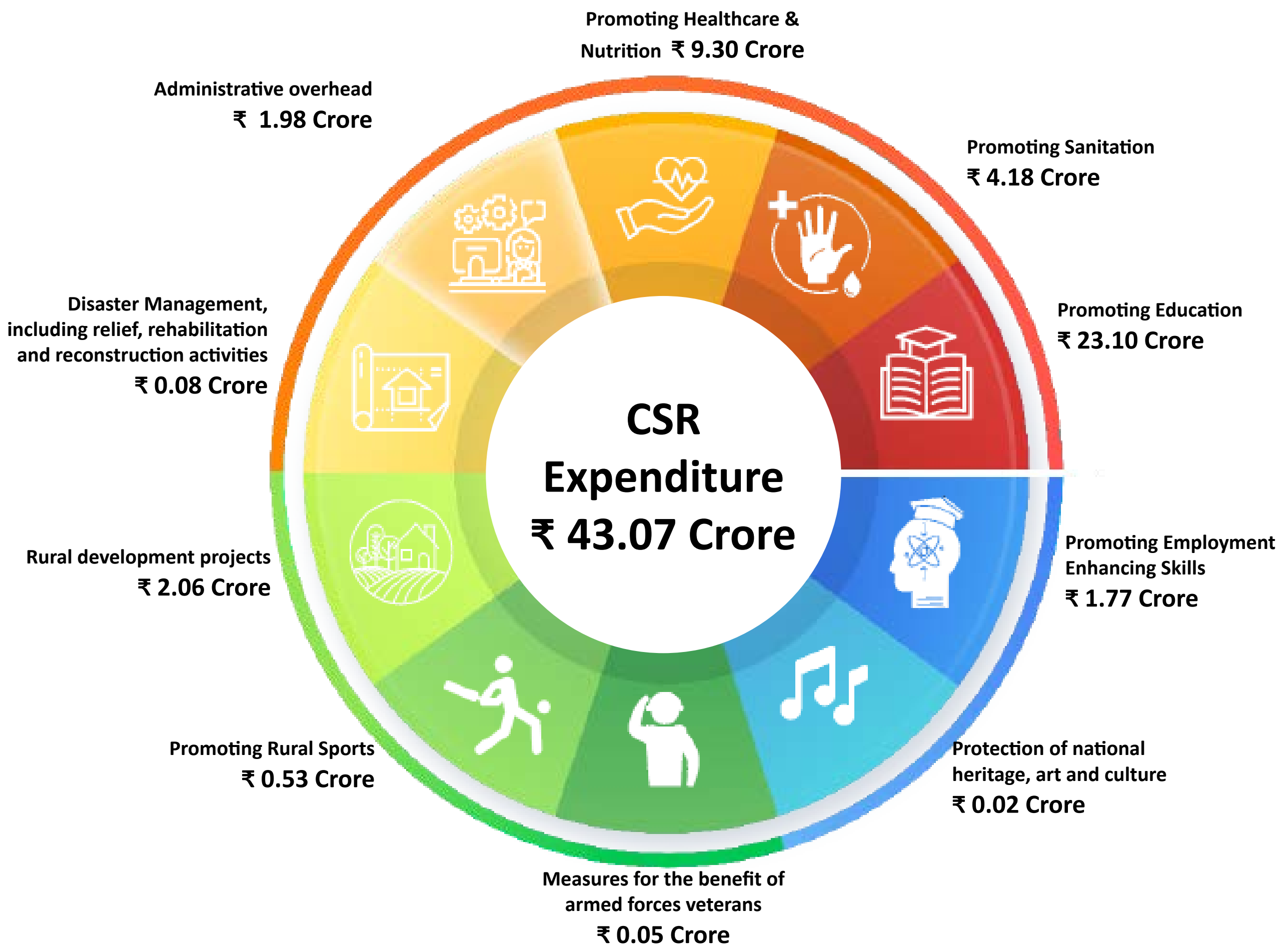
Sl. No.	Name of Directors	Designation/ Nature of Directorship	No. of meetings of the CSR committee held during tenure	No. of meetings of the CSR committee attended during tenure
1.	Prof. Nivedita Srivastava	Chairperson/ Independent Director w.e.f. 10th July, 2022	4	4
2.	Shri. Prakash Mishra	Member/ Independent Director (Chairman up to 9th July,2022)	4	4
3.	Shri. N.K. Narayanan Namboothiri	Member/Independent Director (Relinquished w.e.f. 10th July,2022)	0	0
4.	Dr. V. Muralidhar Goud	Member/Independent Director (Relinquished w.e.f. 10th July,2022)	0	0
5.	Shri. M.T. Ramesh	Member/Independent Director (Appointed w.e.f. 6th April, 2022)	4	4
6.	Dr.Suresh Chandra Suman	Member/Director (Appointed w.e.f. 10th July, 2022)	4	4
7.	Shri. Samir Swarup	Member/Director (Appointed w.e.f. 27th February, 2023)	1	1

Since beginning, NLCIL has engaged in ancillary development initiatives for the benefit of local villages nearby. NLCIL aspires to become a prominent mining and power company, with social responsiveness fostering the Nation's expansion

"We firmly believe in the sustainable approach of Profit, People and Planet. Through the Triple Bottom Line approach, we measure our impact economically, socially and environmentally. Our goal is to create a positive influence on society while safeguarding the well-being of our planet for future generations"

At NLCIL, our CSR Policy serves as the guiding framework for all our ongoing and future CSR projects, programs and activities. These initiatives are designed to prioritize inclusive growth, sustainable development and address the fundamental needs of the local communities we serve. In line with the requirements outlined in Schedule VII of the Companies Act, NLCIL's CSR activities span across various development sectors. We actively contribute to areas such as education, healthcare, environmental sustainability, skill development, rural development and other sectors identified within the ambit of the Act. This comprehensive approach ensures that our CSR efforts are aligned with the diverse needs and priorities of the communities we engage with. By adhering to our CSR Policy and leveraging the Schedule VII Guidelines, we strive to make a meaningful and lasting impact on society.

Our commitment to inclusive growth, sustainable development and addressing key societal needs underscores our dedication to Corporate Social Responsibility and our vision of creating a positive and sustainable future for all stakeholders. The main areas of focus are:



CSR Approach

Since the introduction of mandatory CSR provisions in 2014, we have significantly increased our investments in impactful CSR initiatives. In FY 2022-23, we allocated ₹ 43.07 Crore to critical areas such as healthcare, education, skill development, rural sports, women's empowerment and environmental sustainability, among others.

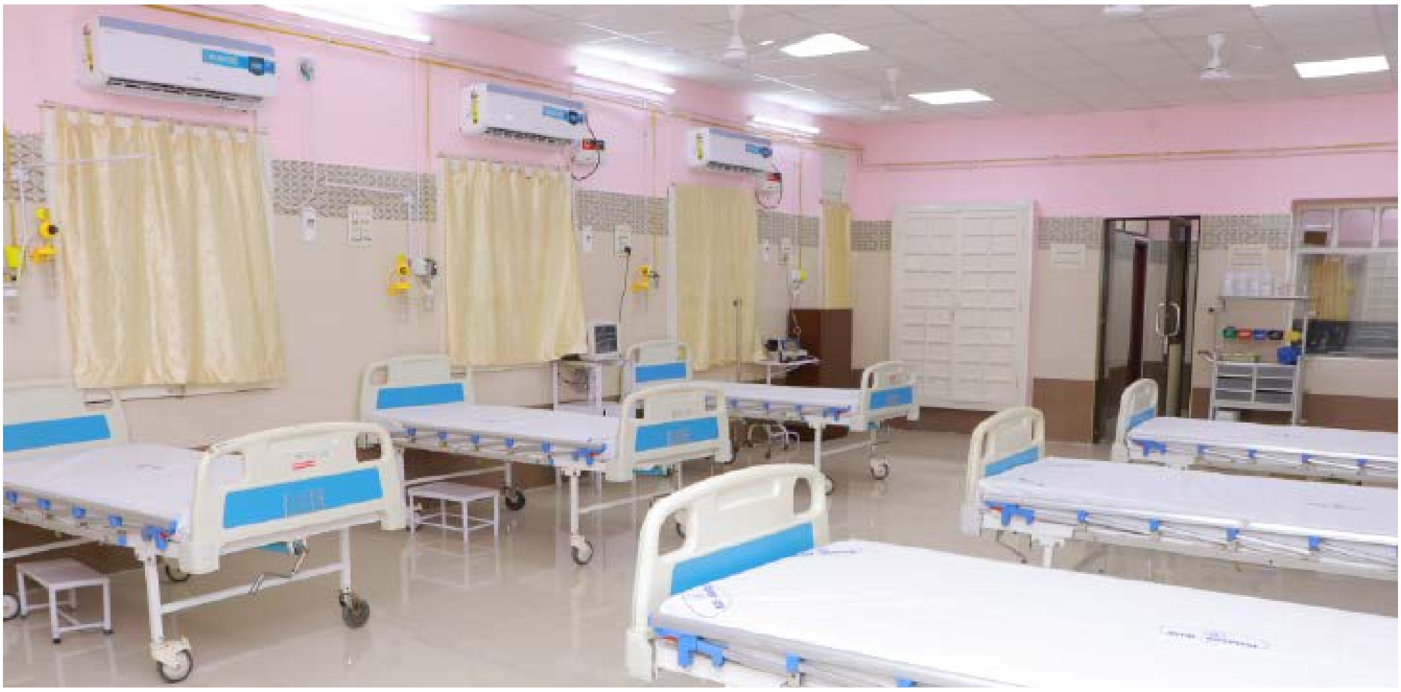
To assess the effectiveness and impact of these initiatives, we appointed IPE (Institute of Public Enterprises) to conduct evaluations targeting the developmental needs of communities in our operational areas and beyond. We employ the OECD DAC framework, a comprehensive evaluation methodology, to assess each project's relevance, efficiency, effectiveness, impact and sustainability. This ensures optimal implementation, resource utilization and alignment with objectives. We focus on measuring outcomes, examining positive changes experienced by target communities, such as socio-economic improvement and enhanced livelihood opportunities.

Our emphasis on sustainability ensures lasting transformative impact, with involvement from local stakeholders. This approach reinforces our commitment to meaningful change, transparency and accountability in our CSR practices. Through these assessments, we gain valuable insights into the achievements and outcomes of each project, further strengthening our dedication to fostering positive impact on society.

Promoting Healthcare

Inauguration of Renovated Maternity Ward:

The Maternity Block of NLCIL Hospital underwent a comprehensive renovation, by making a significant investment of ₹ 57 Lakh. The renovation encompassed a complete transformation of the building, with new flooring, modernized facilities, color washing and addition of tiles on the walls, among other improvements. The goal of this renovation was to provide a fresh and upgraded environment that ensures enhanced comfort and care for expectant mothers and their new-borns. The improved Maternity Block now stands as a testament to NLCIL's commitment to providing top-notch healthcare facilities to the community it serves.



Free Medical Camps:

During FY 2022-23, NLCIL conducted 10 medical camps in and around Neyveli. This initiative brought together specialist doctors from various departments, including Pediatrics, Gynecology, Pulmonology and Ayurveda, among others. During the camp, essential medicines and special medical equipment like wheelchairs, walkers, cross bars, tripods and hearing aids were distributed to those in need, ensuring proper care and support. The impact of the medical camp was remarkable, benefiting more than 1,145 individuals in the community. These event exemplify NLCIL's commitment to enhancing healthcare accessibility and making a positive difference in the lives of those we serve.

Inauguration of Sensory Garden for Special Children :

On the National Day of Mentally Challenged (30th December 2022), NLCIL inaugurated a sensory garden at its Opportunity school Sneha. The garden is specifically designed to stimulate the senses of intellectually challenged children, featuring textured touch pads, colorful and scented plants and sounds for enhanced learning and development. NLCIL is committed to maintaining the garden for the benefit of these special children.

Medical Education to Healthcare Professionals:

A Continuing Medical Education (CME) Program titled 'Basic Cardiac Emergency Bedside Approach' was successfully organized at the IMC Hall of NLCIL Hospital. The esteemed presenter for this session was Dr. Prof. Guru Prasad Sogunus, a highly experienced Consultant Interventional Cardiologist from Fortis Hospital, Chennai. His presentation provided valuable knowledge and practical insights on the subject matter.

Additionally, another important topic, "Management of Liver Cirrhosis" was covered during the event. Dr. Puneet Dargon, a distinguished Pulmonologist and Senior Consultant in the Department of Advanced Surgical Gastroenterology, HBP & Liver Transplant at Fortis Hospital, Chennai, delivered an enlightening lecture on this topic.

The CME program witnessed active participation, with around 50 doctors and para-medical staff attending the event. The presence of such diverse and engaged audience contributed to the success of the program, fostering a collaborative and dynamic learning environment.

By organizing such informative and insightful CME sessions regularly, NLCIL Hospital demonstrates its dedication to advancing medical education and promoting continuous learning among healthcare professionals. These initiatives play a pivotal role in enhancing the quality of patient care and keeping medical practitioners abreast of the latest developments in their respective fields.

Anti-Retroviral Treatment (ART) drugs for HIV:

NLCIL, a socially responsible CPSE, proactively procured 50,000 life-saving Anti-Retroviral Treatment (ART) drugs as part of its CSR initiative. This action was taken to provide free lifelong Anti-Retroviral Treatment (ART) drugs to 1.23 Lakh People Living with HIV (PLHIV) as a part of the National AIDS Control Program. NLCIL's quick response to the sudden crisis in ART drug procurement showcases its commitment to supporting the community during emergency situations.

Inauguration of ENT Workstation:

NLCIL recently inaugurated a State-of-the-art ENT workstation, further enhancing diagnostic capabilities for Ear, Nose and Throat conditions in the outpatient setup. Additionally, the center now boasts 12 hemodialysis machines equipped with cutting-edge technology, catering to the healthcare needs of NLCIL employees, dependents, CISF and contract workmen. In tandem with these advancements, NLCIL launched its latest Integrated Hospital Management System (IHMS). This innovative application addresses various challenges, including technology integration, data security and user accessibility, providing an efficient and effective solution to streamline hospital operations. These initiatives exemplify NLCIL's commitment to continually improving healthcare services, embracing technological advancements and ensuring the well-being of its stakeholders

International Day Against Drug Abuse (26th June, 2022) :

The Education Department of NLCIL, in collaboration with NLC India Hospital, observed the International Day against Drug Abuse and Illicit Trafficking in Neyveli. To raise awareness on drug abuse, a rally was organized, with participation of approximately 200 students. This event aimed to promote a drug-free and healthy lifestyle, reflecting NLCIL's commitment to community well-being and social responsibility.

Providing Safe Drinking Water - Vadalur

The farmers of Vadalur Panchayat approached NLCIL's land department with a representation concerning their need for adequate water supply. The existing bore wells were not yielding sufficient water, prompting them to seek assistance. This representation received endorsement from the Government of Tamil Nadu and NLCIL CSR committee recommended the redevelopment of one failed bore well and the construction of 5 new bore wells. The approved project is valued at ₹ 60 Lakh and will be carried out in a phased manner, under the oversight of the competent authority. This initiative demonstrates NLCIL's commitment to addressing the crucial water needs of the farming community and its dedication to social responsibility and sustainable development

Water Infrastructure in Anganwadis and School:

At Talabira, NLCIL has undertaken a commendable initiative to support the community's well-being. We distributed water purifiers, water coolers and desert coolers to the schools and anganwadis in the Project Affected Village of Patrapalli, Jharsuguda district, Odisha.

Through this thoughtful effort, we aim to enhance access to clean and safe drinking water for the children and residents of the village. This initiative reflects our commitment to positively impacting the lives of the communities we serve, fostering a healthier and more comfortable environment for all.

International Conference on Water Reclamation & Reuse

In January 2023, the International Water Association (IWA) and Federation of Indian Chamber of Commerce & Industry (FICCI) jointly organized the ‘13th IWA International Conference on Water Reclamation and Reuse’ with the central theme “Water Reuse: Overcoming the Challenge of Growth and Climate Change.” We are proud to share that NLCIL actively participated in the conference. Our representative took part in the panel discussion, sharing valuable insights and experiences related to the central theme. The discussion highlighted NLCIL’s commendable policy and practices in water reclamation and reuse in the community, showcasing our commitment to sustainable water management amidst challenges of growth and climate change.

Combined Water Supply Scheme for Cuddalore district:

In March 2023, NLCIL undertook another noteworthy community development initiative by executing a Memorandum of Understanding (MoU) to supply 425 Lakh litres of water per day to the Tamil Nadu Water Supply and Drainage Board (TWAD) for Cuddalore District Combined Water Supply Scheme (CWSS), benefitting a substantial population of 7.91 Lakh individuals.

This significant collaboration paves way for a long-term water supply arrangement, spanning 20 years up to 2042-43. NLCIL has committed to providing recycled mine water to the CWSS of TWAD Board, which will facilitate the distribution of safe drinking water to 6 town panchayats and 625 villages within the Cuddalore district, Tamil Nadu.

Through this MoU, NLCIL demonstrates its dedication to sustainable and impactful community development, ensuring access to a vital resource like clean water for a large population. This initiative is poised to enhance the quality of life and well-being of the communities it serves, marking a positive step towards addressing water scarcity and supporting the overall development of the region.

Promoting Education:

Inauguration of Atal Tinkering Laboratory:

NLCIL inaugurated the “Atal Tinkering Laboratory”, at Jawahar Higher Secondary School, Neyveli in July, 2022 to implement the Atal Innovation Mission. The objective of this scheme is to foster curiosity, creativity and imagination in young minds and inculcate skills such as design mind-set, computational thinking, adaptive learning and physical computing

Establishment of Knowledge Club Rural Students:

The Knowledge Club was established in NLCIL schools with the aim of preparing students for Talent Search scholarship exams, including the National Means cum Merit Scholarship Exam (NMMS), Tamil Nadu Rural Students Talent Search Exam (TRSTSE) and National Talent Search Exam (NTSE), conducted by Central and State Governments.

To assist students in cracking these competitive exams, the Knowledge Club distributed 500 sets of competitive exam books. This initiative required an expenditure of ₹ 4.72 Lakh.
By providing access to these preparatory materials, Knowledge Club aims to empower students with the knowledge and skills necessary to excel in these prestigious scholarship exams, thereby facilitating their academic and personal growth.

NLCIL Sponsors Cuddalore Book Fair

In March 2023, NLCIL sponsored an enriching and captivating book fair in the city of Cuddalore. The book fair aimed to promote and encourage a culture of reading and learning among the residents of Cuddalore and the surrounding areas. It provided a diverse collection of books, covering various genres and subjects, catering to readers of all age group and interests

NLCIL’s initiative to sponsor the Cuddalore Book Fair reflects its commitment to fostering intellectual growth and a passion for reading within the community. Such events play a vital role in nurturing a society that values education, creativity and lifelong learning

Promoting Gender Equality

NLCIL is dedicated to promoting gender equality through various impactful initiatives. In Cuddalore, we have undertaken a project to empower widowed women by distributing sewing machines, enabling them to enhance their livelihood opportunities and become self-reliant.

Moreover, we actively celebrate Women's Day, World Breast Feeding Week and organize events for Women in Public Sector (WIPS) to recognize and appreciate the invaluable contributions of women in our workforce and society. These events provide a platform for women to network, share experiences and inspire each other.

By implementing such projects and events, NLCIL reaffirms its commitment to fostering a gender-equal and diverse workplace. We believe that empowering women and promoting gender equality are essential for the overall growth and progress of our organization and the communities we serve.

Workshop on Gender Neutrality

In December 2022, NLCIL and ONGC collaboratively organized a two-day knowledge sharing workshop with the theme "Marching towards Gender Neutrality - The Way Forward." The event saw active participation from 60 attendees representing 16 prominent CPSEs of India.

This workshop provided a platform for meaningful discussions and insights on achieving gender neutrality in the workplace. It highlighted best practices and strategies to foster a diverse and inclusive work environment within the Public Sector Enterprises. The joint efforts of NLCIL and ONGC in hosting this workshop showcases their commitment to promoting gender equality and diversity, leading the way towards creating equality in workplaces in the corporate sector.

Protection of Natural Heritage, Art and Culture

On National Handloom Day (7th August, 2022), NLCIL has reaffirmed its commitment to supporting handloom weavers and artisans by actively promoting and encouraging the use of handloom products.

As a conscious step towards promoting traditional craftsmanship and preserving India's rich heritage, NLCIL has pledged to purchase and promote handloom products. Through this initiative, NLCIL aims to create awareness about the significance of handloom and its cultural value, while also advocating for sustainable and eco-friendly fashion choices. By embracing handloom products, the organization sets an example for others to follow, fostering a greater appreciation for indigenous arts and crafts and furthering the cause of preserving India's vibrant handloom tradition.

Promoting Sports

Hosting International Sport Event

NLCIL proudly partnered with the Government of Tamil Nadu, International Chess Federation (FIDE) and The All India Chess Federation (AICF) to organize the 44th Chess Olympiad held at the historic city of Mahabalipuram, Chennai. Demonstrating our commitment to the promotion of sports and intellectual pursuits, NLCIL took the esteemed role of Associate Sponsor, playing a pivotal role in supporting this grand international event.

With an unwavering dedication to fostering talent and encouraging strategic thinking, NLCIL actively contributed to the resounding success of the Chess Olympiad. As an Associate Sponsor, we ensured that the event's logistics, infrastructure and overall arrangements were executed seamlessly, providing an ideal environment for the world's finest chess players to showcase their skills and compete at the highest level.

FIT INDIA RUN 3.0

As part of the Azadi Ka Amrit Mahotsav initiative, NLCIL organized the "Fit India Freedom Run 3.0" at Neyveli township on 28th October, 2022. The event aimed to promote physical fitness and create awareness about both physical and mental health. It witnessed an impressive turnout, with more than 7,000 participants from all walks of life and various age groups enthusiastically taking part in the run.

Rural Development Projects:

Community Burial Ground

Representatives from four nearby villages (Kallukuzhi, Therkkumelur, Moolakuppam and Srvothaya Nagar) approached NLCIL for burial ground improvements. 9,000 families from 6 panchayats use this site, but face issues during cremation due to waterlogging, especially in rainy seasons. To address this, around 8,000 cubic meters of soil were properly dozed and spread across the 1.50-acre burial ground, enhancing its accessibility.

Improvement of Road Infrastructure

Odai Thandavankuppam, a neighbouring village of Mine-I and a village hamlet in Gangaikondan panchayat, faced significant challenges due to the absence of a proper approach road. The existing narrow bridge could only accommodate two-wheelers, making it impossible for the villagers to transport materials using lorries or other larger vehicles. To address this issue, the civil engineering division of Mine-I stepped in and utilized their earth-moving machinery to lay a Veeranam pipe and construct a pipe culvert in the drainage. This culvert served as the foundation for a wider approach road, which was carefully prepared. The timely implementation of this project brought immense relief and benefits to approximately 1,000 individuals comprising 200 families residing in Odai Thandavankuppam.

Case study - "Rejuvenation of Water bodies"

Lower Paravanar

NLCIL has approved the work of "Comprehensive Flood Protection Plan of Lower Paravanar river from LS 0km to 7km" for a value of ₹ 50 Crore as a Deposit Work has been carried out by the Water Resource Department, Coleroon Basin Division, Chidambaram. The period of work is 18 months. The work was commenced on 22nd February, 2023 and is under progress.

By executing this Project, the flood could be controlled over the Paravanar basin and the entire area could be irrigated. The social environmental and economic implications will improve and around 26 villages of this basin like, Baranthampattu, Kummudimulai, Boothampadi, Adoor Agaram, Kundiyamallur, Kothavacheri, Poovalai and Poovanikuppam, will be protected from flooding and damage to agricultural crops and belongings could be avoided.

Desilting of Ellappanpettai Eri

Desilting of Cholan Eri

Wind Mills, Tirunelveli


NLC
NLC

NATURAL CAPITAL

ENSURING GREENER BUSINESS OPERATIONS

At NLCIL, we place a strong emphasis on sustainable development and incorporate resource conservation mindset into every aspect of our operations. By prioritizing sustainability, we aim to meet the needs of various stakeholders, while minimizing negative impacts on the environment.

SDGs Alignment

Interlinkage with Capitals

Material Issues

- Air Emissions
- Resource Availability
- Renewable Energy
- Operational efficiency and Plant Reliability
- Water and effluent management
- Biodiversity preservation
- Climate Strategy

FY 23 Highlights

29.7 Million Units
of energy saved

8.5% decrease
in water intensity

1.95 Lakh trees
planted

Strategic Business Objectives

- Commitment to environment protection and Sustainable development practices in Operations.
- Committed to diversifying our business by venturing into the renewable energy sector.
- Committed to upholding Corporate Social Responsibility (CSR) measures that prioritize community development and rural advancement. (Ex: Water for Agriculture etc.,)

Management approach

Our Company is dedicated to implementing environmentally friendly practices in both mining and power generation. To comply with our country's COP 21 obligations, we have been diligently working towards minimizing our environmental impact. We have taken significant steps to monitor and report our environmental performance with the adoption of cutting-edge pollution control devices and introduction of clean technologies. By implementing energy efficiency initiatives, we have been able to reduce our energy intensity. Additionally, we have made efforts to save water through efficient water management practices, ensuring responsible and sustainable water usage within our operations.

By implementing waste management strategies, we strive to minimize waste generation and promote recycling and proper disposal practices, reducing the environmental impact associated with waste.

Conserving biodiversity is also a priority for us and we actively work towards preserving and protecting the diverse ecosystems in and around our facilities. To promote biodiversity, we have established a collaborative partnership with a university to conduct a comprehensive study on the presence and abundance of flora and fauna within our campus. This collaboration allows us to gain a deeper understanding of the ecological diversity in our surroundings and identify ways to protect and enhance the habitat for various plant and animal species.

Through these initiatives, we aim to achieve a more sustainable and environmentally responsible approach to our mining and power generation activities.

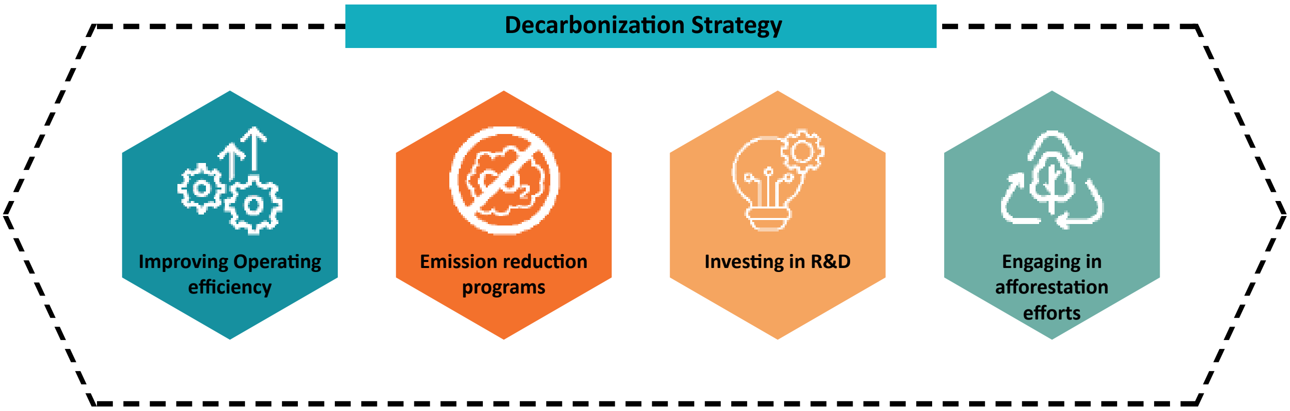
Moving forward, we are committed to developing management systems that allow us to track our progress effectively. By doing so, we can align our performance with goals and objectives that foster a positive environmental impact. Our ultimate aim is to adopt holistic and sustainable operations throughout our Company.


Aerial view of Neyveli Township

A. Emissions

GHG emissions:

As a responsible Company in the mining and power generation sector, we recognize our ethical obligation to support the nation's efforts in mitigating climate change by reducing greenhouse gas (GHG) emissions. Our unwavering commitment lies in minimizing the intensity of GHG emissions from our power generation activities. To accomplish this objective, our decarbonization strategy focusses on (i). Improving operating efficiency (ii). Undertaking emission reduction programs (iii). Investing in R&D and (iv). Engaging in afforestation efforts through CSR.

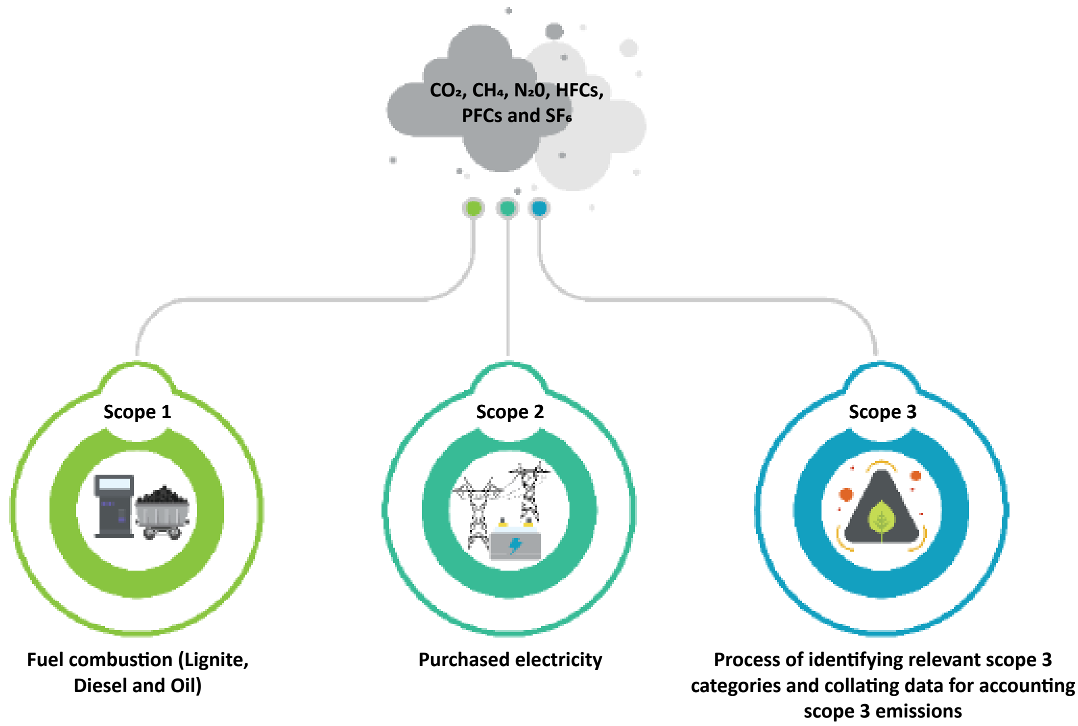


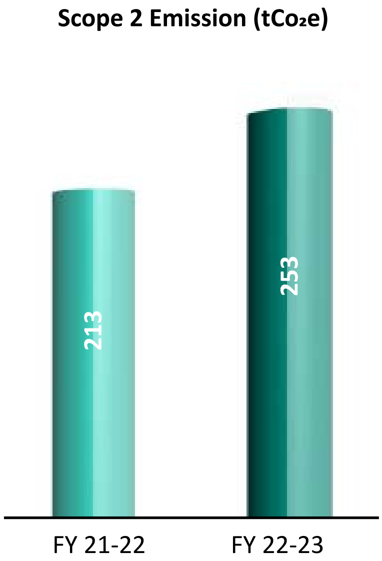
We are continuously focusing our efforts on addressing emissions across all three scopes.

Scope 1 Emissions: These emissions refer to direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization. In our case, it involves emission from fuels like lignite used for electricity generation and other fuels like oil and diesel used for auxiliary purposes.

Scope 2 Emissions: Scope 2 includes indirect emissions associated with the generation of purchased electricity, heat, or steam consumed by the organization. In our case, it involves emission from our regional offices through purchased grid electricity.

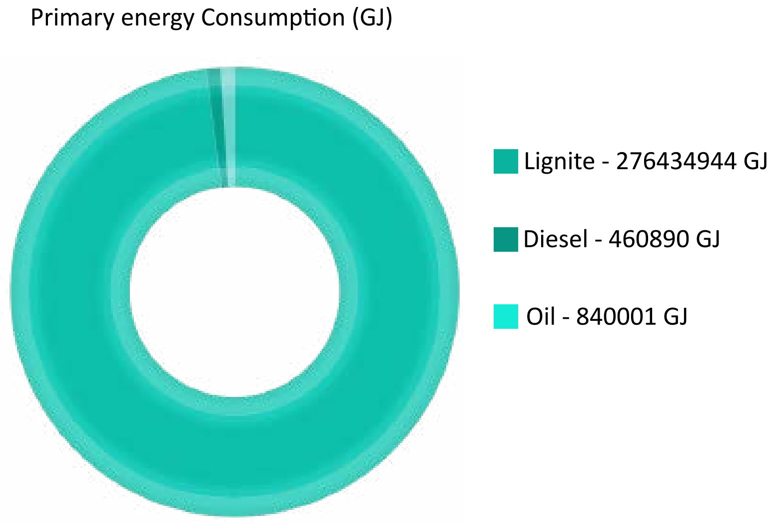
Scope 3 Emissions: Scope 3 emissions are indirect emissions that occur throughout the organization's value chain, including both upstream and downstream activities.

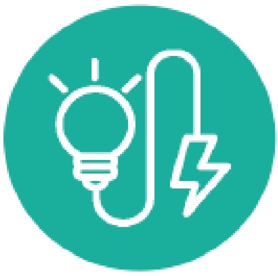




Energy Intensity:

Energy conservation holds great significance for us, as it serves two important purposes. It enables us to decrease our operating expenses and also in line with our sustainable consumption strategy that focuses on conserving our national energy reserve. In pursuit of this goal, we have implemented the energy saving initiatives and renewable energy integration as below, resulting in improved efficiency and a decrease in energy intensity.



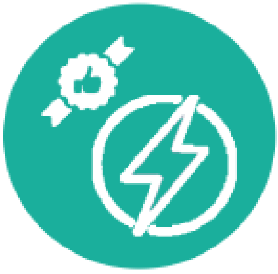


Achieved Energy Intensity (GJ/Rupee)

0.00220

Our energy efficiency initiatives:

1. During the current financial year, a total of 12,496 conventional lights were replaced with energy-saving LED lights.
2. A phased introduction of capacitor banks (12 nos.) has been implemented in motors of conveyors, special mining equipment and transformers. The purpose of introducing capacitor banks is to improve the power factor and reduce reactive power energy losses.
3. In mines, a dynamic loading system has been introduced in conveyors as an energy conservation measure. This system aims to optimize the loading process of materials onto the conveyors, reducing energy consumption and improving overall efficiency.
4. A total of 239 conventional ceiling fans were replaced with energy-efficient Bush Less DC Motor (BLDC) fans. BLDC fans are designed to provide higher energy efficiency compared to conventional fans. They utilize brushless DC motors, which are more efficient and consume less power while delivering the same or better performance.
5. Several measures have been implemented to reduce the consumption of diesel in various sectors, including surface transport, mining equipment, cranes and others. Some of these measures include Energy optimization and transition to alternate fuels. (Ex: 6 hired passenger E-Vehicles are in service in regional offices and 15 goods carrier e-vehicles are in service for solid waste management).



29.97

MU (Million Units) Saved

Green Initiatives: National Energy Conservation Day (14th December, 2022)

The day is being celebrated to raise awareness on energy conservation and take collective action against Climate Change. We encouraged our employees to demonstrate their support and they actively participated in awareness programs. Our commitment to positively impacting the world remains steadfast and we will continue to take proactive measures to address the pressing global climate issues.

Renewable Energy Integration:

The Government of India aims to attain a renewable energy capacity of 500 GW by 2030, in order to harness the advantages of the renewable energy revolution. NLCIL has an ambitious plan to achieve 6,031 MW by 2030 by establishing various renewable energy projects in Tamil Nadu and various states (subject to the techno-commercial viability) and also plans to participate in the solar parks announced by various State Governments. Presently, the Company is operating 1,370 MW of Solar Power Plants in Southern Districts of Tamil Nadu and Andaman & Nicobar Islands and 51 MW Wind Power Plant in Tirunelveli district of Tamil Nadu. NLCIL is the first Central Public Sector Enterprises (CPSE) to cross 1 GW capacity and now the Company has become a member of International Solar Alliance (ISA). A 20 MW Solar Power Plant (SPP) integrated with an 8 MWh Battery Energy Storage System has been commissioned at Andaman Island. This integration ensures the availability of ample recharging platforms and promotes the use of renewable energy sources.

- Solar Power Project at Neyveli: 141 MW
- Solar Power Project at Southern Districts of Tamil Nadu: 1209 MW
- Solar Power Project with Battery Energy Storage System at Andaman Islands: 20 MW
- Wind Power Project at Tirunelveli: 51 MW

Avoided emissions* (MT) - FY 2022-23

3945.69 MT

Note: *The avoided emissions are attributed to captive solar generation plants in Neyveli

Collaboration:

A Joint Venture (JV) Company, 'Coal Lignite Urja Vikas Private Limited' (CLUVPL) was incorporated in 2020 with Coal India Limited (equity participation in the ratio of 50:50). NLCIL plans to install number of Solar/Wind Power Projects at various parts of the Country through this JV. NLCIL has bagged an order for establishing a 150 MW Hybrid Storage Power Plants (SPP) through the tender floated by Solar Energy Corporation of India (SECI) and another order for 510 MW SPP, through the tender floated by India Renewable Energy Development Agency (IREDA). Preliminary works are in progress for both the projects.

Development of renewable projects:

It is crucial for us at NLCIL to continue our efforts in setting up large-scale renewable energy projects. This strategic move will help us diversify risks from the thermal sector. We have identified ultra-mega solar projects and solar projects on de-coaled mines as priority areas. To address intermittency issues and achieve consistent tariffs, we are considering the option of scheduling renewable power with thermal power for our ultra-mega solar projects. With the implementation of these proposed projects, our total renewable capacity is projected to reach 6,031 MW by 2030. We are fortunate to benefit from the geographical advantage as most of our projects are planned in Tamil Nadu, which is currently experiencing robust industrial growth.

First CPSE to establish 1GW+ renewable energy in India

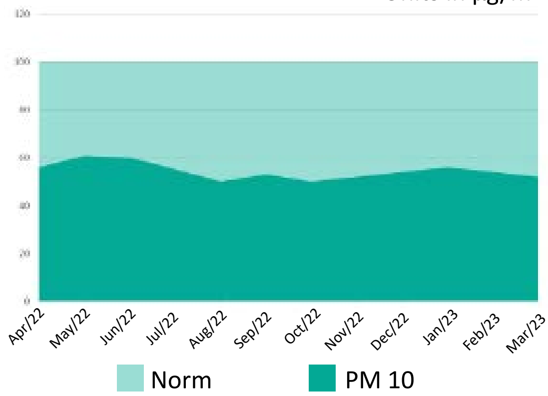
As part of NLCIL diversifying strategy from a fossil fuel mining and a thermal energy producer into a green energy Company, proud to have achieved the milestone of being the first CPSE to establish 1GW+ renewable energy plants throughout the country.

Air Emissions:

We have made consistent efforts to reduce our air emissions through state-of-the-art technologies and monitoring systems. The main sources of emission pollutants are Particulate Matter (2.5 & 10), SOx, NOx emitted from processes like excavation activity, drilling activity, transportation of lignite/coal, storage yard & haul roads, stack emissions, ash handling and fly ash transportation. We have implemented real-time monitoring systems in all operational units to track the emissions of Particulate Matter (PM 2.5 & 10), Sulphur Dioxide (SO_2) and Nitrogen Oxides (NOx) in flue gases. Additionally, periodic checks are conducted by State Pollution Control Board (SPCB) to check the Ambient Air Quality through National Accreditation Board for Testing and Calibration Laboratories (NABL).

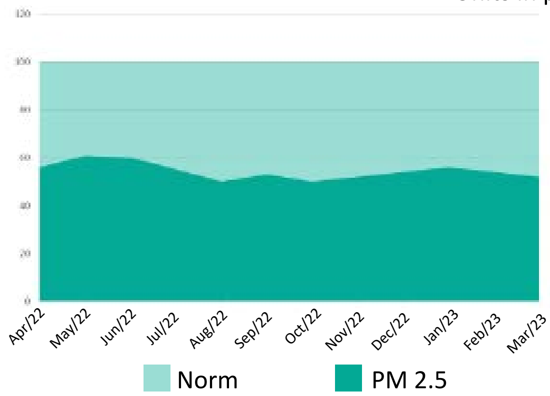
Particulate Matter (PM 10)

*Units in µg/m³



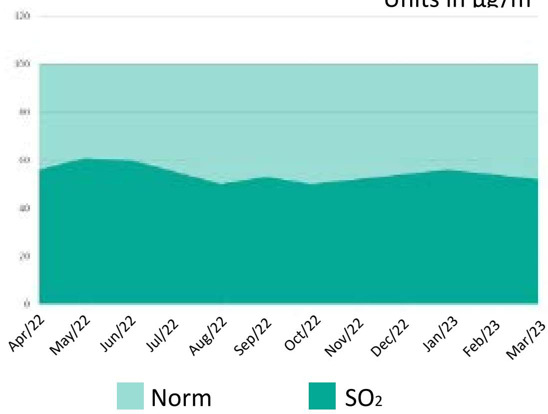
Particulate Matter (PM 2.5)

*Units in µg/m³



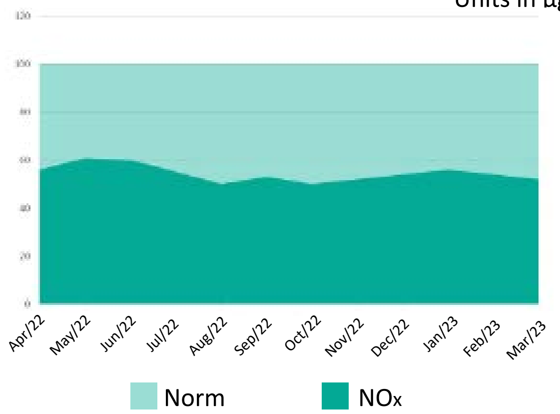
Sulphur di-oxides (SO_2)

*Units in µg/m³



Oxides of Nitrogen (NOx)

*Units in µg/m³



To ensure compliance with the Ambient Air Quality norms prescribed by the National Ambient Air Quality Standards (NAAQS), 2009, as well as the coal mining standards outlined in Notification No. GSR 742(E), Dt: 25th September, 2000, the industrial premises in the surrounding areas have implemented several control measures. These measures aim to minimize dust and pollutant emissions and improve air quality. Here are the various control measures being adopted:

Installation of Water Sprinkler/Fog Systems: Water sprinkler and fog systems are installed in strategic locations to suppress dust emissions. These systems release a fine mist of water that helps settle dust particles, preventing their dispersion into the air.

Haul Road Water Sprinklers: Water sprinklers are used on haul roads to minimize dust generation from the movement of vehicles. By wetting the roads, the spread of dust is reduced, contributing to improved air quality.

Vehicular Water Spraying/Pressurized Mobile Water Sprinkling System for Roads Inside the Mines: Vehicles operating within the mining area are equipped with pressurized water spraying systems to suppress dust emissions. This measure helps control dust generation and keeps the air quality within permissible limits

Conveyor Water Spraying: Water spraying systems are employed along conveyor belts to suppress dust emissions. This helps minimize the release of airborne particles and maintain air quality standards.

Working Face Water Spray Pipelines: Water spray pipelines are installed at the working face of the mine to prevent dust generation during excavation and loading activities. These pipelines help control dust at the source, reducing its dispersion into the surrounding air.

Fixed Water Sprinkler Guns in Bunker Area: Fixed water sprinkler guns are installed in the bunker area where coal is stored. These sprinklers wet the coal piles, minimizing dust emissions and maintaining air quality standards.

Fog Cannon Dust Suppression System in Coal Stock Yard: Fog cannon dust suppression systems are deployed in the coal stock yard. These systems release a fine mist of water droplets over a wide area, effectively suppressing dust emissions and improving air quality.

Wet Drilling: The practice of wet drilling is implemented, which involves using water during the drilling process to suppress dust emissions. This helps in minimizing air pollution and maintaining a healthier work environment.

Electrically Operated Belt Conveyor System: This system reduces pollution load and carbon footprint by eliminating the need for diesel-powered vehicles, which results in lower emissions and improved energy efficiency.

Electrically Operated Bucket Wheel Excavators (BWE): The adoption of electrically operated BWEs further reduces the carbon load associated with mining activities. These machines are powered by electricity instead of traditional diesel engines, resulting in lower emissions and a cleaner operation.

Transition to Circulating Fluidized Bed Combustion (CFBC) Boilers: New and expanded thermal power plants at Neyveli and Barsingsar have transitioned from pulverized fuel burning to CFBC boilers. CFBC boilers offer higher thermal efficiency and lower emissions of CO_2, SO_2 and NOx, thereby reducing the environmental impact of power generation.

Implementation of Super Critical Boilers: New coal-based power projects at Ghatampur in Uttar Pradesh are implementing supercritical boilers with a capacity of 660 MW. These boilers have less specific fuel consumption and CO_2 emissions, resulting in improved efficiency and reduced carbon footprint.

Electric Vehicles for Public Movement: NLCIL has provided electric vehicles for public movement in hospital areas, temples, locations around NLCIL and within the NLCIL campus. This initiative promotes the use of clean energy and reduces emissions from conventional vehicles.

Dust Suppression and Fugitive Emission Control: Dust suppression techniques are implemented through the development of green belts in bunker areas and around mining sites. Air Pollution Control (APC) techniques such as Agglomerated Dust Suppression System (ADSS), water jets and water sprinkler systems are utilized to manage fugitive emissions effectively.

Electrostatic Precipitators (ESPs) and Flue Gas Desulfurization (FGD): ESPs operating at an efficiency of greater than 99 percent are installed in all power plants to remove ash particles from the exhaust flue gas. Additionally, the implementation of Flue Gas Desulfurization (FGD) is underway to comply with the revised emission norms set by the Ministry of Environment, Forest and Climate Change (MoEF&CC).

By implementing these control measures, the industrial premises aim to mitigate dust emissions and ensure compliance with the prescribed air quality standards. These measures help minimize the impact of coal mining activities on the surrounding environment and contribute to maintaining a healthier atmosphere for the workers and nearby communities. These measures collectively contribute to reducing pollution, improving energy efficiency and minimizing the carbon footprint, aligning with the goal of sustainable development and environmental conservation.

B. Water and effluent management

We are committed to the responsible and sustainable management of water resources in our operations. Through ongoing improvements, efficient water usage and the implementation of advanced water treatment technologies, we strive to minimize our environmental impact and ensure the long-term availability of this precious resource.

As a responsible user of water resources, we recognize its critical importance to our business operations. We take necessary measures to conserve water and minimize our impact on water sources. In the lignite mines of Neyveli, the presence of aquifer water under confined conditions necessitates systematic depressurization through optimal pumping to ensure safe mining operations. The majority of the pumped-out water from the mines is utilized in the Thermal Power Station, while the seepage water is directed towards nearby villages for agricultural and domestic purposes. Additionally, the seepage water is employed for dust suppression within the mines.

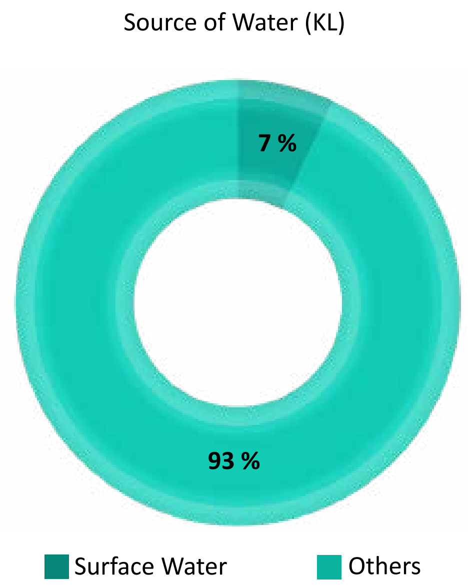
We are aware that mining operations conducted in proximity to water sources can potentially impact these sources, as pollutants may seep into groundwater or runoff into surface waters.

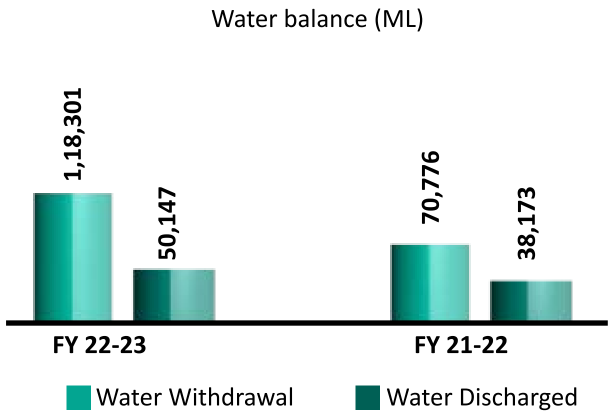
To ensure effective management of water resources, daily pumping activities are closely monitored and pumping plans are optimized and executed accordingly. Pump wells and observation wells are established throughout the mines to continuously monitor water levels and quality. The collected water quality data is submitted to the Pollution Control Board and other relevant statutory authorities.

Several activities are undertaken on a regular basis to manage groundwater effectively:

- Construction of observation wells in collaboration with the Central Ground Water Board to monitor local groundwater levels
- Gathering comprehensive data on water quality, pumped water quantity and weather conditions to develop a water balance or budget.
- Conducting specialized studies and reports to promote the efficient utilization of surface and groundwater resources.
- Performing pumping tests for future mine blocks to assess groundwater conditions and optimize pumping strategies.
- Conducting groundwater modelling studies to develop an optimal pumping plan.
- Preparing and submitting compliance reports to the Ministry of Environment, Forest and Climate Change (MoEF & CC) regarding groundwater management.
- Implementing recharge zones in the areas surrounding the mines, which involve the construction of check dams, percolation wells, observation wells, piezometer wells and recharge wells to facilitate groundwater recharge.

By undertaking these activities and implementing sustainable water management practices, we are committed to preserving and utilizing groundwater resources responsibly in the Neyveli lignite mines and power plant operations.





Our water supplies come from multiple sources including surface water from lakes, ground water and other sources like treated mining water, In line with applicable regulations. The increase in water withdrawal is attributed to the commencement of Talabira OCP II & III mines and increased seasonal rainfall during the fiscal year as compared to previous year. Our efforts to minimize wastewater discharge involve the utilization of an in-house Sewage/Effluent Treatment Plant located at suitable locations. We rigorously adhere to the wastewater discharge standards outlined in the consent copy provided by the State Pollution Control Board, ensuring full compliance with all legal obligations. Our primary focus is on maintaining water quality within the prescribed limits for indicators such as Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD) and Total Dissolved Solids (TDS).

Furthermore, the overall volume of wastewater produced is influenced by both municipal domestic sources and activities such as vehicle washing. In order to tackle these concerns, we place a high priority on closely monitoring and managing two primary types of wastewater: blow down water and wash water originating from thermal power plants. We maintain a vigilant approach in implementing measures to minimize their impact on the environment. To control the presence of suspended particles from groundwater seepage and surface runoff, we have constructed wells and weirs along the canal. Our Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) operate smoothly without any complications. Moreover, within our industrial premises, the treated water from these plants is utilized for purposes such as irrigation, gardening, greenbelt development and industrial washing.

Accurate assessment of water withdrawal and wastewater discharge is achieved through meticulous analysis of raw water meter readings, STP/ETP outlet meter readings and other relevant sources, all in strict accordance with regulatory requirements.

Aerial view of Waste Water Treatment Plant

Case Study: Mine Water Utilization (Drinking and Agriculture)

We are dedicated to the sustainable development of the surrounding villages in our project areas. Our three operational mines, namely Mine-I, Mine-IA and Mine-II, have established a network of surface canals to facilitate the conveyance of mine water for irrigation and domestic purposes.

At Mine-II, water is conveyed through the Eastern Garland Canal, which eventually joins the Paravanar river. The fields of Kolakudi, Valeramide, Kathazhai, Karunkuzhi, Nainarkuppam, Madhuvanaimedu villages are being irrigated with this water.

At Mine-IA, water is discharged into nearby streams known as “ Sengalvodai “ which then irrigate the lands in the Kalkunam, Vanathirayapuram, Thenkuthu, Reddypalayam, Parvathipuram villages. Additionally, a portion of the water is discharged at Mine-IA’s cut face, from where it is pumped to Chennai for drinking purposes.

Along the cut face of Mine-I, the mine water is discharged into canals on the western side, which are specifically designed for irrigation flow into the Vadakuvellore, Ammeri, Adhandarkollai, Seerankuppam, Seplantham, Mettukaupaam villages.

Overall, approximately 40 villages are benefiting from the water provided by our mines, resulting in the irrigation of 25,000 acres of land. This consistent water supply enables farmers to cultivate three crops per year. Furthermore, we pump a significant quantity of water (40 MLD) to Chennai for drinking purposes.

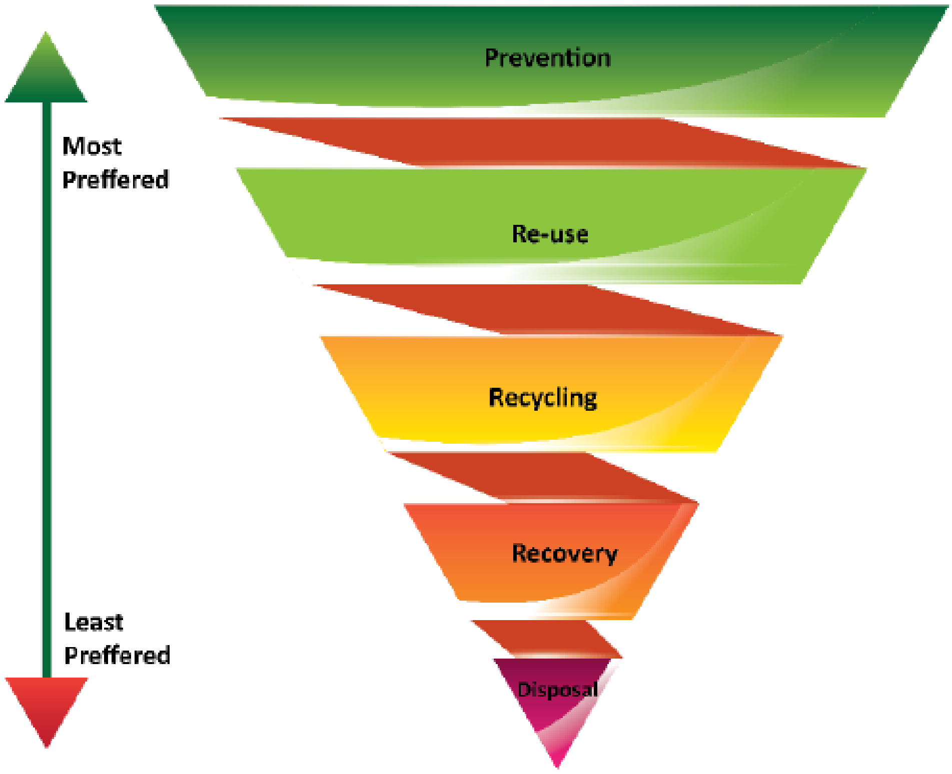
To ensure the effective flow of water, we undertake desilting activities in the canals and streams mentioned above, benefiting local farmers. We remain committed to maintaining sustainability by contributing to the economic growth and well-being of the local community.

C. Waste Management

At NLCIL, we prioritize environmentally friendly, socially responsible and commercially viable handling and disposal of all waste generated on our premises. Our goal is to optimize resource utilization and minimizing the need for disposal. However, when disposal is necessary, we strictly adhere to all relevant rules and regulatory requirements.

“Committed to ensuring responsible waste management practices in order to minimize the impact on ecosystems”

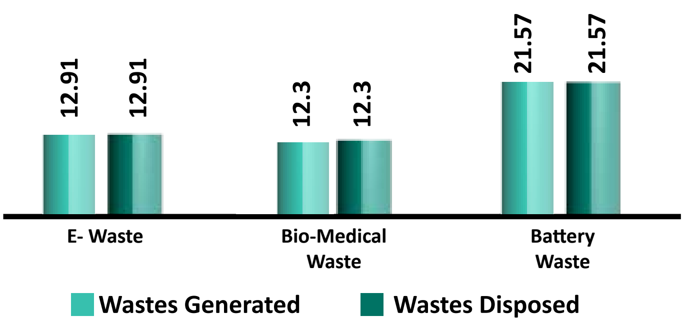
We have implemented a comprehensive waste management program that aligns with circular economy principles and complies with applicable waste management regulations. Our approach focuses on prevention, reduction, reuse and recycling to minimize waste generation and promote sustainable waste management practices.



Our integrated waste management approach covers collection, segregation, transportation, processing, recycling and disposal of various waste types. We ensure segregation of waste at the source during collection and actively raise awareness among residents to facilitate proper waste disposal. NLCIL's Township Administration division has implemented a robust waste management plan, including measures such as plastic prohibition, efficient garbage collection and effective waste segregation practices. The utilization and disposal of hazardous and non-hazardous wastes generated by power plants are governed by regulations and our waste management policy. We have implemented several measures to enhance waste management at the source:

- Organic waste is composted and utilized for soil stabilization in mine reclamation areas.
- Processed plastic waste is shredded and used as an additive in construction projects within the township.
- Hazardous wastes, e-wastes and batteries are segregated and stored in designated storage areas.
- Wastes are disposed of through authorized recyclers, co-processors, or buy-back programs at a common disposal yard facility.
- Bio-medical wastes are segregated at the source and disposed of at the nearest authorized waste management facility
- Non-hazardous wastes like fly ash are fully utilized by collaborating with brick manufacturers, cement manufacturers and other relevant industries.

Major Wastes Generated and Disposed (MT) FY 22-23



Appreciation for Talent

Shri. Prasanna Kumar Motupalli, CMD/NLCIL appreciated the efforts made by Shyam and honored him with a Memento

Tamil Nadu Pollution Control Board (TNPCB) conducted "Enviro-Solver Hackathon" competition, on the eve of observance of World Environment Day-2023, on the Theme "Single Use Plastic Reduced", whereby, solutions were invited to the problem statement from academicians, researchers and industry specialists to reduce the circulation of plastic in the environment.

Shri. Shyam Shankaran R from NLCIL won 3rd prize with a cash award of ₹ 1 Lakh in the Hackathon competition conducted by TNPCB for his solution "Plasti-Track" (A Cloud-based Mobile Application) which tracks the plastic from the bottom level of waste management supply chain till it reaches its end use. The solution also integrates Extended Producer Responsibility (EPR) compliance module which in turn, helps the Govt. & PIBOs (Producers Importers Brand Owners) to comply with the EPR compliance. He was felicitated in the award function conducted on 6th June, 2023 at TNPCB HQ, Chennai by Hon'ble Minister Thiru. Siva. V. Meyyanathan, Minister to Govt., Dept. of Environment and Climate Change, GoTN.

D. Biodiversity Preservation

At NLCIL, we strongly believe in the inseparable relationship between sustainable growth and environmental protection, including the preservation of biodiversity. We understand that our economic development must go hand in hand with ecological preservation. As a result, we are committed to giving back to nature more than we take.

"Committed to promote biodiversity conservation and sustainable management practices, that protect and restore ecosystems and ensuring the long-term viability of habitats and the species"

We also conduct thorough environmental impact assessments for all our projects. These assessments are carried out in accordance with the Terms of Reference provided by the Ministry of Environment, Forest and Climate Change (MOEF&CC). If any ecologically significant ecosystems are identified within the project area, we conduct additional studies to gain a deeper understanding of their importance. The recommendations from these studies are diligently implemented to ensure the conservation and preservation of these ecosystems.

(i) Land Reclamation:

We are actively engaged in reclaiming the areas that have been mined out and the overburden dumps. The external overburden dumps, which were created during the initial mining phase, are being transformed into vegetative areas suitable for habitation. Out of the total mined out area of 5,897 hectares, 2,692 hectares have already been reclaimed and afforestation efforts have been carried out on 2,236 hectares of the reclaimed land. In addition to reclamation efforts, we have established two deer parks, one in Mine-I and another in Mine-II. These parks are accompanied by extensive afforestation activities, including the creation of approximately 76 artificial lakes spread across Mine-I, Mine-IA and Mine-II. These parks possess significant biological value due to its diverse range of plant and animal species, contributing to the rich flora and fauna in the area.

(ii) Protection of habitats:

The avifaunal study was conducted with the primary aim of documenting and evaluating the seasonal fluctuations in avifaunal diversity across various ecosystems in Neyveli. The main purpose of this study was to establish a baseline dataset that can be used as a reference for future research in the field of avifaunal studies. By collecting information on the avifaunal diversity during different seasons, the study sought to provide valuable insights into the dynamics and patterns of bird species in the studied ecosystems.

In Neyveli, the avifaunal study revealed a remarkable blend of indigenous and migratory bird species. Throughout the study, a total of 107 bird species were recorded and documented, with 77 species belonging to terrestrial birds and 30 species to wetland birds. These species represented a diverse range of avifaunal families, including 42 families of terrestrial birds and 17 families of wetland birds. The findings highlight the rich biodiversity and ecological significance of Neyveli, showcasing the presence of various bird species from different habitats within the region.

Out of the bird species observed in the study, the majority, specifically 104 species, were categorized as "least concerned" according to the IUCN Red List of 2016. This classification indicates that these species are not currently facing significant threats to their survival in their respective habitats. However, it is worth noting that three bird species were classified as "near threatened". This designation implies that these particular species are at a higher risk of decline in the future if appropriate conservation measures are not implemented. The presence of these near threatened species underscores the importance of conservation efforts to ensure their continued existence and protect their habitats.

Preserving the avifaunal diversity in Neyveli is crucial for future generations, as it contributes to the overall biodiversity of the region and supports the ecological balance. By recognizing the conservation status of these bird species and taking proactive measures like afforestation, wetland restoration and creation, awareness and education, to ensure their survival for the benefit of posterity and the overall health of the ecosystem.

Order	Family	Common name	Scientific name	IUCN status
Suliformes	Anhingidae	Darter or Snake Bird 	Anhinga melanogaster	Near Threatened (NT)

Order	Family	Common name	Scientific name	IUCN status
Pelecaniformes	Threskiornithidae	Oriental White Ibis 	Threskiornis melanocephalus	Near Threatened (NT)
Ciconiiformes	Ciconidae	Painted Stork 	Mycteria Leucocephala	Near Threatened (NT)

(iii) Afforestation:

At NLCIL, we have taken the initiative to establish nurseries within our township for the purpose of cultivating and nurturing seeds, seedlings and plants. These nurseries play a crucial role in supporting our in-house plantation and horticultural activities. To ensure the success of our plantation initiatives, we collaborate with professionals and experts who assist us in various aspects such as outlining the plantation timeline, determining the maintenance duration, specifying the funding requirements and setting the expected survival rates of the trees. By engaging in these efforts, we aim to enhance our green cover and contribute to the overall well-being of our environment.

Case Study: Mass Tree Plantation Drive

Our active participation in the NAP (National Afforestation Program), initiated by the government of India, highlights the recognition of one of the solutions to the global climate crisis. By organizing extensive tree planting and distribution activities across all our mines and industrial units on World Environment Day (5th June, 2022) and Republic Day (26th January, 2023), a remarkable total of 35,500 trees were successfully planted. This commendable effort highlights our commitment to environmental sustainability and addressing the urgent need for action against climate change.

Eco Tourism Park, Neyveli

GRI INDEX

GRI Standard	Disclosure Description	BRSR Linkage	Reference	Page Number
GRI 102: General Disclosure	102-1 Name of the organization	Section A, Question-1	About the report	4
	102-2 Activities, brands, products and services	Section A, Question- 14, 15	About the report	4
	102-3 Location of headquarters	Section A, Question- 4, 5	Geographical Coverage	18
	102-4 Location of operations	Section A, Question- 16	Geographical Coverage	18
	102-5 Ownership and legal form	Section A, Question- 21	Governance Structure	42
	102-6 Markets served	Section A, Question- 17	Refer to BRSR response	
	102-7 Scale of the organization	-	Geographical Coverage	18
	102-8 Information on employees and other workers	Section A, Question- 18	Talent Acquisition	108
	102-9 Supply chain	-	Boosting Localization of the Supply Chain	126
	102-11 Precautionary Principle or approach	-	Governance	40
	102-13 Membership of associations	Section C, Principle 7, Essential indicator 1	Refer to BRSR response	297
	102-14 Statement from senior decision-maker	Section B, Question 7	Leadership Message	10
	102-16 Values, principles, standards and norms of behavior	-	Business Ethics and Standards	40
	102-18 Governance structure	-	Governance Structure	42
	102-40 List of stakeholder groups	Section C, Principle 4, Essential indicator 2	Stakeholder Management	58
	102-42 Identifying and selecting stakeholders	Section C, Principle 4, Essential indicator 1	Stakeholder Management	58
	102-43 Approach to stakeholder engagement	Section C, Principle 4, Essential indicator 2	Stakeholder Management	58
	102-44 Key topics and concerns raised	Section A, Question- 23	Material Issues	60
	102-45 Entities included in the consolidated financial statements	Section A, Question- 21	About the report	4
	102-46 Defining report content and topic Boundaries	Section A, Question- 13	About the report	4
	102-47 List of material topics	Section A, Question- 24	About the report	5
	102-48 Restatements of information	-	About the report	6
	102-50 Reporting period	Section A, Question- 9	About the report	4
	102-52 Reporting cycle	-	About the report	4
	102-53 Contact point for questions regarding the report	Section A, Question- 12	About the report	6
	102-54 Claims of reporting in accordance with the GRI Standards	-	About the report	6
	102-55 GRI content index	-	GRI Index	164
	102-56 External assurance	-	No External Assurance performed	NA

GRI Standard	Disclosure Description	BRSR Linkage	Reference	Page Number
GRI 201: Economic Perfor- mance	GRI 201-1 Direct economic value generated and Distributed	-	Direct Economic Value Generated and Distributed	77
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	-	Not Applicable	NA
	GRI 201-3 Defined benefit plan obligations and other retirement plans	Section C, Principle 3, Essential indicator 1	Post Retirement Assistance	111
	GRI 201-4 Financial assistance received from government	-	Direct Economic Value Generated and Distributed	77
GRI 202: Market Presence	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Section C, Principle 5, Essential indicator 1	Refer to BRSR response	286
	GRI 202-2 Proportion of senior management hired from the local community	-	Not disclosed	NA
GRI 203: Indirect Economic Impacts	GRI 203-1 Infrastructure investments and services supported	-	Rural Developmental Projects	137
	GRI 203-2 Significant indirect economic impacts	-	Not disclosed	NA
GRI 204: Procure- ment Practices	GRI 204-1 Proportion of spending on local suppliers	Section C, Principle 8, Essential indicator 4	Refer to BRSR response	299
GRI 205: Anti-Corruption	GRI 205-1 Operations assessed for risks related to corruption	-	Anti-Corruption Processes and Practices	40
	GRI 205-2 Communication and training about anti-corruption policies and procedures	Section C, Principle 1, Essential indicator 1	Anti-Corruption Processes and Practices	40
	GRI 205-3 Confirmed incidents of corruption and actions taken	Section C, Principle 1, Essential indicator 7	Anti-Corruption Processes and Practices	40
GRI 207: Tax	207-1 Approach to tax	-	Financial Performance	83
	207-2 Tax governance, Control and risk management	-	Risk Governance and Management Framework	49
	207-3 Stakeholder engagement and management of concerns related to tax	Section A, Question 23	Stakeholder Management	58
GRI 301: Materials	GRI 301-1 Materials used by weight or volume	-	Not disclosed	NA
	GRI 301-2 Recycled input materials used	Section C, Principle 2, Leadership indicator 3	Refer to BRSR response	277
	GRI 301-3 Reclaimed products and their packaging materials	Section C, Principle 2, Leadership indicator 4	Refer to BRSR response	278
GRI 302: Energy	GRI 302-1 Energy consumption within the organization	Section C, Principle 6, Essential indicator 1	Energy Intensity	146
	GRI 302-2 Energy consumption outside of the organization	-	Energy Intensity	146
	GRI 302-3 Energy intensity	Section C, Principle 6, Essential indicator 1	Energy Intensity	146
	GRI 302-4 Reduction of energy consumption	Section C, Principle 6, Leadership indicator 6	Energy Intensity	146
	GRI 302-5 Reductions in energy requirements of products and services	Section C, Principle 6, Leadership indicator 6	Energy Intensity	146

GRI Standard	Disclosure Description	BRSR Linkage	Reference	Page Number
GRI 303: Water (2016)	GRI 303-1 Interactions with water as a shared resource	-	Water and Effluent Management	152
	GRI 303-2 Management of water discharge-related impacts	Section C, Principle 6, Leadership indicator 3	Water and Effluent Management	152
	GRI 303-3 Water withdrawal	Section C, Principle 6, Essential indicator 2	Water and Effluent Management	152
	GRI 303-4 Water discharge	Section C, Principle 6, Leadership indicator 3	Water and Effluent Management	152
	GRI 303-5 Water consumption	Section C, Principle 6, Essential indicator 2	Water and Effluent Management	152
GRI 304: Biodiversity	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Section C, Principle 6, Essential indicator 10	Biodiversity Preservation	157
	GRI 304-2 Significant impacts of activities, products and services on biodiversity	Section C, Principle 6, Leadership indicator 5	Biodiversity Preservation	157
	GRI 304-3 Habitats protected or restored	-	Biodiversity Preservation	157
	GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	Biodiversity Preservation	157
GRI 305: Emissions	GRI 305-1 Direct (Scope 1) GHG emissions	Section C, Principle 6, Essential indicator 6	GHG Emissions	146
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	Section C, Principle 6, Essential indicator 6	GHG Emissions	146
	GRI 305-3 Other indirect (Scope 3) GHG emissions	Section C, Principle 6, Leadership indicator 4	GHG Emissions	145
	GRI 305-4 GHG emissions intensity	Section C, Principle 6, Essential indicator 6	Refer to BRSR response	291
	GRI 305-5 Reduction of GHG emissions	Section C, Principle 6, Essential indicator 7	GHG Emissions	147
	GRI 305-6 Emissions of ozone-depleting substances (ODS)	Section C, Principle 6, Essential indicator 5	Air Emissions	149
	GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Section C, Principle 6, Essential indicator 5	Air Emissions	149
GRI 306: Effluents and Waste (2016)	GRI 306-1 Water discharge by quality and destination	Section C, Principle 6, Leadership indicator 3	Water and Effluent Management	152
	GRI 306-2 Waste by type and disposal method	Section C, Principle 6, Leadership indicator 3	Water and Effluent Management	152
	GRI 306-3 Significant spills	-	No Significant Spills	NA
	GRI 306-4 Transport of hazardous waste	Section C, Principle 6, Essential indicator 8	Waste Management	155
	GRI 306-5 Water bodies affected by water discharges and/or runoff	Section C, Principle 6, Leadership indicator 3	Water and Effluent Management	152
GRI 307: Environmental Compliance	GRI 307-1 Non-compliance with environmental laws and regulations	Section C, Principle 6, Essential indicator 12	Refer to BRSR response	293

GRI Standard	Disclosure Description	BRSR Linkage	Reference	Page Number
GRI 308: Supplier Environmental Assessment	GRI 308-1 New suppliers that were screened using environmental criteria	-	Boosting Localization of the Supply Chain	126
	GRI 308-2 Negative environmental impacts in the supply chain and actions taken	-	No Negative Environmental Impacts	NA
GRI 401: Employment	GRI 401-1 New employee hires and employee turnover	Section A, Question 20	Talent Acquisition	108
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section C, Principle 3, Essential indicator 1	Employee benefits	110
	GRI 401-3 Parental leave	Section C, Principle 3, Essential indicator 1	Parental Leave	111
GRI 402: Labor/ Management Relations	GRI 402-1 Minimum notice periods regarding operational changes	-	As per HR Policy	NA
GRI 403: Occupational Health and Safety	GRI 403-1 Occupational health and safety management system	Section C, Principle 3, Essential indicator 10	Refer to BRSR response	281
	GRI 403-2 Hazard identification, risk assessment and incident investigation	Section C, Principle 3, Leadership indicator 6	Refer to BRSR response	279
	GRI 403-3 Occupational health services	-	Health and Safety	116
	GRI 403-4 Worker participation, consultation and communication on occupational health and safety	Section C, Principle 3, Essential indicator 8	Refer to BRSR response	281
	GRI 403-5 Worker training on occupational health and safety	Section C, Principle 3, Essential indicator 8	Refer to BRSR response	281
	GRI 403-6 Promotion of worker health	Section C, Principle 3, Essential indicator 12	Refer to BRSR response	282
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section C, Principle 3, Essential indicator 12	Refer to BRSR response	282
	GRI 403-8 Workers covered by an occupational health and safety management system	-	Health and Safety	116
	GRI 403-9 Work-related injuries	Section C, Principle 3, Essential indicator 11	Refer to BRSR response	282
	GRI 403-10 Work-related ill health	Section C, Principle 3, Essential indicator 11	Refer to BRSR response	282
GRI 404: Training and Education	GRI 404-1 Average hours of training per year per employee	Section C, Principle 1, Essential indicator 1	Refer to BRSR response	274
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	Section C, Principle 3, Essential indicator 8	Refer to BRSR response	281
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	Section C, Principle 3, Essential indicator 9	Refer to BRSR response	281
GRI 405: Diversity and Equal Opportunity	GRI 405-1 Diversity of governance bodies and employees	Section C, Principle 5, Essential indicator 3	Refer to BRSR response	287
GRI 406: Non-discrimination	GRI 406-1 Incidents of discrimination and corrective actions taken	-	No discrimination related cases	NA

GRI Standard	Disclosure Description	BRSR Linkage	Reference	Page Number
GRI 411: Rights of Indigenous Peoples	GRI 411-1 Incidents of violations involving rights of indigenous peoples	Section C, Principle 5, Essential Indicator 4	Refer to BRSR response	287
GRI 412: Human Rights Assessment	GRI 412-2 Employee training on human rights policies or procedures	Section C, Principle 5, Essential indicator 1	Refer to BRSR response	286
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments and development programs	-	Boosting Localization of the Supply Chain	126
GRI 414: Supplier Social Assessment 2016	GRI 414-1 New suppliers that were screened using social criteria	-	Boosting Localization of the Supply Chain	126

SASB INDEX

Indicator	SASB Code	Reference	Page Number
1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations	IF-EU-110a.1	Natural Capital - GHG emissions	145-146
Greenhouse gas (GHG) emissions associated with power deliveries	IF-EU-110a.2	Natural Capital - GHG emissions	145-146
Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	IF-EU-110a.3	Natural Capital - GHG emissions	145
Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb) and (5) mercury (Hg); percentage of each in or near areas of dense population	IF-EU-120a.1	Natural Capital - Air emissions	149
(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	Natural Capital - Water and effluent management	152-153
Number of incidents of non-compliance associated with water quality permits, standards and regulations	IF-EU-140a.2	Natural Capital - Water and effluent management	152-153
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3	Natural Capital - Water and effluent management	152-153
Amount of coal combustion residuals (CCR) generated, percentage recycled	IF-EU-150a.1	Manufactured Capital - Fly Ash management	89
Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	IF-EU-150a.2	Manufactured Capital - Fly Ash management	89
Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	IF-EU-240a.1	Not Applicable as electricity generated is sold to DISCOMs	NA
Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	IF-EU-240a.2	Not Applicable as electricity generated is sold to DISCOMs	NA
Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	IF-EU-240a.3	Not Applicable as electricity generated is sold to DISCOMs	NA
Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	IF-EU-240a.4	Not Applicable as electricity generated is sold to DISCOMs	NA
1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)	IF-EU-320a.1	Human Capital - Safety Performance	121

Indicator	SASB Code	Reference	Page Number
Percentage of electric load served by smart grid technology	IF-EU-420a.2	Not Applicable as electricity generated is sold to DISCOMs	NA
Customer electricity savings from efficiency measures, by market	IF-EU-420a.3	Not Applicable as electricity generated is sold to DISCOMs	NA
Total number of nuclear power units, broken down by results of most recent independent safety review	IF-EU-540a.1	Not Applicable as NLCIL generates electricity from thermal and renewable energy (Solar and Wind) sources	NA
Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2	Not Applicable as NLCIL generates electricity from thermal and renewable energy (Solar and Wind) sources	NA
Number of incidents of non-compliance with physical or cybersecurity standards or regulations	IF-EU-550a.1	BRSR - Principle 9	300
(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI) and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	IF-EU-550a.2	Not Applicable	NA
Number of: (1) residential, (2) commercial and (3) industrial customers served	IF-EU-000.A	Not Applicable as electricity generated is sold to DISCOMs	NA
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers and (5) wholesale customers	IF-EU-000.B	Not Applicable as electricity generated is sold to DISCOMs	NA
Length of transmission and distribution lines	IF-EU-000.C	Not Applicable as electricity generated is sold to DISCOMs	NA
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	BRSR - Principle 6	294
Total wholesale electricity purchased	IF-EU-000.E	Not Applicable as electricity generated is sold to DISCOMs	NA

DIRECTORS' REPORT

Dear Members,

It is indeed my proud privilege on behalf of our Board of Directors to present the 67th Board's Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2023 and the reports of Statutory Auditors and Comptroller and Auditor General (C&AG) of India.

Major Highlights

The Financial Year 2022-23 has been a year of good achievements for your Company with all round performance. The significant highlights of achievements during the financial year (FY) 2022-23 are as follows:

a) Coal Production touched a new high of 100. 26 LT with 57.69% increase over the last financial year.

b) Highest ever Power Generation by NLCIL Group –30.08 BU with 3.01% increase over the last financial year.

c) All time ever highest Green Power Generation of 2.19 BU during the FY 2022-23.

d) Achieved CAPEX of ₹ 3,308 Crore against a target of ₹ 2,920 Crore.

e) All time ever highest procurement through Government e Marketplace (GeM) as a group having a value of ₹ 1,028 Crore during the FY 2022-23 which is 65.03% of total procurement of ₹ 1,581 Crore.

f) GeM Portal ranked NLCIL as No.1 for 'Timely payments' and No.2 for 'Overall ranking' among Top 20 CPSE Buyers for FY 2022-23.

g) All time highest ever other income of ₹ 198.75 Crore through Disposal Department during the year.

h) Signed PPA with KSEBL for 400 MW of NLC Talabira Thermal Power Project with this, PPA for 2,000 MW out of 2,400 MW of this project has been signed.

i) Signed Memorandum of Understanding (MoU) with Assam Power Distribution Company Limited (APDCL) for development of 1,000 MW of RE projects in the state of Assam on 09th August, 2022.

j) Signed MoU with National Institute of Wind Energy (NIWE) on 19th October, 2022 for collaboration in the domain of Wind Energy.

k) Signed MoU with Bharat Heavy Electronic Limited (BHEL) on 12th October, 2022 for Study on pilot plant for Lignite to syngas Integrated with Clean Power Generation by IGCC and production of value added chemicals.

l) Signed MoU with GRIDCO for setting up Ground mounted/floating solar plants, Pumped hydro storage and Green Hydrogen on 01st December, 2022.

m) Issued Letter of Award (LOA)of contract value of ₹1,755 Crore for setting up of 300MW Solar Plant at Barsingsar Project on 27th March, 2023.

n) MoC has awarded 4 Mines of NLCIL with 5 Star rating and 1 Mine of NLCIL as 4 Star rating. Neyveli Lignite Mine II was ranked No.1 with 5 star rating among 199 mines in Base Year 2020 - 21 and similarly Mine I was ranked No. 1 among 206 mines, in Base year 2021-22.

o) Mine I & IA - Sale of Minor Minerals was started from 14th March, 2023 and earned a revenue of ₹ 2.58 Crore.

p) Signed MoU with PTDC (Pondicherry Tourism Development Corporation Ltd) for promoting Mine Eco Tourism on 05th October, 2022. During FY 2022-23, 8430 persons visited Neyveli Mines and eco-parks.

q) MoU signed with TWAD Board by which NLCIL will supply 425 Lakh litres of water per day for benefit of 6 town panchayats, 625 villages and 7.91 Lakh people.

r) Tripartite meeting conducted at Neyveli (NLCIL, DGMS & Recognised Trade union leaders) on 25th April, 2022 regarding safety in Neyveli Mines.

s) Total Revenue from Coal sale is ₹ 1773.50 Crore for FY 2022-23 which is the highest ever revenue generated since inception.

t) Signed MoU with "The Nature Conservancy India" to reuse its mined-out land by setting up RE projects and to take action to reduce carbon emissions.

u) Entered the Country's First ever Coal swapping arrangement for NTPL with NTPC, for Talabira Coal with MCL Coal.

Operational Performance

Power

The total power generating capacity of the Company as on 31st March, 2023, including wind and solar power generation is 5,061.06 MW and for NLCIL Group is 6,061.06 MW (including the capacity of NTPL, the Subsidiary Company).

During the FY 2022-23, the total Power Generation (Gross) was 24,152.81 Million Units (MU) and the power generation including Power surrender was 24,775.05 MU, as against 25,022.36 MU and 25,828.15 MU, respectively achieved during the FY2021-22. The Power Export during the year 2022-23 was 21,281.99 MU as against 22,041.04 MU achieved in the year 2021-22.

The average Plant Load Factor (PLF) of the Thermal Power Plants of the Company during the year 2022-23 was 68.86% as against the National Average of 64.15%.

The total power generation including NTPL was 30,082.80 MU against the previous year generation of 29,204.82 MU

Mining – Lignite & Coal

Your Company is presently operating three opencast Lignite Mines at Neyveli in the State of Tamil Nadu and one opencast Lignite Mine at Barsingsar in the State of Rajasthan. The total mining capacity of all the Lignite Mines is 30.10 MTPA. Your Company has also started Coal mining operations in Talabira II & III Opencast Coal Mines at Odisha, with a mining capacity of 20.0 MTPA, from 26th April, 2020. Thus, the total mining capacity of your Company is 50.10 MTPA.

During the FY 2022-23, the total overburden (OB) removed in the Lignite & Coal Mines was 1,533.28 Lakh Cubic Metre (LM^3) as against 1,531.33 Lakh Cubic Metre (LM^3) removed in the year 2021-22. The Lignite Production in the year under review was 235.30 Lakh Tonne (LT) as against 251.13 LT during the year 2021-22 while the coal production achieved was 100.26 LT as against 63.58 LT during the year 2021-22.

The Raw Lignite Sales (RLS) to TAQA, the IPP and direct sales during the year 2022-23 was 12.34 LT & 8.84 LT (including RLS from Barsingsar Lignite Mine), respectively as against 14.60 LT & 18.44 LT, respectively achieved in the year 2021-22. The Coal sales from the Talabira Coal Mines during the year under review was 98.97 LT as compared to 63.69 LT during the year 2021-22.

With respect to coal production in Talabira Mines, considering the high demand of coal especially for power generation, your Company has taken steps to achieve production of 100.26 LT as against the original target of 80.00 LT. Your Company is also taking all out efforts to augment the Coal production of Talabira Mine during the current year. This will not only provide fuel security to End Use Plants but also make available coal in the market. The coal produced is being supplied to one of the End Use Plant viz., NTPL's Plant at Tuticorin, Tamil Nadu.

Sale of excess Coal

Recent Amendment to Mines and Minerals (Development and Regulation) Act and Mineral Concession Rules by Ministry of Coal, Govt. of India on 1st October, 2021 has enabled the Mine for sale of excess Coal after meeting the coal requirement of End Use Plant. Further, approval has also been granted by MoC for the sale of coal upto 75% of coal production till 31st March, 2026 after meeting the requirements of End Use plants subject to certain conditions.

During the year, Coal sale through E-Auction was 7.21 LT.

Productivity

The output per man-shift achieved during the year 2022-23:

Product	Unit	2022-23
Lignite	Tonne	16.53
Power	KwHr	39,532

Financial Performance

During the year ended 31st March, 2023, your Company on a Standalone basis had registered a revenue from operations of ₹12,955.00 Crore as against ₹9,856.48 Crore during the year 2021-22. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2022-23 were ₹1,724.15 Crore and ₹1,248.24 Crore respectively, as against ₹2,606.42 Crore and ₹1,236.78 Crore respectively during the previous year ended 31st March, 2022.

On a consolidated basis, the total revenue from operations for the year 2022-23 was ₹ 16,165.24 Crore as against ₹11,947.94 Crore in 2021-22. The consolidated PBT and PAT for the year 2022-23 were ₹2,055.79 Crore and ₹ 1,426.10 Crore respectively as against ₹ 2,603.14 Crore and ₹ 1,115.65 Crore respectively in the year 2021-22.

The details of profit earned for the financial year 2022-23 and appropriation of the same are as follows:

(₹ Crore)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	12,955.00	9,856.48	16,165.24	11,947.94
Profit Before Tax	1,724.15	2,606.42	2,055.79	2,603.14
Tax Provision	475.91	1,369.64	630.66	1,488.01
Profit /(Loss) for the Period (PAT)	**1,248.24**	**1,236.78**	**1,426.10**	**1,115.65**
Appropriation				
Transfer (to) / from Interest Differential Fund Reserve	(4.33)	(4.90)	(4.33)	(4.90)
Transfer to PRMA Reserve Fund	(14.29)	(1.50)	(14.29)	(1.50)
Transfer to Contingency Reserve	(10.00)	(10.00)	(10.00)	(10.00)
Dividend (Interim / Final)	(416.00)	(416.00)	(416.00)	(456.92)

Shareholding of Government of India

The present shareholding of the President of India in the Company is 79.20%.

Dividend

For the year 2022-23, the Board of Directors of your Company had paid an Interim Dividend of 15% (₹ 1.50 Per equity share). Further, your Board has also recommended a final dividend of 20% (₹ 2.00 per equity share) subject to the approval of the shareholders. The total dividend for the year 2022-23 including Interim Dividend already paid is 35% and the same works out ₹ 485.32 Crore.

Transfer to Reserve

There is no amount proposed to be transferred to the Reserves.

MOU Parameters

Thirty Six vendors had sought permission to get registered in TReDS Portal and NLCIL had accepted all the Thirty Six requests and all got registered in TReDS portal. NLCIL also got registered in TReDS portal to facilitate transaction resulting in 100% acceptance of Goods and Services through TREDS portal.

Projects under implementation

The details of projects under implementation are as under:

Mine IA Expansion

This Expansion Project is being implemented to expand Mine IA from 3.0 MTPA to 7.0 MTPA at a cost ₹ 709.06 Crore. The achieved physical progress is 75.36% and the cumulative expenditure incurred on this project upto 31st March, 2023 is ₹ 535.75 Crore. In terms of the notification issued by CERC and as per the accounting policy of the Company, 1st April, 2022 has been reckoned as date of commencement of commercial operation in respect of Mine-IA Expansion and expected to attain the normative capacity of 7.0 MTPA by the year 2027-28. Accordingly, the capitalization of ₹ 526.55 Crore including value carried out from CWIP balances as on 31st March, 2023.

Lignite to Methanol

As a diversification initiative, your Company's initiative to set up the Lignite to Methanol Project utilizing the lignite from Neyveli Mines at Neyveli with a plant capacity of 1200 Tonnes per Day (TPD) on Lump Sum Turnkey (LSTK) mode, at an estimated cost of ₹ 4,383 Crore has been approved. Engineers India Limited (EIL) has been appointed as the Project Management Consultant for this Project. This Project is anticipated to be completed within 42 months from the zero date. NLCIL has entered into engineering service agreement with licensor M/s Air Products. Obtaining Environmental clearance for this project from MoEF & CC is in process. GTE floated for LEPC-1 (Gasification Block) and for LEPC-2 (Methanol Synthesis Block) and tendering for both the packages is in process.

150 MW Hybrid (Solar+Wind) RE Power Project (SECI)

Your Company had participated in the 1200 MW Wind & Solar Hybrid RfS floated by SECI for a capacity of 150 MW and emerged as a successful bidder with a quoted tariff of ₹ 2.34/Unit. LOA has been received from SECI to this effect. NLCIL had participated and bagged SECI Hybrid Tender for 150 MW (Wind+Solar). NLCIL has submitted Performance Bank Guarantee (PBG) to SECI and PPA has been signed with SECI. Your Company has floated tenders for setting up of 50 MW Wind and 100 MW Solar projects on Pan India Basis. Bid evaluation under process for both tenders.

510 MW solar power project under CPSU scheme

Your Company has emerged as a successful bidder in IREDA CPSU scheme tender for setting up 510 MW solar power project. The Project is being executed in 3 phases of 300 MW in Rajasthan, 200 MW on Pan India Basis and 10 MW Neyveli for Smart City. Your Company has issued LoA to M/s Tata Power Solar Systems Limited (TPSSL) for 300 MW Solar Power Project at Barsingsar. Consent from Beneficiary (M/s RUVNL) was received for 300 MW. For remaining 200 MW, tendering under process. Telangana State DISCOM conveyed their consent for usage of 200 MW power at a tariff ₹ 2.57/unit.

Ground Mounted Solar Power Project (10 MW) at Neyveli sanctioned at a cost of ₹42.94 Crore is in line with the criteria prescribed by Ministry of Housing and Urban Development, Nodal Ministry for smart cities being declared as "Mini Smart City". 10 MW solar panels were synchronised with grid.

NLC Talabira Thermal Power Project (3 X 800 MW)

NLC Talabira Thermal Power Project (NTTPP), a coal based thermal power project of capacity 2,400MW with three units of 800 MW capacity each, is proposed to be set up at Jharsuguda & Sambalpur District in the State of Odisha, linked to the allocated captive mine Talabira II & III OCP at a total estimated project cost of ₹19,422 Crore. The proposed plant will be of state of the art Ultra Super-critical technology, compliant with latest emission norms. All statutory approvals for setting up the project including the Environmental Clearance have already been obtained. Power Purchase Agreement for the off-take of 2,000MW power from this project has already been signed with TANGEDCO (for 1,500MW), Puducherry Discom (for 100MW) and KSEB Kerala (for 400MW). Signing of PPA with GRIDCO Odisha (for 400MW) is expected shortly. The EPC Notice Inviting Tender for the project has been floated and techno-commercial bids opened and QR evaluation completed. The first Unit of the project is scheduled to be commissioned in 52 months from the date of award of the EPC Contract and the other units with a phase shift of 6 months each. The land acquisition for the project is in progress.

Thermal Power Station II 2nd Expansion (2 X 660 MW)

Thermal Power Station II 2nd Expansion (TPS II SE) is a lignite based thermal power plant of capacity 1,320 MW with two units of 660 MW capacity each, proposed to be set up at Mudanai village (near Neyveli), Cuddalore District, Tamil Nadu which is linked to Lignite Mines of Neyveli. Similar to NTTPP, this project is also proposed to be set up based on the state of the art Ultra Super-critical technology, compliant with latest emission norms. All necessary approvals for setting up the project including the Environmental Clearance have already been obtained. TANGEDCO has expressed their willingness to procure the entire 1,320 MW from this proposed project. However, MoP has allocated 1,081.69 MW to TANGEDCO and 40.31 MW to PED. Land for the project is already in possession of your Company. Consent to Establish is also available. The first unit of the project is scheduled to be commissioned in 50 months from the date of award of the Contract and the second unit with a phase shift of 6 months.

Overburden (OB) to M-Sand

Your Company's in-house research centre, CARD had earlier undertaken a research project jointly with IIT/Madras for conversion of OB materials into aggregates and the preliminary study indicated that OB materials contain 40% to 70% sand & considerable quantity of clay. Board of Directors of your Company has approved setting up of M-Sand Beneficiation Plants at Neyveli for producing M-Sand from each Mine under Build, Own & Operate (BOO) Model based on the detailed feasibility report and financial appraisal report at an estimated capital expenditure of ₹180 Lakh. Order issued for Mine-IA on 31st March, 2023 for setting up of M-Sand Plant of 0.42 MTPA Capacity and is expected to commence operation by January, 2024. Mine-I M-Sand Plant tendering is under process.

Neyveli Uttar Pradesh Power Limited (NUPPL) – A Joint Venture between NLCIL & UPRVUNL-Ghatampur Thermal Power

Revised cost estimate (RCE) of ₹19,406.13 Crore for the project has been approved by MoC. PPA has been signed with Assam in line with MoP power allocation. Project progress is affected due to slow progress of works in Balance of Plant (BOP) package (GA3) and because of lockdown due to COVID-19 resulting in shortage of manpower at site, delay in supplies and diversion of oxygen cylinders from site to hospitals etc. and disturbances in GA3 package related supply chain.

Pachwara South Coal Block (09 MTPA)

The Mining plan & Mine Closure plan of PSCB has been approved by MoC. NUPPL Board has accorded approval for the Feasibility & Bankability Report of PSCB and the same has been submitted to MoC for further approval from Public Investment Promotion Board (PIB). Environmental Clearances, Forest Clearances, Land Acquisition for coal evacuation route of PSCB and development of Rail Infrastructure for Coal Evacuation is under progress.

Mine III

The project with a capacity of 11.50 MTPA encompassing a project area of 3,893 Ha is proposed to be commissioned to fuel the requirement of TPS II 2nd Expansion at an estimated cost of ₹3,755.71 Crore. The block has a mineable reserve of 415 MT. The process for obtaining all necessary approvals for commencement of mining project is in progress. The project is expected to commence its operations by 2027. Revised Mining Plan (MP) as per the revised guidelines is under approval. Administrative approval from GoTN for Land Acquisition is in process.

Consultancy Services for developing Coal Block

Your Company has been awarded a work order for providing consultancy services to Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) for selection of MDO, supervision & monitoring of exploration and other site activities for its Saharpur Jamarpani Coal Block in Jharkhand.

Projects under formulation

The details of projects under formulation are as under:

Green Energy

Considering the thrust being given by the Government of India (GoI) for green energy and competitive market of renewable energy, together with the tax benefits available to new manufacturing companies and with the focus shifting towards cleaner sources of power and the Government setting a target of 450 GW of Renewable Energy (RE) capacity by 2030, your Company has also exploring RE business as its next pillar of growth. Your Company has prepared its business plans to tap this opportunity appropriately while continuing work on operating its thermal fleet efficiently, economically and reliably to meet the growing energy needs of the country.

Commercial Mining

Recently GOI has launched the auction process for commercial mining of various coal blocks across the Country. As Members may be aware that GOI with a view to increase the coal production has removed various restrictions including the end use criterion. It is expected that the demand for coal would continue to be in existence and the total demand for Non-Coking Coal is forecasted at 1,331 MT by the year 2047. As part of its growth plan, based on the exploration status, geological reserves, topographical features, tentative ratio, local issues and other relevant data, your Company has short-listed three coal blocks namely Machhakata (revised) in Talcher coalfield, Angul district of Odisha, North Dhadhu (eastern part) and North Dhadu (western part) in north Karanpura coalfield, Lathehar district of Jharkhand for commercial mining. Out of the three coal blocks, Your Company won the bid for North Dhadu (Western Part) Coal Mine in Latehar District of Jharkhand @ 6% revenue sharing. The coal mine forms part of the North Karanpura coal field and it is having an area of 5.33 sq. km. It is fully explored having a geological reserve of 435 MT of G12 grade. Tentative capacity of the coal mine is 3 MTPA. The coal will be sold to the potential consumers located in the states of Uttar Pradesh, Bihar and Jharkand.

Corporate Plan 2030

Mining Projects

Your Company is presently operating three opencast lignite Mines at Neyveli in the State of Tamil Nadu and one opencast lignite Mine at Barsingsar in the State of Rajasthan. The total mining capacity of all the lignite Mines is 30.10 MTPA. Your Company has also started Coal mining operations in Talabira II & III Opencast Coal Mines at Odisha, with a mining capacity of 20.0 MTPA, from 26th April, 2020. Thus, the total mining capacity of your Company has increased to 50.10 MTPA.

In the Coal Sector, presently your Company operates an open cast coal mine of capacity 20 MTPA at Talabira, in the State of Odisha and through NUPPL, its Subsidiary, your Company is developing the Pachwara South Coal Block in the State of Jharkhand, with a capacity of 9 MTPA. Your Company has intended to enter into commercial mining of coal, with a planned addition of 15 MT, thereby envisaging an aggregate mining capacity of 44 MTPA in the Coal Sector.

Total CAPEX projected for FY 2023-30 for the mining projects is ₹ 8,351 Crore.

Power Generation Projects

Your Company is currently operating five lignite based thermal power stations, four at Neyveli, in Tamil Nadu and one at Barsingsar, in Rajasthan, with an aggregate capacity of 3,640 MW. Your Company through NTPL, the Subsidiary, is operating one coal based thermal power plant of 1,000 MW (2 X 500 MW) capacity. On implementation of two Coal based Thermal Power Projects viz GTPP (NUPPL) of capacity 1,980 MW (3X660 MW) and Talabira Thermal Power Project (Phase I & II) of capacity 3,200 MW (4 X 800 MW) and lignite based Thermal Power Project TPS II 2nd Expansion of capacity 1,320 MW (2X660 MW), the power generation capacity would reach 11,140 MW. The Projected CAPEX for the Thermal Energy is ₹ 46,023 Crore. On Renewable front, by 2030, NLCIL plans to increase its capacity from 1,421 MW to 6,031 MW by implementing various Solar & Wind Projects. The Projected CAPEX for Renewable Energy is ₹23,403 Crore.

Diversification Projects:

NLCIL has adopted the diversification strategy and has ventured into implementation of OB to M-Sand, Lignite to Methanol, Battery storage & Green Hydrogen. Further, EV Charging stations, Lignite to diesel, IGCC Technology projects are being taken up on Pilot Scale under Clean Energy. MoU signed with WAPCOS on 27th May, 2023, for the purpose of carrying out collaborative technical services and advisories for development of various schemes of Pumped storage, Reservoirs/Storage, Run of River Hydro-Power Projects in India.

The total capital expenditure for mining, power generation and diversification businesses has been projected to be ₹82,174 Crore during FY 2023-30.

Subsidiaries /Joint Venture (JV) Projects

NLC Tamil Nadu Power Limited (NTPL) – A Joint Venture between NLCIL and TANGEDCO

Tuticorin Power Plant (1000 MW) in Tamil Nadu

As Members may be aware that NTPL, the Subsidiary Company is operating a 1,000 MW coal based thermal power plant in Tuticorin in the State of Tamil Nadu. During the year 2022-23, the total Power Generation (Gross) of NTPL was 5,929.99 MU (excluding power surrender) as against 4,182.46 MU registered in the year 2021-22.

During the year ended 31st March, 2023, NTPL registered a revenue from operations of ₹ 3,502.78 Crore as against ₹2,221.60 Crore registered in the year 2021-22. The Profit Before Tax & Profit After Tax for the year 2022-23 were ₹433.08 Crore and ₹ 278.65 Crore respectively as against ₹ 329.65 Crore and ₹ 211.28 Crore registered in the year 2021-22. Interim Dividend of ₹0.50 (5%) per equity share was declared by NTPL Board for the FY 2022-23 and the same was paid on 01st December, 2022.

Neyveli Uttar Pradesh Power Limited (NUPPL) – A Joint Venture between NLCIL & UPRVUNL Ghatampur Thermal Power Project (GTPP) (1,980 MW) linked to Pachwara South Coal Block (9.0 MTPA) in Jharkhand

Shri Pralhad Joshi, Hon'ble Minister of Parliamentary Affairs, Coal and Mines along with Shri Amrit Lal Meena, Secretary, Coal, Smt Vismita Tej, Addl Secretary, MoC, Shri Prasanna Kumar Motupalli, CMD, NLCIL and other officials during the review meeting of NUPPL project

NUPPL, the Subsidiary Company is implementing the 3 x 660 MW Ghatampur Coal based Thermal Power Project (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh at a project cost of ₹ 17,237.80 Crore. The revised project cost of ₹ 19,406.12 Crore has been approved by Ministry of Coal, GoI. As per the present progress of the project, project is expected to be commissioned during FY 2023-24. The delay in execution of the Project was mainly due to the slow progress of works in Balance of Plant (BOP) Package (GA3), as the Package Contractor M/s. BGRSE is under financial stress. Further, because of lockdown during the period of Covid-19 pandemic, Inter-State Migrant Labours (ISML) returned to their native places besides the inadequacy of skilled man power and disturbances in supply chains distributions during that period contributed to the delay in the progress of the project.

This project is being monitored by MoC and at the apex level by the Office of Prime Minister and is considered as the signature project. The Board of NUPPL is taking all necessary steps to expedite the implementation of the Project.

NUPPL has signed a Power Purchase Agreement (PPA) with Uttar Pradesh Power Corporation Limited (UPPCL) for supplying 75% of the Power from the plant. In line with the revised power allocation by Ministry of Power, GoI, PPA for 492.72 MW power (24.88%) has been signed with APDCL on 13th June, 2023.

The coal supply for the GTPP is linked to Pachwara South Coal Block (PSCB) which is in advance stage of obtaining necessary clearances/approvals for commencement of mining operations. Based on the Company's request, CEA had recommended Coal India Limited (CIL) to supply 0.99 MT (0.33 MT for each unit) coal to GTPP to facilitate commissioning activities, trial run & achieving COD etc. The remaining quantity of Coal is expected to be supplied from the Talabira II & III OCP Mine belonging to your Company till commencement of operation of PSCB. Standing Linkage Committee (Long-Term) on 16th June, 2023, recommended bridge linkage of 2.64 MT operational coal for FY 2023-24 from Coal India Limited.

The project has achieved a CAPEX of ₹ 1,510.76 Crore in the year 2022-23. The cumulative expenditure incurred since inception up to 31st March, 2023 is ₹ 14,871.83 Crore.

Pachwara South Coal Block (9.0 MTPA) in Jharkhand

NUPPL has been allotted Pachwara South Coal Block (PSCB), in the State of Jharkhand, with a capacity of 9.0 MTPA (Normative) & 13.50 MTPA (Peak), at an estimated cost of ₹ 1,795.01 Crore. In order to develop and operate the above Coal Block, MIPL GCL Infra contract Private Limited has been appointed as the Mine Developer Operator (MDO). Geological Report (GR), Mining Plan & Mine Closure Plan have been approved by MoC. Final EIA/EMP report along with application for EC has been uploaded at PARIVESH portal of MoEF&CC. Environmental Advisory Committee (EAC) has recommended for a grant of Environmental Clearance in the meeting held on 21st July, 2023. Proposal for Stage-I Forest Clearance has been forwarded to MoEF & CC by the Government of Jharkhand. The coal block was allocated under Coal Mines Special Provisions Act and accordingly MoC issued a notification u/s 19 (1) of Coal Bearing Areas (Acquisition and Development) Act, 1957 for land acquisition. For Land acquisition proposal for R&R Colony, Coal evacuation route and Administrative Office/Township etc., Sec 11(1) notification under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 has been issued by District Authority, Dumka, Jharkhand on 19th July, 2023. The Project has achieved a CAPEX of ₹ 4.22 Crore in the year 2022-23. The cumulative expenditure incurred up to 31st March, 2023 was ₹ 43.50 Crore.

Coal Lignite Urja Vikas Private Limited (CLUVPL) – A Joint Venture Company between NLCIL & CIL

Your Company had entered into a Joint Venture Agreement with Coal India Limited (CIL) to implement conventional and non-conventional power projects by forming a JV Company with an equity participation of 50% each. The JV Company "Coal Lignite Urja Vikas Private Ltd" was incorporated on 10th November 2020.

The JV Company has been awarded the Project Management Consultancy Contract by South Eastern Coalfields Limited (SECL) for developing 40 MW Solar Power Project at Bishrampur and Bhatgaon locations of SECL in the State of Chhattisgarh. Presently the project activities are in progress.

MNH Shakti Limited

Mahanadi Coalfields Limited, your Company and Hindalco jointly formed MNH Shakti Limited with an equity participation of 70:15:15 to implement 20.0 MTPA Coal Mining Project in Talabira, in the State of Odisha. The Talabira II & III Coal Blocks allocated for this purpose have been cancelled pursuant to the judgement of Hon'ble Supreme Court of India and the Coal Mines (Special Provisions) Ordinance, 2014. The JV Company has been proposed for winding up and necessary formalities are underway. In the meantime, MNH Shakti Limited with the approval of its shareholders has reduced its Paid-up Equity Share Capital from ₹85.10 Crore to ₹35.10 Crore by way of cancellation of five Crore equity shares of ₹10/- each aggregating to ₹50 Crore and the said amount has been returned to the JV Partners in accordance to their shareholding in the JV Company.

Wholly Owned Subsidiary

NLC India Renewables Limited (NIRL)

Release of NIRL logo by Chairman, Directors & other KMPs of NIRL during the 1st Board meeting

Your Company has incorporated NLC India Renewables Limited (NIRL), as its wholly owned subsidiary on 14th June, 2023 to take over the existing renewable assets of your Company

In this regard, your Company plans to consolidate almost all its Renewables Assets under its Asset Monetization plan. After identifying the Renewables Assets, the Company will apply for the requisite approvals from the Government and other statutory bodies. After receiving the requisite approvals, your Company will process the transferring of RE assets to the new Company. NITI Aayog has not given any specific target for Asset Monetization for the year 2022-23.

Loan, Guarantees and Investments

Details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

Deposits

The Company has not accepted any deposits from the public during the year.

Bonds, Borrowing & Credit Rating

During the financial year 2022-23, your Company has not issued any Bonds.

Commercial Paper

During the financial year 2022-23, due to better fund management, sales bill discounting and increase in realisation has improved the liquidity position of the Company and hence, the Company has not issued any commercial paper.

Sales Bill Discounting

During the financial year 2022-23, your Company has offered the Sales Bills Discounting facility available in the Banking System with recourse to your Company and the power bills issued were discounted by DISCOMs. The total value of sales bills discounted during the year under review was ₹ 3,448.69 Crore. During the year under review, there were no instances of bankers sending the bills to the Company for meeting the obligations since the DISCOMs have honoured their commitments to the Bankers on the due date.

Credit Rating for Borrowings

During the year, your Company has retained AAA rating for Long Term Borrowings including Issue of Bonds and A1+ for issue of Commercial Papers from Credit Rating Agencies. The present ratings are given below:

	Rating Agency / Particulars		Rating Assigned
1	**ICRA**		
	Non-Convertible Debentures - Secured	₹ 2,000 Crore	ICRA AAA/Stable
2	**CRISIL**		
	Working Capital Loan	₹ 5,000 Crore	CRISIL AAA/Stable
	Non-Convertible Debentures (Issued amount- ₹2,175)	₹ 3,000 Crore	CRISIL AAA/Stable
	Proposed Term Loan	₹ 1,695 Crore	CRISIL AAA/Stable
3	**CARE Ratings**		
	Solar 500 MW	₹ 512.31 Crore	CARE AAA; Stable
	NNTPS 1000 MW	₹ 2,100 Crore	CARE AAA; Stable
	Commercial Paper	₹ 6,000 Crore	CARE A1+
4	**India Rating (Fitch Group)**		
	Solar 709 MW	₹ 1,681 Crore	IND AAA/Stable
	Non-Convertible Debentures – Secured	₹ 2,000 Crore	IND AAA/Stable
	Non-Convertible Debentures – Unsecured	₹ 2,175 Crore	IND AAA/Stable
	Commercial Paper	₹ 6,000 Crore	IND A1+
5	**Infomerics Ratings**		
	Talabira Mine	₹ 1,428.51 Crore	IVR AAA/Stable
6	**Acuite Ratings & Research**	₹ 1,000 Crore	ACUITE AAA/Stable

Commercial

Power Dues Realisation:

- During the year under review, your Company had received an amount of ₹ 7,138.89 Crore out of the total billed value of ₹ 7,990.73 Crore for the FY 2022-23. In case of NTPL, total amount realized was ₹ 3,220.74 Crore against billed value of ₹ 3,495.70 Crore. Collection efficiency of the Company as a whole stood at 90.19%.
- The outstanding power dues including for the month of March, 2023 invoices as on 31st March, 2023 is ₹ 4,794 Crore as against ₹ 3,958 Crore for the corresponding period of the year ended 31st March, 2022. The increase in the outstanding dues is mainly on account of debit notes raised towards various tariff orders issued by CERC, which will be realized in instalments and debits notes issued for amount recoverable from DISCOMs towards Income Tax settled under Vivad Se Vishwas Scheme. The dues beyond the 45 days limit as on 31st March, 2023 is ₹ 3,544 Crore as against ₹ 2,675 Crore for the corresponding period of the previous year ended 31st March, 2022.
- During the year under review, MoP had notified the late payment surcharge rules on 3rd June, 2022 in which provision was made for liquidation of overdues prior to 3rd June, 2022 through installment plan. Subsequently, DISCOMs availed the instalment scheme for old dues to the tune of ₹ 982.21 Crore. Also, the current bills are being settled by the DISCOMs in a timely manner.
- Further, the DISCOMs were encouraged & persuaded to avail Bill Discounting Scheme to liquidate their dues, which resulted in the realization of dues to the tune of ₹ 3,448.69 Crore through bill discounting from the DISCOMs.

Power Trading in Power Exchange

- During the year 2022-23, 220.70 MU of Un-Requisitioned Surplus (URS) power was sold from NLCIL thermal power stations in different market segments of Power Exchange leading to a gross revenue addition of ₹ 94.64 Crore. As per the CERC IEGC Regulation & MoP Electricity (Late Payment Surcharge and Related Matters) Rules 2022, gains earned from sale of such URS power is being shared with the beneficiaries.
- Whenever opportunity arises, NLCIL is continuously trading surrendered power from its thermal stations in Day Ahead Market (DAM) & Real Time Market (RTM) segments of Indian Energy Exchange (IEX) based on availability of surplus lignite & technical capabilities of thermal stations.

- NLCIL has also traded 138.65 MU of power in FY 2022-23 as against 91.23 MU in the year 2021-22 under Trading License which includes sale & purchase of power for various grid connected entities.
- Power Trading agreements were signed with three new clients for buying power from IEX through NLCIL during the period 2022-23.

Regulatory affairs

- During the year 2022-23, CERC has issued Truing up orders 2014-19 and Tariff orders 2019-24 for all the Thermal plants except BTPS and NNTPS. Also, Commission has issued wage revision order for increase in O&M expenses for control period 2014-19. Truing up Orders of Lignite Transfer Price for 2014-19 pertaining to Neyveli Mines and Barsingsar Mines have also been issued.
- Your Company has filed Review Petitions before Hon'ble Commission against Lignite Truing up Orders of 2014-19 and Hon'ble Commission has admitted the Review Petition for additional capitalization, wage revision and inclusion of stores component and has kept aside the review of pooled O&M expenses citing that the same will be dealt based on outcome of APTEL for similar issue for the period 2009-14 in respect of Neyveli mines. Company has also filed Review Petition before Hon'ble Commission in respect of Lignite Transfer Price Truing Up Order 2014-19 and Hon'ble Commission has admitted the petition for review of additional capitalization and inclusion of stores component for Barsingsar Mines.
- For expeditious resolution of truing up of pooled O&M expenses of Neyveli Mines for 2009-14, your Company has filed for short-course hearing at APTEL, which has been admitted. Hearing will be scheduled in due course.
- The Input Price petitions for NLCIL Neyveli Lignite Mines, Barsingsar Lignite Mines for the period 2019-24 and Talabira Coal Mines for the period 2021-24 have been filed before CERC.

Environment Compliance Measures

Your Company practices and promotes the best Environment Management Plan (EMP) since its inception 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.

Ministry of Coal has constituted an Apex Committee with Additional Secretary/ MoC as its Chairman to monitor the compliance of Environmental Clearance (EC) and Forest Clearance (FC) conditions in Lignite / Coal Mines. In this connection, your Company has constituted Environmental Monitoring Committees at Head Quarter (HQ) level and Area level as per the guidelines of Ministry of Coal for the above monitoring purposes.

Your Company continued to undertake mass tree plantations during the year for the benefits of slope stabilisation of the Mines Overburden dumps in order to convert the Mine soil into cultivable soil making it fit for habitation. The Company started investing in Eco-care since its inception leading to a development of a lush habitat which has been converted into Eco-parks & Eco tourism locations. The greenbelt developed also acts as barrier to arrest the air pollution and prevents soil erosion besides Sequestration of CO_2 in the atmosphere.

The units have installed dust suppression mechanisms such as water sprinklers, spray guns, Fog Cannons etc. to control the fugitive dust. The Ambient Air Quality (AAQ) is being monitored regularly in the surrounding villages and is well within the prescribed norms.

Consequent to the Amendments of Environment (Protection) Act, 1986, the norms for water consumption and emissions from Power Plants [Particulate Matter (PM 2.5 & PM10), Sulphur dioxide (SO_2), Oxides of Nitrogen (NOx) & Mercury (Hg)] have been made stringent for the existing as well as new Thermal Power Plants. In this regard, installation of Flue Gas De-sulphurisation (FGD) Systems is in progress.

As a result of continued environmental management measures undertaken, your Company has received many awards for maintaining better environmental management practices. The lists of such awards received during the year 2022-23 are as under:

- ➢ Greentech Intl. EHS award supported by MoEF & CC – Winner for outstanding achievements in Environment Leadership.
- ➢ Grow Care India Environment Excellence Platinum Award 2021- under Environment Preservation Category.

- Fly Ash Utilization Award 2022– For efficient management of Fly ash management in NLCIL (Southern Region) by Mission Energy Foundation.
- TPS II conferred as Winner under "Best Performing Unit" presented by National Power Plant Awards -2023 – Council of Enviro Excellence (CEE)
- BTPS has been awarded with "Gold Award" for 13th Exceed Occupational Health Safety Award & conference 2022 in Power Sector for FY 2022-23
- BTPS bagged Winner prize for 100% Fly Ash Utilization Award by Mission Energy Foundation during FY 2022-23.
- Barsingsar project was selected as Winner under Leading Project of the year category for green-tech Intl Leadership Award 2023 in FY 2022-23.
- BTPS won Excellence Awards from Mission Energy Foundation under the "Clean Generator of the Year - Lignite" & "Excellence in implementation of new Environmental Norms existing TPPs"
- Mine II bagged Green Tech Environment Award 2023 Winner under Environmental Preservation category.
- NNTPS bagged the prestigious award of "Winner - Southern Region" for Excellence in Environment Sustainability 2022 as the best efficient plant in IPP - Fly Ash Utilization category organized by Council of Enviro Excellence (CEE) in the virtual event held on 18th August, 2022.
- NNTPS bagged "Green Leaf Award-2021" for Environment Excellence from Apex India Foundation on 5th May, 2022.

Insurance

During the year, your Company had taken Mega Insurance Policy for the Assets and Stocks of Production Units viz. Mines, Thermals & Renewable Energy (RE). It broadly covers, Material damage (MD) of all Mine assets and Material damage (MD), Machinery Breakdown (MBD), Fire Loss of Profit (FLOP) & Machinery Loss of Profit (MLOP) of all Thermal & RE assets. Assets of Service units are covered under Standard Fire and Special Peril Policy (SFSP) which also cover Electronic Equipment Insurance (EEI), Transit Insurance, Public Liability Industrial Risk Insurance.

Land Acquisition and Rehabilitation & Re-settlement

The extensive land requirement for continuous mining necessitates invoking the law for the acquisition of private property leading to involuntary displacement of people. Your Company is sensitive to the painful involuntary relocation of displaced families and strives to minimize the trauma of such displacement besides continuously and consciously balance the techno economic and the socio-economic goals of its projects. Your Company is following sustainable Land Acquisition policies as per the approved norms and regulations issued by Central and concerned State Government from time to time.

The law applicable for the acquisition of lands for the projects in the State of Tamil Nadu has been changed from the Central Act 1 of 1894 to the Tamil Nadu Acquisition of Lands for Industrial Purposes Act,1997 (TN Act 10 of 1999) with effect from 20th September, 2001.

Your Company has been following the National Policy on Rehabilitation and Resettlement, 2007 for the benefit of the Project Affected Population, for lands acquired upto 31st December, 2013. The Provisions for compensation and R&R as per Schedule-I, II & III of "Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act – 2013" (RFCTLARR) are applicable since 1st January, 2014 to your Company. A revised R&R policy was unveiled by the Hon'ble Minister for Coal on 17th January, 2022 and as per this policy in addition to the monetary benefits as per the provisions of Schedule-II of RFCTLARR Act, the settlers on Govt. lands are also covered for some more benefits besides providing alternate house sites, annuity or onetime grant in lieu of employment. Your Company has diligently revised its Rehabilitation and Resettlement (R&R) policy in November, 2022 once again to offer enhanced benefits to the project-affected families, surpassing the provisions stipulated in the RFCTLARR Act, 2013 in light of the difficulties faced in land acquisition.

Your Company takes good care of the Project Affected Persons (PAPs) through R&R Policy measures thereby minimizing the trauma of displacement. The guidelines issued by the Government of India, from time to time on R&R for the on-going projects are being duly complied with. Your Company develops the Re-settlement Centres (RCs) and also provides good infrastructure facilities thereby helping the affected families to re-settle in the RCs. In addition to this, legal compensation is also being paid with the co-operation of the District Administration.

Research and Development (R & D)

Centre for Applied Research & Development (CARD) is the in-house R&D Centre of the Company and has been recognized by the Department of Science & Technology. CARD has been granted NABL accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL) based on the international standard ISO/IEC 17025:2017.

The major functions of CARD include:

1. Carrying out Science & Technology (S&T) Research Projects,
2. Technology development, patenting and commercialization based on the R&D and Pilot Plant outcome, Co-ordinating for S&T Projects undertaken by the Company, institutional services to students, special studies for operation & new schemes and new initiatives etc.
3. R&D works on lignite utilization, diversification, product development, by-product utilization, solid waste management, wasteland reclamation, Renewable energy, Clean Coal Technologies, introduction of real time monitoring facilities etc.
4. Environmental monitoring, Pollution level measurements, Quality control Testing & Consultancy, Technical services.
5. Rendering analytical services towards quality control of various products/materials used in mines, Power stations and other service units as well as outside agencies on chargeable basis.

CARD has successfully developed the following pilot plants based on the outcome of the R&D studies:

1. Humic Acid
2. Separation of Iron particles from bottom slag
3. Extraction of sand from Mines overburden
4. Biofertilizer
5. Zeolite
6. Solar Drying of Lignite
7. Activated Carbon from Lignite
8. Floating Solar as a part of Business Diversification Plan.

Solar drying of Lignite

As per the action plan announced in the CPSE-PM Conclave for "Vision New India 2022", your Company has initiated action for setting up Innovation Incubation Centre (IIC) in association with Indian Institute of Science (IISc) and with Anna University, at a total outlay of ₹ 9.39 Crore. In the first wave, six tri-party agreement has been signed between innovators, NLCIL and respective institutions. Execution of 1st wave prototype project works are in progress. In the second wave, Evaluation of Proof of Concept to take up the projects to prototype scale is in progress. In the third wave, shortlisting of PoC proposals is in progress.

The total R&D expenditure, incurred as a group during the year 2022-23 was ₹ 26.98 Crore.

Human Resource Development

Your Company believes in its human assets who are the key performers driving the Company's growth. Your Company provides a conducive working environment to its employees wherein they deliver their best potential.

Training

Your Company strongly believes that the pursuit of excellence can be achieved only through competency building, encouraging good work practices and enabling a learning culture. Learning and Development Centre (L&DC) continuously strives to harness the in-house talents by focusing on areas like emerging technology, environmental consciousness, structured on boarding and mentoring using varied modalities and blended learning opportunities.

Apprenticeship training being provided as per guidelines of the Regional Director of Apprenticeship Training, Chennai (RDAT) and the Board of Apprenticeship Training (BOAT) of Southern Region, Chennai.

Industrial Relations

Your Company continued its faith in participative management and has a regular system of holding bipartite structured meetings with the Recognised Unions (collective bargaining agents) / Associations in addressing the common issues of the employees. The significant events of IR department during FY 2022-23 are as below:

1. Awards and Recognition

NLCIL has bagged "The Best Organisation Proactive IR Practice Award 2022" by the Southern India Chamber of Commerce and Industry (SICCI) for implementing the best IR practices at the National IR Conference and IR Awards 2022 on 17th December, 2022.

2. Regularisation of 427 Contract Workmen

In accordance with the settlement under sec.12(3) of the ID Act, 1947 entered into between the Contractor Employers and trade union representing contract workmen in the presence of NLCIL Management, 427 numbers of contract workmen have been regularised in NLCIL rolls.

3. Issuance of Stitched Uniform to Contract Workmen

In accordance with the settlement under Sec. 12 (3) of the ID Act, 1947 entered into between the Contractor Employers and trade union representing contract workmen in the presence of NLCIL Management, it was agreed to provide two sets of stitched uniform to the contract workmen engaged through the private Contract Employer. Accordingly, two sets of stitched uniform issued to around 10,500 contract workmen during FY 2022-23.

In General, Industrial Relations scenario in NLCIL was normal and no man hour lost during the financial year 2022-23.

Manpower

The total employee strength (including subsidiaries) stood at 10,781 as on 31st March, 2023 as against 11,246 as on 31st March 2022.

Reservation of Posts

Your Company scrupulously follows the reservation policy applicable to SCs, STs and OBCs as prescribed in the presidential directives / GOI Guidelines. The group-wise representation of SC/ST/OBC as on 31st March, 2023 stands as follows:

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	3073	656	305	581	21.35	9.93	18.91*
B	223	44	9	75	19.73	4.04	33.63
C	5974	1170	67	2166	19.58	1.12	36.26
D	1511	391	5	875	25.88	0.33	57.91
Total	**10781**	**2261**	**386**	**3697**	**20.97**	**3.58**	**34.29**

*strength of OBCs on rolls of NLCIL after reservation for OBCs came into effect w.e.f 8th September, 1993.

However more than required percentage of employees (covered in the Central list of OBC category) have been recruited on the strength of BC category prior to reservation for OBCs came to effect and continue to be on the rolls of the Company.

Employees' Welfare and Social Security Schemes

Educational facilities

Your Company is presently running 9 Schools with student strength of 4,647 nos. The schools admit children coming from peripheral villages, wards of employees, contract employees, daily wages workmen and others from economically weaker sections of society.

Scholarship Schemes and Tuition Fee Concession

Your Company provides educational assistance(scholarships) to the wards of employees belonging to General, SC/ST, OBC category and wards of Contract Workmen for pursuing higher studies (under graduate degree / diploma / professional courses) till the duration of the course subject to a maximum of five years.

Educational Assistance	Beneficiaries during AY 2022-23	Amount Disbursed
General	333	₹ 32.08 Lakh
SC/ST	306	₹ 35.22 Lakh
OBC	552	₹ 63.10 Lakh
Total	**1191**	**₹ 130.40 Lakh**

Besides these schemes, NLCIL presents cash award to meritorious wards of employees secured 80% & above in CBSE and 90% & above in State Board 10th & 12th Std. exams.

In addition to the above, your Company reimburses the tuition fees every year (ranging from ₹15,440/- to ₹43,350/- per annum) for students belonging to SC/ST/ OBC category (predominantly hailing from the surrounding villages of NLCIL projects) studying in Jawahar Science College, Neyveli, patronised by your Company.

Category of students	Beneficiaries during AY 2022-23	Amount sanctioned
SC/ST	399	₹ 108.86 Lakh
OBC(wards of Non-NLCIL employees)	924	₹ 261.32 Lakh
Total	**1323**	**₹ 370.18 Lakh**

Medical Facilities

The Company's health care model for protecting, preserving and promoting the health and wellbeing of workforce is a time tested one with proven results. The Company which believes that healthy workforce is the key driver of its economic well being is supporting a sustainable health care model since instituting the Hospital in 1962. NLCIL Hospital – a secondary level medical facility with a bed capacity of 350 provides the following medical care facilities/ services to the villages in and around Neyveli:

- Emergency care linked with Advanced Life Support ambulance services for inter-facility transfer of critically ill patients to higher centres. High End Cardiac Centre with State-of-the-art "Cath Lab Facility" which was established in collaboration with Shri Kauvery Medical care (India) Ltd., Trichy at NLC India Hospital, Neyveli was inaugurated on 22nd December, 2022. The centre is equipped to handle all medical emergencies with 25 bedded Cardiac facility. Procedures like coronary angiogram, Emergency and elective coronary Peripheral Angioplasty, pace maker implantation and other procedures can be carried out in this centre.
- 8 bedded emergency unit equipped with centralized oxygen and suction lines, bed monitors, devices and mini operation theatre is capable of handling all emergencies including trauma and industrial accidents.
- Emergency care service is provided on 24 X7 basis. Patients are treated in various specialties that include General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Orthopaedics, Ophthalmology, ENT, Dermatology, Chest Medicine, Psychiatry, Dental and Ayurveda Services.
- Out Patient Department (OPD) service is well supported by diagnostic facilities, pharmacy and other therapy.
- Two Renal Care Units (RCU) – RCU I run by the Company and RCU II through an outsourced facility, with a combined capacity of 28 beds provide haemodialysis service to chronic kidney disease patients.
- Surgical care services in General Surgery, Ophthalmology, ENT, Orthopaedics, Obstetrics & Gynaecology and Dental leveraging the two state of the art Theatre Complexes adequately staffed with anesthesiologists, OT Nurses and OT Technicians to support all major surgeries at secondary level.

In coordination with State health dept, the following were implemented for the benefit of the general public:

- Family Welfare Services for achieving fertility control among the local population.
- Universal Immunization programme for protecting children and adults against all infectious diseases.
- Integrated Counselling and Testing, Treatment facilities for HIV infected patients.
- Revised National Tuberculosis programme for prevention and treatment of TB among the local population.
- National Leprosy Control Programme for early detection and treatment of leprosy among local population.
- Occupational Health services that monitor health and wellbeing of workforce through medical surveillance programme.
- Community Health camps to reach out to rural population and create awareness on various health issues
- Geriatric care services to the inmates of Anandha Illam run by the Company for care of elderly persons who have no family support.
- Company has taken all the necessary steps for health and Safety of its employees by conducting 100% initial medical checkup of all employees and contract workmen , Periodical medical checkup of 100% employees and contract workmen of age more than 50 years and more than 30% for employees and contract workmen of age less than 50 years.
- ENT workstation and new IHMS application at NLC Hospital were inaugurated on 6th March, 2023. The New ENT workstation is designed to enhance the Diagnostic aspects of Ear, Nose & Throat at the Out Patient setup itself. It has another component, the video laryngoscope helps in visualization of voice box and for assessment of voice disorders difficulty in swallowing.
- NLC India Limited has launched its latest Integrated Hospital Management System (IHMS) to manage various aspects of the daily operations.

Multi-disciplinary team approach is adopted to provide a holistic health screening experience to the beneficiaries. Disciplines of General Medicine, Obstetrics & Gynaecology, Paediatrics, Ophthalmic, Dermatology, ENT, Chest medicine, Ayurveda Medicine, Ortho, Physiotherapy and Dental from the clinical team provide comprehensive screening and wider coverage of treatment for women, children and elderly population. NLC India Hospital has successfully completed 10 medical camps in year 2022-2023.

Elders Home

To fulfil the special needs and requirements of the senior citizens, your Company runs ANANDA ILLAM in Neyveli. This elders home provides hospice & home care to the elders and help them to lead a happy and peaceful life with dignity. The employees of your Company also lend their helping hand by contributing a fixed amount every month from their salary to run the old age home.

Ananda Illam - Home for Elders

Compliance under Persons with Disabilities Act, 2016

Your Company has evolved a comprehensive policy for Persons with Disabilities (PwDs) as per the guidelines issued by DoPT for providing certain facilities / amenities to PwDs to meet their requirements and enable them to effectively discharge their duties. The strength of PwDs as on 31st March, 2023 stood at 212.

"SNEHA" Opportunity Services and School

Your Company implements various social welfare measures towards the cause and upliftment of the Physically Challenged Persons through Neyveli Health Promotion and Social Welfare Society (NHPSWS), "SNEHA" Opportunity Services and School both patronised by your Company. This School imparts education and training to mentally challenged children (75 children: Boys-58 & Girls-17) which includes training in vocations like arts & crafts, candle making, paper cup & cover making, carpentry, gardening, cooking and doormat weaving.

Neyveli Health Promotion and Social Welfare Society (NHPSWS)

Through the society, Tricycles, Wheel chairs, Hearing aids etc. are distributed at free of cost to the disabled persons during Independence Day and Republic Day celebrations. The society runs retail outlet shops namely VAIGHAI.

Implementation of Official Language Act, 1963

Your Company has made all concerted efforts to promote the Official Language Implementation Policy in line with the provisions and guidelines prescribed by Government of India under the 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 continues to promote the Official Language and periodic Official Language Implementation Committee (OLIC) meetings are held to monitor the implementation of Official Language Policy. During the year under review, Hindi Workshops were organised besides celebration of Hindi Fortnight wherein competitions on Essay Writing, Poetry and Noting & Drafting in Hindi were conducted.

Women Empowerment - Forum of Women in Public Sector (WIPS)

WIPS NLCIL chapter was formed in 12th February, 1990 and is a Corporate Life Member in the SCOPE since 1990. The strength of women employees in the Company as on 31st March, 2023 stood at 890 constituting 8.26% of Company's human resource.

WIPS, NLCIL organised campaign supporting the Flood affected people. The WIPS, NLCIL won second position in the Best Enterprise in Navratna category for the outstanding efforts undertaken for women both in NLCIL and among society at the 33rd National meet at Kolkata on 10th to 11th February, 2023.

Safety

Your Company is taking pioneering efforts in the industrial safety area along with, the on-going safety related initiatives, apart from compliance of statutory requirements for enhancing safety standard in all the Mines and Thermal Plants which are given below:

- Safety audit of all the Mines is conducted by ISO Team every year and Safety audit of Thermal plants is conducted by accredited external agencies once in two years.
- Central Safety Council members comprising representatives of different units make inspection of the pre-determined unit every month and present its findings to the Unit Head.
- Conducting workshops & Training on Safety by Mines and Thermal units.
- Life-Saving Rules have been prepared & implemented in all the units.
- Conducting Safety officers' meet every month by Central Safety Wing and discussing the Safety performance, Action taken on recommendations, etc.
- Mines at Neyveli (Mine I, Mine IA & Mine II) are being operated with State-of-the-Art Technology i.e., Bucket Wheel Excavators, Spreaders, stackers and series of conveyors having inbuilt safety features.
- Standard Operating Procedures (SOPs) have been established for all the activities of the mines and thermal plants and are strictly implemented.
- Risk assessment based Safety Management Plans (SMPs) have been prepared as per Coal Mines Regulation, 2017 for all the mining activities like Bench operation, Specialized Mining Equipment (SME), Conveyor Zone, Ground Water Control (GWC), conventional Mining Equipment (CME) etc. and is being practiced.
- Pit Safety Committee meeting for the mine is conducted every month besides special safety meetings by individual divisions like conveyor division, blasting division, electrical division etc. Similarly, Unit Safety committee meeting is conducted by all thermal plants every month.
- Weekly Safety inspections of Mines, Thermal plants and other units are being carried out by Central Safety Wing executives and inspection report is submitted to Unit Heads for compliance and improvement in safety standard.
- NLCIL Industrial Medical Centre has been recognised as training centre for imparting First Aid Training by DGMS (Directorate General of Mines Safety).

Risk Management

A comprehensive Integrated Risk Management Policy and Frame work as approved by the Board is in place in your Company. Besides risk prioritization, the roles and responsibilities of the Members are clearly defined. As per the policy, an Internal Risk Review Committee (below Board level) review the risks on a quarterly basis. The risk assessment together with the minimization procedure is reviewed by the Risk Management Committee, Audit Committee and the Board periodically.

Vigilance

The activities undertaken by Vigilance Department are Pro-active & 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 through the Complaint Tracking System (CTS) from receipt up to disposal. As a preventive measure, Surprise Checks, Regular Checks, Quality Checks, Follow-up Checks and CTE Type Examinations are conducted.

As a part of Preventive Vigilance exercise, Customized Training Programmes on "Learning Through Vigilance Cases, Quiz Competition" were conducted at Thermal Units, various Mines, Offices at Neyveli, Barsingsar Project, NTPL, NUPPL & Talabira Project to sensitize the officials on Contracts/ Purchase and various CVC guidelines issued in this regard through Vigilance case studies.

New e-initiatives viz., Digitalization of Land Management portal, Mine Vehicle Tracking system Mobile Application & Project Affected Persons Data Management System were inaugurated.

Quarterly Structured Review meeting with CMD were undertaken for reviewing Vigilance Activities. The required Monthly, Quarterly and Annual reports on Vigilance activities are furnished to CVC and Ministry of Coal.

Implementation of Integrity Pact

Your Company is committed to have most ethical business dealing with the Vendors, Bidders and Contractors of goods and services and deal with them in a transparent manner with equity and fairness. To achieve these goals, your Company is implementing the Integrity Pact Programme in co-operation with Central Vigilance Commission (CVC) and renowned International Non-Governmental Organisation, Transparency International India (TII). Integrity Pact with the suppliers / contractors for all Tenders with an estimate of ₹ 1 Crore rupees and above are monitored.

During the year 2022-23, two Structured meetings are held with the Independent External Monitors (IEMs) wherein procurement and contract related issues and complaints are taken up. During the period, IEMs held 11 review meetings wherein, the orders covered under Integrity Pact were reviewed and held 8 meetings with Contractors for the Tender/ Contract related issues raised by the Contractors/Vendors.

Cyber Security

To protect against cyber security threats, your Company has a maze of protective equipment like Network and Web application firewall for perimeter security and antivirus protection to desktops/laptops.

Digital Culture

Your Company has undertaken the following initiatives while transforming to digital culture:

a. SAP ERP is used as the enterprise software for core business.

b. E-Procurement of products and services through a common portal.

c. Email, intranet, SMS services help for dissemination of information. Virtual Private Network (VPN) has enabled extended office connectivity.

d. Video Conferencing and virtual meetings are being conducted with remote Projects & Business units.

e. Pro-Active and Digital Initiatives like E-office, Document Management System and E-payments have ensured digitization of documents and paperless processes. These have enabled e-governance by ushering in more effective and transparent processes.

f. Supported by a robust network infrastructure with the project sites connected by MPLS, Hyper Converged Infrastructure for Servers, your Company is in the process of embracing new technological platforms to make the infrastructure more robust and seamless.

g. Your Company has taken measures to maintain Inventory of all Critical Information assets with risk Assessment and Business Impact Analysis and Contingency plan for IT systems for strengthening Cyber Security of the organization.

h. The digitisation efforts has been a definitive step towards making the internal processes robust and unified which is contributing immensely towards addressing the Environment Social Governance (ESG) parameters for the Company.

Compliance Monitoring

Your Company has set up a software based Legal Compliance Management System (LCMS) for effectively monitoring and ensuring compliances of all legal provisions applicable to the Company.

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 & sustainable growth.

Your Company is adopting a Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. Your Company focuses on healthcare, education, sanitation, safe drinking water, hunger, poverty and malnutrition eradication, women empowerment, gender equality, environment sustainability, rural sports, protection of National Heritage, Arts and Culture, Rural Development, Water Resource Augmentation. The funds utilised for the CSR projects, programs and activities selected for implementation are as per the CSR Policy of the Company which is available in the website in the following link https://www.nlcindia.in/new_website/index.htm During the year 2022-23, your Company had spent ₹43.07 Crore which is more than 2% of the average net profits of the Company for the last three years.

The details on specific Corporate Social Responsibility projects undertaken in compliance with Section 135 of the Companies Act, 2013 is placed as **Annexure- 1**.

Awards & Recognition

In recognition of its various activities, your Company, has been conferred with the following awards during the year 2022-23:

- Greentech Intl. EHS award supported by MoEF & CC – Winner for outstanding achievements in Environment Leadership.
- Grow Care India Environment Excellence Platinum Award 2021- under Environment Preservation Category.
- Fly Ash Utilization Award 2022– For efficient management of Fly ash management in NLCIL (Southern Region) by Mission Energy Foundation.
- TPS II conferred as Winner under “Best Performing Unit” presented by National Power Plant Awards - 2023 – Council of Enviro Excellence (CEE).
- Mine II bagged Green Tech Environment Award 2023 Winner under Environmental Preservation category.
- TPS-I Expn conferred with CBIP award 2022 for best performing thermal power station in the country.
- TPS-II received the Best Performing Unit award in the category of IPP Lignite – Between 125 to 250 MW in recognition of outstanding achievements in exceptional unit performance, efficiency and reliability from Council of Enviro Excellence.
- BTPS has been awarded with “Gold Award” by Apex India Green Leaf Awards 2021 in Thermal Sector for environment excellence and energy efficiency during the FY 2022-23.
- BTPS won Environment Excellence Awards from Mission Energy Foundation in two categories of Clean Generator of the Year - Lignite and Excellence in implementation of New Environmental Norms existing TPPs during FY 2022-23.
- BTPS awarded with “Gold Award” for the 13th Exceed Occupational Health Safety Award & Conference 2022 in Power Sector during the FY 2022-23.
- Barsingsar Project has been selected as Winner under Leading Project of the Year Category for Greentech Intl. Leadership Awards 2023 in FY 2022-23.
- BTPS awarded with “Excellent Award” for the “National Convention on Quality Concepts.” (NCQC-2021)
- BTPS has been awarded with winner prize for 100% Fly ash utilization by Mission Energy Foundation during the FY 2022-23.
- TPS-II Expansion has bagged “Occupational Health and Safety Award - Gold Award” for Occupational Health and Safety from sustainable development foundation in Nov-22 at Goa.
- TPS-II Expansion has bagged “Kalinga Safety Award – Platinum category” in National Safety Conclave 2022 at Bhubhaneswar.
- NLCIL Stood 1st Place for timely payment and 2nd place in overall ranking among the top 20 CPSEs in GeM Procurements as per updates dt. 16th March, 2023.
- Developer of Year in PSU Category award at EQ’s SuryaCon Coimbatore Conference + Tamil Nadu State Annual Solar Awards on 02nd February, 2023.

- NNTPS bagged the prestigious award of "Winner - Southern Region" for Excellence in Environment Sustainability 2022 as the best efficient plant in IPP - Fly Ash Utilization category organized by Council of Enviro Excellence (CEE) in the virtual event held on 18th August, 2022.
- NNTPS was awarded "GOLD AWARD" by Sustainable Development Foundation supported by Ministry of Labour Employment GOI for power sector for Occupational Health and Safety in the event held in Goa on 25th November, 2022.
- NNTPS bagged "Green Leaf Award-2021" for Environment Excellence from Apex India Foundation on 5th May, 2022.
- NNTPS bagged the prestigious award of "Winner- Best Performing Unit" in the category of IPP Lignite – above 250MW organized by Council of Enviro Excellence (CEE) in the virtual event held on 14th March, 2023 for National Power Plant Awards Year 2023.
- Mine II has been bestowed with the most prestigious "NATIONAL SAFETY AWARD 2021" for lowest injury frequency rate per million cubic meter output.
- Barsingsar Lignite Mine awarded with Overall First Prize in the Safety Week Celebration- 2022-23 under aegis of DGMS, Northern Zone.
- **5 Star Rating**
  - ✓ Mine-I (2nd Place), Mine-II (1st Place), BLMP (14th Place) & Talabira II & III OCP (13th Place) for FY 2020-21.
  - ✓ Mine-I (1st Place), Mine-II (10th Place), BLMP (3rd Place) Talabira II & III OCP (15th Place) for FY 2021-22.
- **4 Star Rating**
  - ✓ Mine-IA (16th Place) for FY 2020-21.
  - ✓ Mine-IA (32nd Place) for FY 2021-22.

Compliance under the Right to Information Act, 2005

Your Company ensures compliance under the Right to Information Act, 2005. Central Assistant Public Information Officers representing different functional areas, Nodal Officer, Central Public Information Officer, Appellate Authority and 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 2022-23 under the above Act, 468 applications containing 1,759 queries were received and 449 applications have been disposed off as on 31st March, 2023. 76 RTI First Appeal have been received out of which 74 have been disposed as on 31st March, 2023.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSMEs) has notified the Public Procurement Policy. The total procurement made from MSMEs during the year 2022-23 was 33.64% as against the target of 25%. Your Company has on boarded on Trade Receivable e-Discounting System (TReDS), a platform which facilitates the financing of trade receivables of MSMEs from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers.

Procurement through GeM Portal

During the year 2022-23, your Company as a group has procured goods & services from Government e-Marketplace (GeM) Portal for ₹ 1,028 Crore. Efforts are being continuously made to maximize the procurement in GeM Portal by using the functionality of "Custom Bid" introduced in GeM during the year 2020.

Citizen's Charter

Your Company maintains Citizen's Charter, indicating details of clients, customers under different heads, different 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

Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at https://www.nlcindia.in/investor/AR1.pdf.

Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered during the year 2022 - 23 were in the ordinary course of the business and are on an arm's length basis. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in **Form AOC 2** is not applicable to your Company. Members may refer to note no. 38 to the financial statement which sets out related party disclosures pursuant to Ind AS-24.

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 & Regulation 25(8) SEBI (LODR) and they have registered their names in the Independent Directors' Databank.

Particulars of Employees

As per provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company is required to disclose the ratio of the remuneration of each Director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

As on 31st March, 2023, there were 1000 shares pending unclaimed in the Demat Suspense Account/unclaimed Suspense Account.

Material changes affecting financial position occurring between the end date of Financial Year and the date of the Report.

There are no material changes affecting the financial position of the Company between the end of the Financial Year and the date of this Report.

Sexual Harassment of Women at Workplace:

As required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, suitable mechanisms were put in place in NLCIL to address the issues faced by women employees. A separate Internal Complaints Committee has been constituted for looking into the complaints relating to sexual harassment of women at workplace. During the year 2022-23, one complaint was received and same has been resolved and as such no case is pending.

Auditors

Statutory Audit

M/s. R Subramanian and Company, LLP, Chartered Accountants and M/s. Manohar Chowdhry & Associates, Chartered Accountants were appointed by the Comptroller and Auditor General of India (C&AG) as the Joint Statutory Auditors for the year 2022-23 under Section 139 of the Companies Act, 2013. The Board of Directors of your Company has fixed ₹ 45 lakh plus applicable taxes as the Statutory Audit fees for the year 2022-23, to be shared equally by the Joint Statutory Auditors.

Branch Audit

M/s. Dhoot & Associates, Chartered Accountants, has been appointed as the Branch Auditor for the year 2022-23 by C&AG for conducting the audit of Mine and Thermal Units at Barsingsar. The Board of Directors of the Company has fixed ₹5.0 lakh plus taxes as the Branch Audit fees for the year 2022-23.

M/s. Kadmawala & Co., Chartered Accountants, has been appointed as the Branch Auditor for the year 2022-23 by C&AG for conducting the audit of Mines at Talabira. The Board of Directors of the Company has fixed ₹5.0 lakh plus taxes as the Branch Audit fees for the year 2022-23.

Secretarial Audit

M/s. Kumar Naresh Sinha & Associates, Practicing Company Secretaries, was appointed as the Secretarial Auditor for the year 2022-23. The Secretarial Audit report for the year 2022-23 & the reply to observations of the Secretarial Auditors and the Secretarial Auditor Reports of the Subsidiary Companies are furnished in **Annexure-6**.

Cost Audit

M/s. R.M. Bansal and Co., Kanpur, was appointed as the Cost Auditor for the year 2022-23 to conduct Cost Audit for Mines & Power Stations of the Company.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained Cost Accounts and Records.

C&AG's Comments:

Comments of the Comptroller & Auditor General of India (C&AG) on the Financial Statements of the Company for the year ended 31st March, 2023 under Section 143(6)(b) of the Companies Act, 2013 along with the Management reply to the comments thereon are furnished in **Annexure-7**.

Directors' Responsibility Statement as per Section 134(3)(c) & 134(5) 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

Appointment

Details of appointment of Directors on the Board of the Company are as under:

a. Shri M T Ramesh has been appointed as Independent Director w.e.f. 06th April, 2022.
b. Shri Suresh Chandra Suman has been appointed as Director (Mines) w.e.f. 11th May, 2022 and also appointed as a Director (Finance) additional charge w.e.f. 01st January, 2023.
c. Shri Prasanna Kumar Motupalli has been appointed Chairman and Managing Director w.e.f. 12th January, 2023.
d. Smt. Vismita Tej, Additional Secretary, Ministry of Coal, Government of India has been appointed as Government Nominee Director, w.e.f. 22nd February, 2023.
e. Shri Samir Swarup has been appointed as Director (Human Resources) w.e.f. 27th February, 2023.
f. Shri M. Venkatachalam has been appointed as Director (Power) w.e.f. 26th April, 2023.
g. Dr. Beela Rajesh, Principal Secretary to Government of Tamil Nadu, Energy Department has been appointed as Government Nominee Director w.e.f. 10th July, 2023.

Cessation

The following Directors relinquished from the Board of Directors of the Company:

a. Shri N K Narayanan Namboothri and Shri Muralidhar Goud ceased to be Independent Directors w.e.f. 10th July, 2022.
b. Shri Jaikumar Srinivasan ceased to be Director (Finance) w.e.f 22nd July, 2022.
c. Shri Rakesh Kumar ceased to be Chairman and Managing Director w.e.f. 1st January, 2023 due to superannuation.
d. Shri Shaji John ceased to be Director (Power) w.e.f. 1st February, 2023 due to superannuation.
e. Shri M. Nagaraju, Additional Secretary, Ministry of Coal ceased to be Part-time Official Director, w.e.f. 22nd February, 2023 due to change in nomination.
f. Shri Ramesh Chand Meena, Additional Chief Secretary to Government of Tamil Nadu, Energy Department ceased to be a Part - time Official Director w.e.f. 10th July, 2023 due to change in nomination.

Key Managerial Personnel:

a. Shri K. Viswanath relieved as Company Secretary of the Company under Voluntary Exit Scheme w.e.f. 01st December, 2022.
b. Shri R. Udhayashankar was appointed as Company Secretary of the Company w.e.f. 01st December, 2022.
c. Shri Suresh Chandra Suman, Director (Mines), holding the additional charge of Director (Finance) was appointed as Chief Financial Officer w.e.f. 01st January, 2023.

Your Directors wish to place on record their whole-hearted appreciation for the valuable guidance and services rendered by them during their tenure as Directors on the Board of the Company.

Further, pursuant to Section 152 of the Companies Act, 2013, Shri K. Mohan Reddy, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the re-appointment.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

Adequacy of internal financial controls with reference to the Financial Statements

Your Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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 ICAI.

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 and Climate Change, Ministry of Mines, Ministry of Personnel, Public Grievances and Pensions, Ministry of Jal Sakthi, Ministry of Industry, Ministry of Labour and Employment, Ministry of Railways, Ministry of Heavy Industries, Ministry of Road Transport and Highways, NITI Aayog, DIPAM, DPE, Central Electricity Authority, Central & State Government Departments, Central & State Electricity Regulatory Commissions, Andaman & Nicobar Islands Administration, 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), Coal India Limited, Mahanadi Coalfields Limited 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, Tuticorin, Bikaner, Andaman & Nicobar, Sambalpur, Jharsuguda, Kanpur Nagar and Dumka. The support and co-operation extended by the Comptroller and Auditor General of India, Statutory Auditors, Branch Auditor, Internal Auditors, Cost Auditor, Secretarial Auditor, Director General of Mines Safety, Directorate of Industrial Health & Safety, Boiler Inspectorates, Chief Inspector of Factories, the Director of Boilers, Central Pollution Control Board, State Pollution Control Board, Chief Controller of Explosives, Chief Vigilance Commissioner, Coal Controller Officers, Regional Labour Commissioner, Regional Provident Fund Commissioner and other Statutory Authorities, the Company's Bankers, Financial Institutions and KfW of Germany, Vendors, Suppliers, Contractors and other valued Stakeholders 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 recognized 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 **Prasanna Kumar Motupalli**

Date: 30th August, 2023 **Chairman and Managing Director**

ANNUAL REPORT ON CSR ACTIVITIES

ANNEXURE - 1

1. Brief outline on CSR policy of the Company.

- NLCIL has been carrying out peripheral developmental activities for betterment of communities in the surrounding villages since inception.
- The vision of NLCIL is to emerge as a leading Mining and Power Company, with social responsiveness accelerating Nation's growth.
- NLCIL's Core Values
  N – National Orientation
  L – Learning and Development
  C – Commitment for Excellence
  I – Innovation and Creativity
  L – Leadership and Loyalty
  C – Customer Focus
  O – Organizational Pride and Growing Together
  M – Mutual Trust and Team Work
  M – Motivation
  I – Integrity, Accountability and Transparency
  T – Total Quality and Total Wellness
  S – Safety and Sustainability.
- NLCIL has adopted a CSR Policy under which new / ongoing CSR projects/ programme / activities are undertaken.
- The CSR activities of NLCIL focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.
- Aiding in the Socio economic development of the local State(s) in which NLCIL operates and also the country at large.
- The CSR of NLCIL contributes to various sectors of development, as enumerated in the Schedule VII of the Companies Act. The major thrust areas are:

S. No	CSR Focus Area
1	Promoting Healthcare & Nutrition
2	Promoting Sanitation
3	Promoting Education
4	Promoting Employment Enhancing Skills
5	Protection of National heritage, art and culture
6	Measures for the benefit of armed forces veterans
7	Promoting Rural Sports
8	Rural development projects
9	Disaster Management, including relief, rehabilitation and reconstruction activities

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

2. Composition of CSR Committee

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during tenure	Number of meetings of CSR Committee attended
1.	Prof. Nivedita Srivastava	Chairperson/Independent Director w.e.f. 10th July, 2022	4	4
2.	Shri. Prakash Mishra	Member/Independent Director (Chairman up to 9th July, 2022)	4	4
3.	Shri. N.K. Narayanan Namboothiri	Member/Independent Director (Relinquished w.e.f. 10th July, 2022)	0	0
4.	Dr. V. Muralidhar Goud	Member/Independent Director (Relinquished w.e.f. 10th July, 2022)	0	0
5.	Shri. M.T. Ramesh	Member/Independent Director (Appointed w.e.f. 6th April, 2022)	4	4
6.	Shri. Suresh Chandra Suman	Member/Director (Appointed w.e.f. 10th July, 2022)	4	4
7.	Shri. Samir Swarup	Member/Director (Appointed w.e.f. 27th February, 2023)	1	1

3. Web-link(s)

Provide the web-link(s) where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:-

The composition of CSR committee is available at https://www.nlcindia.in/new_website/Composition%20of%20Committees%20as%20on%2026.04.2023.pdf

The CSR Policy approved by the Board is available at https://www.nlcindia.in/new_website/csr_new/csr_policy_2021.pdf

The CSR projects approved by the Board are available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/Annual%20Action%20for%20CSR%20FY%202022-23.pdf

4. Executive Summary

Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The executive summary of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 is provided below.

Introduction: Corporate India has considerably boosted its spending on corporate social responsibility (CSR) after the implementation of a required CSR clause in 2014. NLCIL has undertaken projects on healthcare, education, Covid relief measures, rehabilitation, skill development, water augmentation, women's empowerment, environmental sustainability and rural development, etc. during 2020-21. NLCIL has spent ₹ 46.74 Crore towards the implementation of various CSR projects in its operational areas and various project locations across the country. IPE was entrusted to carry out impact assessment study of eight CSR projects of FY 2020-21 having outlays of ₹ 1 Crore or more and which have been completed not less than one year to gauge the effectiveness of these initiatives and better comprehend the requirements and aspirations of the recipients. These 8 initiatives addressed the developmental needs of vulnerable communities in its operational areas and other parts of the nation. Project-wise details and impact are given below:

Framework: OECD DAC framework has been used for evaluating the impact of CSR projects by NLCIL. The scores of all the projects under study based are based on its relevance, efficiency, effectiveness and impact and sustainability parameters.

Overall project scores: The project efficiently utilized the inputs (funds, expertise etc.) and achieved the required out comes and achievements that were desired from the projects. Overall project scores ranged between 67 to 84. The average score of all 8 projects is around 79.

S.No	Name of the Project	OECD DAC framework Evaluation Parameters					Total obtained score
		Relevance (20 Marks)	Efficiency (20 Marks)	Effectiveness (20 Marks)	Impact (20 Marks)	Sustainability (20 Marks)	
1	NLCIL General Hospital	Very High 18	High 16	High 16	Very High 17	High 16	83/100
2	Measures taken towards prevention of COVID-19	Very High 17	High 15	Very High 18	Very High 17	High 15	82/100
3	Tuition fees in respect of SC & ST & OBC Students of Jawahar Science College, Patronized by NLCIL	Very High 18	Very High 17	High 16	High 15	High 16	82/100
4	Construction and providing infrastructures (Education Infrastructure)	High 16	Very High 17	High 15	High 13	High 14	75/100
5	Construction of Toilet blocks in the circulating regions of Railway stations – Cuddalore and various Districts in Tamil Nadu	High 13	High 13	High 13	High 14	High 14	67/100
6	Running expenditure of Kendriya Vidyalaya School	Very High 18	Very High 17	Very High 18	High 15	High 16	84/100
7	De-silting of Lakes in Cuddalore i) PutteriEri in Kumudimoolai ii) Thangal tank in Nathamedu iii) Periyamadhuvu tank in Chokkankollai iv) Periyaeri in Ko-Kothanur	Very High 18	Very High 18	High 15	High 15	High 15	81/100
8	De-silting and formation of Bund from 9 vent culvert to Wallajah tank & Sengal Odai and Middle Paravanar	High 15	Very High 17	High 16	High 15	High 15	78/100

Very low: 1-4; Low:5-8; Moderate: 9-12; High: 13-16; Very High: 17-20

Project-wise details

Project 1: Emergency/lifesaving and OP treatment to common public in the operating region of NLCIL in NLCIL General Hospital, Neyveli.

The NLCIL General Hospital project aimed to provide free comprehensive healthcare services to the general public for the welfare of communities. During 2020-21, NLCIL GH incurred an expenditure of ₹ 275.72 lakh to deliver various health services and OP services in all specialty clinics.

Impact and Outcomes :

The project is very effective and impactful. The project addressed the health issues of long-term diabetes and heart patients by providing proper medication management; reduced the financial burden of health expenditure to the general public, old aged people of Anandaillam (Home for elders), by offering free healthcare services as per NLCIL GH healthcare mission; improved the life expectancy of rural people and others by providing comprehensive healthcare services to various stakeholders free of cost / on nominal charges basis as per NLCIL GH healthcare vision; improved life-saving procedures for all emergency patients due to the availability of various sufficient facilities of ambulances, drugs, injection, etc.

The Impact Assessment report is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/1.%20IA-Medical%20Treatment%20thru%20GH.pdf

Project 2: Measures taken towards prevention of COVID-19

NLCIL has taken various relief measures during COVID as a part of NLCIL's CSR initiatives, which includes financial contributions to government funds, various measures in and around NLCIL to support health, distributions of materials including food, medicines, ambulance services, etc. NLCIL has worked with the local government in initiating various measures. NLCIL has spent ₹ 270.36 lakh towards various COVID-19 preventive measures for the benefit of rural public in the peripheral villages. The main aim of the project was to provide immediate relief to vulnerable communities during the COVID pandemic 2019.

Impact and outcomes :
This project saved the lives of numerous COVID confirmed patients by providing prompt assistance with transportation facilities from their homes to the closest Government COVID treatment center / Government Hospital / Health center in Cuddalore district. The project enabled change in behavior & attitude of the general public to adopt better Covid safety protocols and increase more awareness towards Covid Vaccination.
The Impact Assessment report is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/2.%20IA-COVID'19%20measures.pdf

Project 3: Tuition Fees in Respect of SC, ST & OBC Students of Jawahar Science College, Patronized by NLCIL

Jawahar Science College was established in the Year 1987 with the generous help and co-operation of NLC India limited. The CMD is the chief patron and all the functional directors are patrons of the college. The college offers 10 UG degree, 5 PG and 1 research courses. The total numbers of teaching staff are 68 and Non-Teaching staff is 21. Strength of the college is about 1,644, of which 882 are girl students. The main objective of the project is to continue and encourage higher education opportunities for backward communities' students by reimbursing their tuition fees to the college and thereby students avail free tuition fees with the support of the NLCIL tuition fee reimbursement scheme.

Impact and Outcomes:
The project reduced the financial burden of backward families as their children's tuition fees are borne by the NLCIL; increased students' intake after the NLCIL introduced tuition fee scholarships; improved quality of education; decreased students' drop out numbers.

NLCIL achieved its project objective by reimbursing students' tuition fees of ₹ 446 lakh to Jawahar Science College during 2020-21. A total of 1,091 OBC and 505 SC/ST/Adidravida students availed of tuition fee scholarships from the Jawahar Science College during 2020-21. The quality of education available for students at Jawahar Science College helped students to build their careers and gave assurance to them to settle down properly.
The Impact Assessment report is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/3.%20IA-Tuition%20Fees%20of%20SC,ST&OBC%20to%20JSC.pdf

Project 4: Construction and providing infrastructure

NLCIL prioritized the education sector and allocated CSR funds to run schools and develop school infrastructure. NLCIL incurred an expenditure of ₹ 439.53 lakh on creation of various educational infrastructure facilities at NLCIL running government schools, other government and private schools in Neyveli and its surrounding village.

Impact and Outcomes:
There has been an overall improvement at the schools as NLCIL has provided additional classrooms, constructed compound wall, labs, smart classrooms, funding library building, construction of school toilets, etc., improving quality of education, improved attendance, effective teaching methods, better learning outcomes, etc.
The Impact Assessment report is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/4.%20IA-Infrastructure%20Projects.pdf

Project 5: Contribution to M/s RITES, towards the Construction of Toilets in the Circulating Areas of Railway Stations in Tamil Nadu

As a part of Swachh Rail-Swachh Bharat, Ministry of railways and the southern railway collaborated with NLCIL to construct public toilets in selected 200 railway stations under the jurisdiction of Southern railways during 2018-19. NLCIL allocated ₹ 4,255 lakh to construct toilet blocks in railway stations. NLCIL has taken up this project to address the various public health issues, environment and especially shortage in toilets at circulating areas in selected railway stations under jurisdiction of Southern railways. RITES, the implementing agency, started the project works on 23rd February, 2019 and 166 toilet blocks' works were completed and handed over to the concerned railway stations before 31st March, 2022. The remaining project works are expected to be completed by March 2023. During 2020-21, NLCIL incurred expenditure of ₹ 1,363.19 lakh on the project.

Impact and outcomes:
The project has decreased open defecation in the southern region's circulating areas of railway stations due to the toilets' availability and well-maintenance. The project increased awareness about clean water, sanitation and hygienic habits among various users of railway toilets. There was an increase in the availability of toilets in circulating areas of railway stations in the southern region. In a few stations, the toilets are not being used properly.
The Impact Assessment report is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/5.%20IA-%20Railway%20Toilets%20thru%20RITES.pdf

Project 6: Running expenditure of Kendriya Vidyalaya School

NLCIL prioritizes the education sector and allocates its huge CSR funds to run schools and constructions of school buildings and provide other school infrastructure in the operational areas to improve quality of education. NLCIL supported for starting of Kendriya Vidyalaya to the better cause quality of education providing all sections of communities in this region. The KV Sanghatan started this school in project mode as per compliance with MoU signed between the NLCIL and the KV Sanghatan. A sum of ₹ 291 lakh was approved and sanctioned by NLCIL to cover the KV school's operating costs from April 2020 to March 2021. The project aims to provide financial assistance to run the Kendriya Vidyalaya School in Neyveli as per compliance with MoU signed between the NLCIL and the KV Sanghatan.

Impact and outcomes:
There has been a significant impact since it offers kids a high- quality education, which led to the students' outstanding performance and positively impacted students' overall development including health and well-being.
The Impact Assessment report is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/6.%20IA_KV%20Running%20Expendiutre.pdf

Project 7: De-silting of Lakes in Cuddalore i) Putteri Eri in Kumudimoolai, ii) Thangal tank in Nathamedu, iii) Periyamadhuvu tank in Chokkankollai, iv) Periyaeri in Ko-Kothanur

NLCIL is implementing 'Jala Paryaptha', its main CSR project, to significantly improve food and water security in the operating region of Neyveli. The project aimed objective is to de-silt, deepen and develop chosen ponds and lakes in order to improve irrigation systems, increase water capacity and promote livelihood opportunities for the agrarian community and the general public in its operating region Neyveli and its surrounding areas of Cuddalore district. NLCIL incurred an expenditure of ₹ 133.82 Lakh on de-silting works of these 4 Lakes.

Impact and Outcomes:
This project improved the irrigation systems on 266 acres of Putteri Eri in Kumudimoolai, 960 acres of Thangal eri in Nathamedu and 500 acres of Periyamadhuvu eri in Chokkankollai. Farmers previously grew one-time crop but now they grew two-time paddy and short-term crops in between.
The Impact Assessment report is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/7.%20IA-Desilting%20of%20lakes%20in%20Cuddalore%20District.pdf

Project 8: De-silting and formation of Bund from 9 vent culvert to Wallajah tank & Sengal Odai and Middle Paravanar

The Paravanar receives runoff from the eastern Cuddalore district and rainwater from the Neyveli area. The Upper Paravanar runs for approximately 16.00 kilometers from Kammapuram Block to WalajahTank. It manages irrigation water from Mine-II and storm water from a catchment region of 100 sq km (i.e., Mudhanai, Arasakuzhi). All rainwater in this Paravanar converges at the Nine Vent Bridge, which leads to the Walajah tank. 6.20 kilometers separate 9 Vent from Walajah. Due to the irrigation of Patta land, the northern bund is barely 5 meters wide. NLCIL de-silted Walajahtank, Sengal Odai and Middle Paravanar benefiting nearby villages and improved irrigation capabilities on 15,000 acres of land.

Impact and outcomes:
The project augmented the water holding capacities in lakes / ponds in this region and thereby improved irrigation facilities for agricultural land in this region. The regional farming and other agro based industries were developed as a result of the de-silting of lakes and ponds, which increased farmers' income levels.
The Impact Assessment reports are available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/8.%20IA-Desilting%20of%20Walajah%20&%20Sengal%20Odai.pdf

5. (a) Average net profit of the Company as per sub-section (5) of section 135: : ₹ 1,982.46 Crore.
   (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 : ₹ 39.65 Crore.
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial years: : Nil
   (d) Amount required to be set off for the financial year, if any : Nil
   (e) Total CSR obligation for the financial year [(b) + (c) - (d)]. : ₹ 39.65 Crore.

6. (a) Amount spent on CSR Projects (both ongoing project and other than Ongoing Project). : ₹ 41.09 Crore
   (b) Amount spent in Administrative Overheads : ₹ 1.98 Crore
   (c) Amount spent on Impact Assessment, if applicable : NIL
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. : ₹ 43.07 Crore
   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
43.07 Crore	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any:

Sl. No	Particular	Amount In ₹
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	39.65 Crore
(ii)	Total amount spent for the Financial Year	43.07 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.42 Crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.42 Crore

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl.No.	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under Sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2019-20	Nil	Nil	Nil	Nil	NA	Nil	NA
2	2020-21	Nil	Nil	Nil	Nil	NA	Nil	NA
3	2021-22	Nil	Nil	Nil	Nil	NA	Nil	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ● No

If yes, enter the number of Capital assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl.No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
					(6)		
(1)	(2)	(3)	(4)	(5)	CSR Registration Number if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Office/Municipal Corporation/Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: Not Applicable

(Chairman and Managing Director) (Chairperson of CSR Committee)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

ANNEXURE - 2

A. Conservation of Energy

a. The steps taken or impact on Conservation of Energy

1. Energy Conservation is being achieved through regular maintenance, replacements, using energy efficient equipments and through innovative ideas using in-house expertise.
2. Multifarious methods were adopted to inculcate and imbibe the energy conservation measures in the Industrial and Service units.
3. During this Financial Year 12 meetings/training programs were organized in observance with promotion of fuel and energy conservation.
4. The conventional lights are being replaced with contemporary energy saving LED lights. During this Financial Year 12,496 nos of conventional lights were replaced with LED lights.
5. Capacitor banks are being introduced in phased manner in motors of conveyors, Special mining equipments and transformers to improve power factor thereby reducing reactive power energy losses. During this Financial Year 12 capacitor banks were installed in various locations.
6. Dynamic loading system is being introduced in conveyors in Mines for energy conservation.
7. 239 conventional ceiling fans were replaced with energy efficient Bush Less DC Motor (BLDC) Fans.
8. Measures taken to reduce the consumption of diesel in various sectors (surface transport, mining equipments, cranes etc.)
9. 6 hired passenger E-Vehicles are in service in regional offices.
10. 15 goods carrier e-vehicles are in service for solid waste management.
11. During the Financial Year 2022-23, by adopting energy conservation measures, about 29.97 Million Units of energy was conserved.

b. The steps taken by the Company for utilizing alternate source of energy

Measures are being taken to utilize 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 and commissioned in Library, TPS-IE, 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 and commissioned inside Neyveli Township and synchronized with Grid.
5. 500 MW Solar Power Plants were installed and commissioned in Tamil Nadu.
6. 20 MW Solar Power Plants were installed and commissioned in Andaman & Nicobar Islands.
7. NLCIL with its expertise in Solar Power Plant has installed and commissioned 709 MW of Solar Power Plant for TANGEDCO.
8. 1.06 MW Solar Roof PV Panels were installed and commissioned on Non-Residential Buildings in Neyveli Township.
9. 200 KW floating Solar Power Panels were erected and commissioned in TPS-I lake.
10. NLCIL and CIL have signed MoU for JV project to erect and commission 5000 MW Solar Power Plant.
11. Formation of 2000 MW Ultra Mega Solar Power project is under active consideration.
12. LOA issued for 10 MW Neyveli Solar Project under smart city scheme in Neyveli Township.
13. NLCIL won 150 MW Solar-Wind hybrid projects floated by Solar Energy Corporate of India (SECI). (100 MW Solar: Tender floated and evaluation is under progress. 50 MW Wind: Tendering work in progress).

14. NLCIL won 500 MW solar tender from IREDA (Indian Renewable Energy Development Agency Limited) under CPSU scheme. (200 MW Solar: Tendering work in progress. 300 MW Solar: EPC Award was placed).
15. As an alternative fuel, Lignite to Diesel conversion is being considered as a R&D project.
16. As an alternative fuel, Lignite to Methanol conversion is being considered as a pilot project.
17. Gujarat Urja Vikas Nigam Limited (GUVNL) floated tender for installation of 800 MW Solar power project with Greenshoe option at GSECL Solar Park, Khavda, Gujarat. NLCIL won 300 MW. Further, NLCIL accepted offer for 300 MW under Greenshoe option.

c. The capital investment on energy conservation equipment

During the Financial Year 2022-23, for implementing various Energy Conservation measures, the Company has invested ₹ 2.15 Crore in the Industrial and Service Units.

B. Technology Absorption

We have adopted technological absorption as a major driver for Innovation and Intellectual capability improvement which will contribute towards the Organizational, Industrial and Societal objective achievement. Below are the technological research we are focused on with the Institutional and Industrial collaboration.

Research and Development (R&D)

i . The efforts made towards technology absorption:

a. Development of mobile EV based air quality Modelling:

Environmental monitoring in and around Neyveli is being carried out by manual air quality sampling system. R&D initiatives have been under taken to develop sensor based real time monitoring of Ambient Air Quality Monitoring (AAQM) and also using mobile E-Vehicle. The project has been taken up jointly with IITM, Chennai. Air quality monitoring equipment have been installed at 10 locations by IITM, Chennai. Development of sensor-based monitoring, Isopleth modelling, integration of real time sensors in E-Vehicle were completed by IITM. Project Completed.

b. Use of Overburden Clay as alternate for coarse aggregate (OB to sand):

The overburden removed during mining operations has been dumped without any utilization. The overburden materials contain sand materials. IITM, Chennai and NLCIL have jointly taken up as research project, funded by Ministry of Mines, to explore the possibilities for extraction of sand, clay from the overburden materials. A small pilot plant for extraction of sand from over burden has been installed at CARD. Preliminary lab studies and pilot plant trials were conducted. Processed sand samples have been sent to IITM and testing of the samples are in progress. Around 40 to 60% of sand has been recovered from OB. Further sampling and trials are in progress.

c. Pilot Plant studies on Beneficiation of Iron recovered from bottom slag:

CARD has successfully developed technology to separate the iron from bottom slag in pilot plant scale. Various trial runs have been carried out using the bottom slag in the pilot plant. From the trials it is observed that around 40% of magnetic materials can be separated from the bottom slag. The iron particles separated from the pilot plant needs further beneficiation to improve the Fe content for better utilization and sales. Hence, a pilot plant to enhance the quality of the separated iron particles installed and further downstream studies is in progress.

d. Lignite to Diesel

NLCIL has taken up feasibility study for extraction of Diesel from Lignite in collaboration with LEMAR Industries, USA. The firm has submitted the feasibility report and the diesel extracted from Lignite for further evaluation at NLCIL. As per the study, Lignite is good for gasification and processing into diesel fuel. The quality of diesel was found on par with diesel available in market. Way forward activity to take up pilot project is in progress.

e. Innovation –Incubation Centre:

The Government of India has setup the Atal Innovation Mission (AIM) under NITI Aayog. Under the Mission, all CPSEs have to form Incubation Centers. NLCIL has taken up initiative for the formation of Innovation Incubation Centre with premier Institutions. MoU / MoA has been signed with IISc Bangalore and with Anna University Chennai for establishing Innovation and Incubation Centre. The formation of Innovation Incubation Centre has been completed. In the first wave, MoU has been signed between six innovators, NLCIL and respective institutions for execution of the following selected prototype projects:

1. Membrane-less, Chemical free, Plug and Play, Hassle Free; Water & Wastewater Treatment
2. Smart IoT Controlled Cultivation of Herbal Crop
3. Hydroponics Farming in the Backfilled Mines Area of NLCIL

4. Development and Demonstration of Durable, Inexpensive and scalable Super capacitors for Energy Storage
5. Development of Eco-Friendly Geo-Polymer Ash Based green bricks using solar heating
6. Activated carbon development using lignite – HA sludge

1st wave Prototype projects works are in progress. In the second wave, Evaluation of Proof of Concept to take up the projects to prototype scale is in progress. In the third wave, shortlisting of PoC proposals is in progress.

f. Study on Development of Hi-Tech Agriculture using Hydroponics / Aeroponics:
Reclamation and afforestation activities are being taken up regularly in Mine dumping yards in all the three mines in Neyveli. As a part of reclamation activities, a hi-tech agriculture system using Hydroponics / Aeroponics is being established. The objective of the project is to develop "a hydroponic cultivation at Mine-IA reclaimed area with IoT enabled to capture the live data and use for monitoring the growth of the plant". The project was undertaken and completed in collaboration with IISc, Bangalore. According to the study, this technique will be useful for generating more revenue with fewer land resources and effectively utilizing waste land generated by mining.

g. Prevention of Premature failures and enhancing life in bottom rollers used in Bucket wheel Excavators
In NLCIL Mines, several Bucket Wheel Excavators (BWE) are used for removing overburden and excavating lignite. The rollers used in the track systems of BWE for movement are subjected to severe stress & strain in loading conditions. Due to this erratic stress, the bottom rollers face premature failures. In this regard, a R&D study was taken up in collaboration with NIT, Trichy, IISc, Bangalore for prevention of premature failure of bottom rollers working in the crawler systems of Bucket wheel excavators (BWEs) and enhance their life with the funding from Coal S&T. The objective of the study is to carry out fundamental and systematic study to find out the root cause of the failure modes in bottom rollers and to assess the mechanism of wear, corrosion through appropriate studies. Studies are in progress.

h. Lignite to Syngas for power generation and value-added chemical production
NLCIL intends to take up R&D studies for development of new products through processing of Lignite into value added products. In this regard, a non-binding MoU has been signed between NLCIL & BHEL to take up the studies on setting up a pilot plant for Lignite to Syngas integrated with clean power generation by Integrated Gasification Combined Cycle (IGCC) and production of value-added chemicals. Studies are in progress.

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

a. The overburden material contains considerable quantity of sand. The extraction of sand & clay will provide additional source of revenue from waste.
b. NLCIL Mines & Thermal are having lakes around 150 hectares to store the groundwater for industrial purposes. Floating solar paves the way for double benefits of water conservation by 30% and utilization of land occupied by water body.
c. Pilot plant study on iron beneficiation from TPS slag leads to waste utilisation.
d. Formation of Innovation Incubation Centre is to promote innovation, entrepreneurship and helps to support start-ups.
e. Development of hi-tech agriculture system will be useful for more revenue generation with minimum land resource as well as create job opportunity to the society, to utilize the wasteland generated in Mining.

iii. Imported technology (imported during last three years reckoned from the beginning of the financial year) – Nil

iv. The expenditure incurred on Research and Development for the year 2022-23 - ₹ 26.98 Crore.

C. Foreign exchange earnings and outgo

Foreign Exchange Inflow	:	Nil
Foreign Exchange Outflow	:	₹ 38.14 Crore

For and on behalf of the Board of Directors

Place: Neyveli
Date: 30th August, 2023

Prasanna Kumar Motupalli
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE - 3

Global Energy Outlook

The global power sector is experiencing a profound transformation, as the world grapples with the urgent need to address climate change and embrace sustainable energy solutions. This fundamental shift is driven by the realization that traditional fossil fuel-based power generation contributes significantly to greenhouse gas emissions and environmental degradation. As a result, countries, businesses and communities are increasingly turning to renewable energy sources and innovative technologies to power the world while mitigating the impacts of climate change.

One of the most notable trends in the global power sector is the rapid growth of renewable energy sources. According to the International Renewable Energy Agency (IRENA), in 2020, renewable energy accounted for approximately 26% of the world's electricity generation capacity, a significant increase from previous years. Solar and wind energy have been at the forefront of this transformation, with their capacity increasing by 18% and 12%, respectively, in the same year.

Furthermore, the falling costs of renewable technologies have made them increasingly competitive. According to the International Energy Agency (IEA), the global weighted-average levelized cost of electricity (LCOE) for solar photovoltaics and onshore wind decreased by 85% and 56%, respectively, between 2010 and 2020. This cost reduction has accelerated the deployment of renewable energy projects across the globe.

Conversely, the use of coal for power generation is gradually declining. In 2020, the IEA reported that coal's share in the global electricity generation mix dropped to 34%, the lowest level since 1975. This decline can be attributed to the increasing adoption of cleaner energy sources and the push for emissions reduction targets in various countries. Many nations are phasing out or scaling back coal-fired power plants in favor of renewable energy projects. In addition to embracing renewables, the global power sector is focusing on energy efficiency and electrification initiatives. Energy efficiency measures, such as smart grid technologies, demand-side management and energy-efficient appliances, are gaining traction in both developed and developing countries. These measures help reduce energy wastage and improve overall system efficiency.

Electrification is another critical aspect of the power sector's evolution. Electric vehicles (EVs) and electrified transportation are becoming increasingly popular, providing an alternative to traditional fossil fuel-powered vehicles. The electrification of transportation not only helps reduce greenhouse gas emissions but also presents opportunities for energy storage and demand flexibility through vehicle-to-grid (V2G) technologies.

While the progress towards a sustainable power sector is encouraging, challenges remain. Integrating intermittent renewable energy sources into the grid requires innovative storage solutions to ensure continuous and reliable power supply. Moreover, grid modernization and infrastructure upgrades are essential to accommodate the evolving energy landscape. The global power sector is undergoing a momentous transformation towards sustainability, with renewable energy leading the charge. The declining costs of renewables, coupled with the increasing commitment to emissions reduction, signal a positive trajectory for the future of power generation. Embracing energy efficiency and electrification initiatives further strengthens the sector's potential to drive a cleaner and more sustainable energy future.

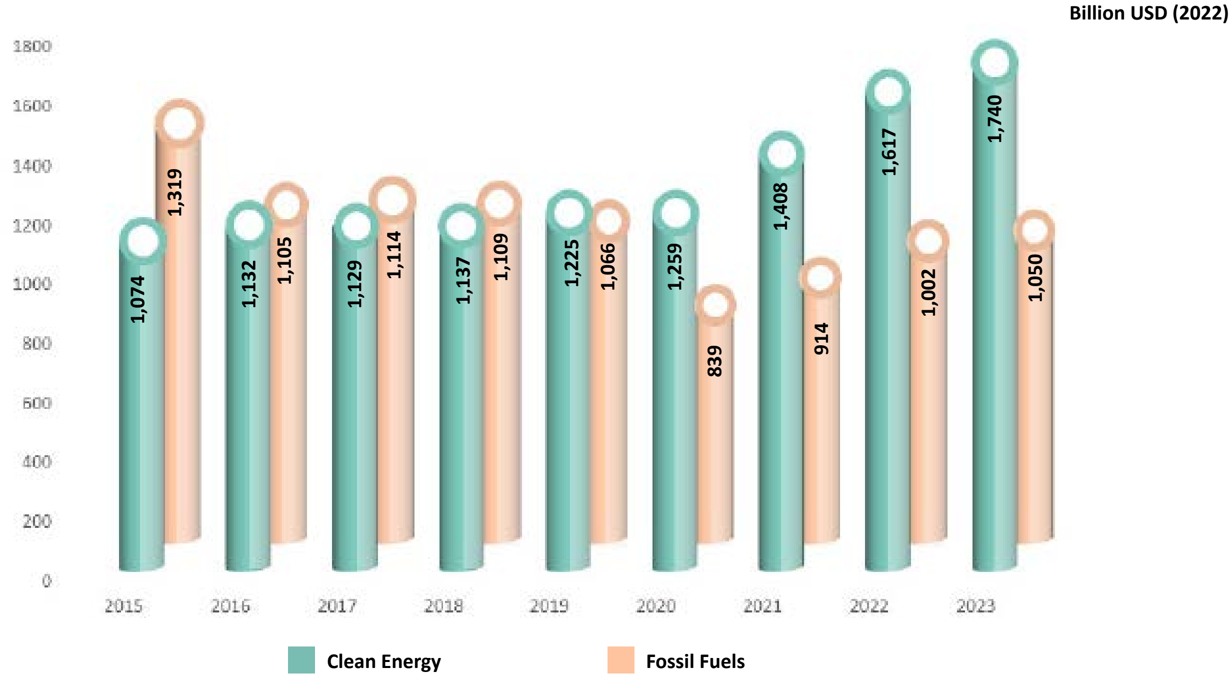
Global Clean Energy Investment

From the 2023 perspective, global investment in clean energy has been gaining impressive momentum, reflecting an intensifying commitment towards sustainable development and climate change mitigation. Emboldened by policy support, technological advancements and changing investor sentiment, clean energy is no longer seen as merely an ethical consideration, but as a robust opportunity for secure, long-term financial returns. In a remarkable shift, renewable energy projects, particularly in solar, wind and energy storage, have attracted substantial capital, outpacing investments in traditional fossil fuels. Likewise, the surge in electric vehicle production and infrastructure, coupled with significant investments in energy efficiency and green hydrogen technologies, highlight a broadened clean energy canvas. This trend signifies a decisive, global move towards a low-carbon economy, powered by an understanding that economic growth and environmental stewardship are not just complementary but are in fact intertwined in the blueprint of our future.

In an era where climate change poses an increasingly urgent threat to the health of our planet, global investment in green energy has emerged as a paramount catalyst for positive change. As the world grapples with the need to transition away from fossil fuels and adopt sustainable alternatives, the investment landscape has witnessed a remarkable shift towards renewable energy sources. Embracing this transformative trend is not only a moral imperative to safeguard the environment for future generations but also a strategic opportunity for nations and businesses alike. With the growing realization that clean energy solutions can mitigate environmental degradation, enhance energy security and drive economic growth, global investment in green energy stands poised to revolutionize the way we power our world and pave the way towards a greener, more sustainable future.

Investment in clean energy technologies is significantly outpacing spending on fossil fuels as affordability and security concerns triggered by the global energy crisis strengthen the momentum behind more sustainable options, according to the IEA World Energy Investment 2023 report. Annual clean energy investment is expected to rise by 24% between 2021 and 2023, driven by renewables and electric vehicles, compared with a 15% rise in fossil fuel investment over the same period. But more than 90% of this increase comes from advanced economies and China, presenting a serious risk of new dividing lines in global energy if clean energy transitions don't pick up elsewhere.

Global Energy Investment in clean energy and in fossil fuels, 2015-2023



Source: IEA.

Embracing the Future: Global Climate Outlook and Sustainable Pathways

The pursuit of global climate goals remains a paramount priority as nations continue their unwavering commitment to address the pressing challenges of climate change. One of the pivotal milestones in this journey is the Conference of Parties (CoP), convened by the United Nations Framework Convention on Climate Change (UNFCCC). CoP gatherings have become the epicenter of international efforts, where countries reaffirm their dedication to collective climate action. As we stand on the threshold of CoP 27, the world looks ahead with anticipation, knowing that this pivotal event holds the potential to shape the future of our planet. Building upon the foundations laid in previous CoP agreements, this upcoming gathering presents an invaluable opportunity for global leaders to strengthen their resolve, accelerate climate mitigation and adaptation efforts and solidify a shared vision for a resilient, carbon-neutral world. The CoP 27 commitment, when harnessed collectively, will be instrumental in forging a sustainable path forward, ensuring that generations to come inherit a planet capable of supporting life in all its diversity.

United States passed the landmark federal law of "Inflation Reduction Act" (IRA) aimed at addressing climate change and energy security issues. Under IRA, $386 billion had been pledged for the energy and climate sector with a view to spur growth in the renewable equipment sector and reduce its dependency on China. Australia, one of the biggest emitters per capita, passed a legislation enshrining a pledge to slash carbon emissions by 43% by 2030 and to achieve Net-Zero by 2050. Other countries in Asia and Middle East too planned to accelerate the use of renewables and achieve Net-Zero by 2050-2060.

Harvesting the Power of Tomorrow: The Green Hydrogen Initiative

From a global perspective, green hydrogen is increasingly recognized as a game-changing solution within the power sector, holding the potential to completely revolutionize energy systems as we know them. Given that it can be produced via electrolysis of water using renewable energy sources, green hydrogen embodies the promise of a zero-carbon energy carrier, crucial to decarbonizing sectors where direct electrification is challenging. 2023 has witnessed burgeoning interest in green hydrogen, with numerous nations unveiling hydrogen strategies to stimulate production, build infrastructure and create end-user markets. Notably, its applications extend beyond merely a source of power; it is foreseen as an essential component for long-term energy storage, a key enabler for the creation of synthetic fuels and a crucial element in industrial processes such as steel and chemicals production. As countries strive towards ambitious climate targets, the maturation of green hydrogen technologies and the associated decrease in production costs could play a pivotal role in facilitating a global clean energy transition.

Electrifying the Future: Electric Vehicles Adoption on the Rise

Electric Vehicle (EV) adoption has a profound, bidirectional relationship with the power sector. On one hand, the ongoing surge in EV uptake, driven by environmental awareness, policy support and technological innovation, represents a significant new demand avenue for the electricity sector. However, this rising demand also presents grid management challenges, requiring power utilities to adopt smart grid solutions, demand response techniques and advanced energy storage systems to maintain grid reliability and stability.

On the other hand, the nature of the power supply directly affects the carbon footprint of EVs. As of 2023, as grids globally continue to ‘green’, the benefits of EVs are increasingly pronounced, reducing greenhouse gas emissions not just from tailpipes, but on a well-to-wheel basis. Furthermore, vehicle-to-grid (V2G) technologies are emerging, where EVs can feed power back to the grid during peak demand, acting as mobile energy storage units and further integrating the transportation and power sectors. As EV adoption accelerates, it’s evident that the transformation of the transportation sector and the evolution of the power sector are intricately linked, each driving and enabling the other towards a sustainable, decarbonized future.

In 2022, the global market experienced an unprecedented surge in Electric Vehicle (EV) sales, surpassing 10 million units, marking a staggering increase of over 50% compared to 2021 (Source: IEA). Parallelly, to accommodate this rapid EV proliferation, there was a robust 55% increase in EV charging installations, reaching a total of 2.7 million charging points globally by the end of 2022 (Source: IEA). This acceleration was significantly propelled by various government initiatives, including tax credits, purchase incentives and substantial investments in EV infrastructure. The year also witnessed a diversification in the EV market with the rollout of numerous new models by a multitude of automakers, sparking increased consumer awareness and interest. Capitalizing on this burgeoning momentum, a host of new entrants have emerged within the EV landscape, strategically positioning themselves to leverage the ample opportunities presented by this transformative shift in the automotive sector.

Indian Energy Sector: Strategic Shifts and Progress

The energy sector in India has been on a transformational trajectory from 2022 to 2023, marked by the confluence of policy initiatives, technological advancements and increased commitment towards renewable energy. This Management Discussion and Analysis aims to outline the key trends and strategic shifts observed in this period, offering valuable insights into this dynamic landscape.

Renewable Revolution: A Strategic Imperative

In 2022, India embarked on an aggressive renewable energy strategy, largely driven by the government's commitment to attaining 450 GW of renewable energy capacity by 2030. This initiative led to an accelerated growth of the sector, with notable advancements in solar and wind power generation. Furthermore, the launch of the 'Green Energy Corridor' project – aimed at enhancing grid capacity for renewable energy transmission – represented a critical step towards integrating renewables into the country's energy infrastructure.

India's wind-solar hybrid policy introduced in the same year further optimized the use of resources by incentivizing co-location of wind and solar installations. This led to increased grid stability and the effective use of land and infrastructure. Notable policy initiatives include:

'Must-run' status: Renewable energy sources are granted priority dispatch, giving them precedence over other power sources in accessing the grid.

Accelerated depreciation: Allowing renewable energy project developers to claim accelerated depreciation, enhancing the financial attractiveness of investments.

Capital subsidy: Providing financial assistance and incentives to promote the establishment of renewable energy projects.

Government-supported solar park development: Facilitating the establishment of solar parks across the country to encourage large-scale renewable energy projects.

Green Energy Corridor: Strengthening the intra-state transmission network (ISTS) as part of comprehensive grid enhancement planning.

ISTS waiver: Exempting wind and solar projects commissioned before 2022 from Inter-State Transmission System (ISTS) charges, thereby reducing operational costs. This waiver has been extended until June 2025.

Levelized auction tariffs: Introducing competitive bidding processes to determine tariffs, ensuring cost efficiency and optimal utilization of resources.

Lower corporate tax: Providing tax incentives to renewable energy developers, encouraging investment and project viability.

Renewable Purchase Obligation (RPO): Large power consumers, including DISCOMs, are mandated to meet a portfolio standard by procuring a specified percentage of their power from renewable sources.

Harnessing Solar Power : An Unparalleled Opportunity

India’s solar energy sector emerged as a cornerstone of the country’s energy mix during this period. Leveraging India’s geographical advantage and the decreasing solar PV prices, solar power was extensively deployed for electrifying rural areas and transitioning away from fossil-fuel based power generation.

In 2023, the government’s efforts towards the establishment of solar parks and ultra-mega solar power projects significantly contributed to a surge in the country’s installed solar capacity, manifesting a strategic shift towards solar power.

Green Hydrogen: Exploring the Potential

The global transition towards green hydrogen as a clean energy carrier did not go unnoticed by India. In 2023, the launch of 'Hydrogen Energy Mission 2023' underscored India's commitment to becoming a global hub for green hydrogen production and export. This initiative not only diversified India's energy portfolio but also opened new avenues for economic growth and international cooperation.

Accelerating into the Future: The EV Revolution in India

The EV industry in India witnessed substantial growth between 2022 and 2023. Facilitated by supportive government policies such as the FAME II scheme and the entry of numerous new EV models from both domestic and international manufacturers, EV adoption gained significant traction.

This growth was further supported by substantial enhancements in EV charging infrastructure and battery technology. By the end of 2023, India was well on its way towards achieving its goal of 30% EV sales by 2030, symbolizing a strategic move towards sustainable transportation.

Illuminating the Energy Landscape

A captivating snapshot of Indian Energy Sector in 2022-23

416 GW Installed power capacity

8.9% Increase in generation

125 GW of Renewable energy capacity (excluding large hydro)

30% Renewables share in the total installed capacity

51% Share for coal/ lignite in the total installed capacity

11% Share for Hydro power in the total installed capacity

Renewable energy capacity (including large hydro) currently stands at 172 GW (approx.).

The electricity generation target, including renewable energy (RE), for the year 2023-24 has been set at 1,750 Billion Units (BU), indicating a growth of approximately 8.89% over the actual generation of 1,624 BU in the previous year (2022-23). Notably, this generation in 2022-23 showed a significant increase from the 1,491.86 BU generated in 2021-22, representing a growth of about 8.8%.

Renewable energy generation increased from 170.91 BU in FY22 to 171.28 BU in FY23 while conventional source of energy generation (including Bhutan import) increased from 1,320.88 BU to 1,452.88 BU.

The power supply position in FY 2022-23, energy deficit has reduced from 0.4% to 0.5% in comparison to previous year. The peak deficit has increased from (1.2%) to (4%).

Overview on India's Installed Capacity

As of March 31st, 2023, the total installed capacity in India stood at 416 GW. Among the energy sources, Coal/Lignite accounts for the largest share at 51%, followed by renewable energy sources (RES) at 30%, hydro at 11%, gas at 6% and nuclear at 2%. This diverse energy mix has allowed India to significantly increase its installed capacity, now approaching double the peak demand. Furthermore, India has become a net exporter of power, supplying electricity to neighboring countries such as Nepal, Bangladesh and Myanmar.

Coal
Installed Capacity
2,05,235.50 MW

Gas
Installed Capacity
24,824.21 MW

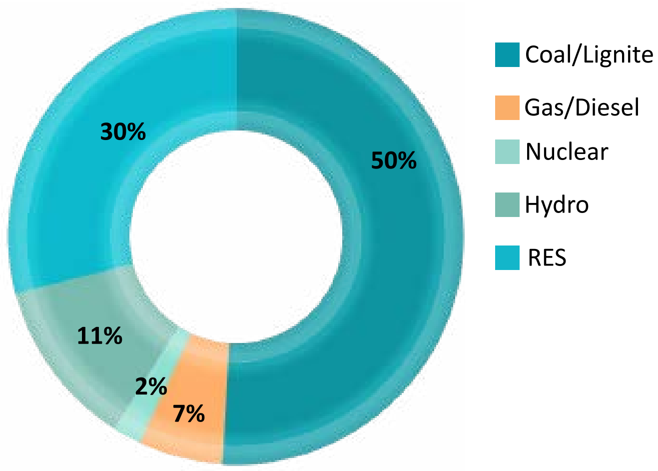
Diesel
Installed Capacity
589.20 MW

Nuclear
Installed Capacity
6,780 MW

Hydro
Installed Capacity
46,850.17 MW

RES
Installed Capacity
1,25,159.81 MW

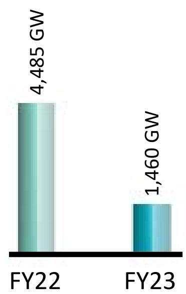
Installed Capacity - 31st March, 2023



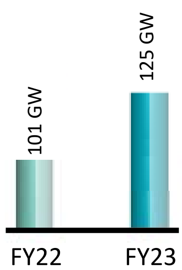
Overview of Capacity Addition in FY23

In FY 2022-23, the thermal sector witnessed a modest net generation capacity increase of only 1,460 MW, significantly lower than the 4,485 MW added in the previous year (2021-22). Similarly, the hydro power generation segment added a net generation capacity of 120 MW, a decrease from the 393 MW added during FY 2021-22. Overall, the total new generation capacity added in FY 2022-23 was a mere 1,580 MW, compared to 4,878 MW in FY 2021-22. However, there was a notable growth in the installed capacity of renewable energy sources, which rose from 101.17 GW in March 2022 to 125 GW in March 2023.

Capacity addition - Thermal Power

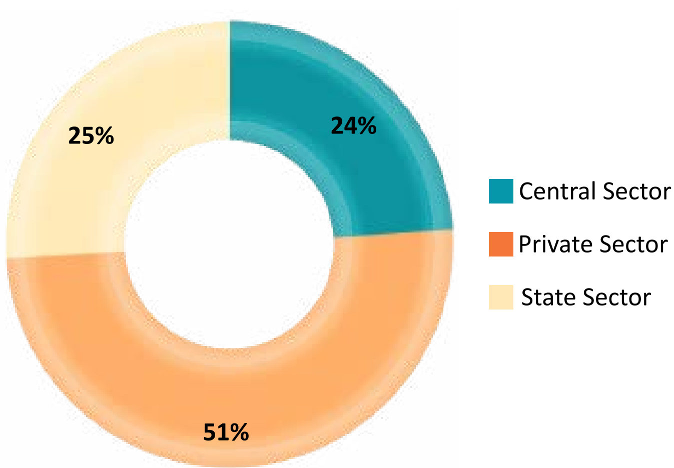


Growth in renewable energy capacity



Sector-wise capacity

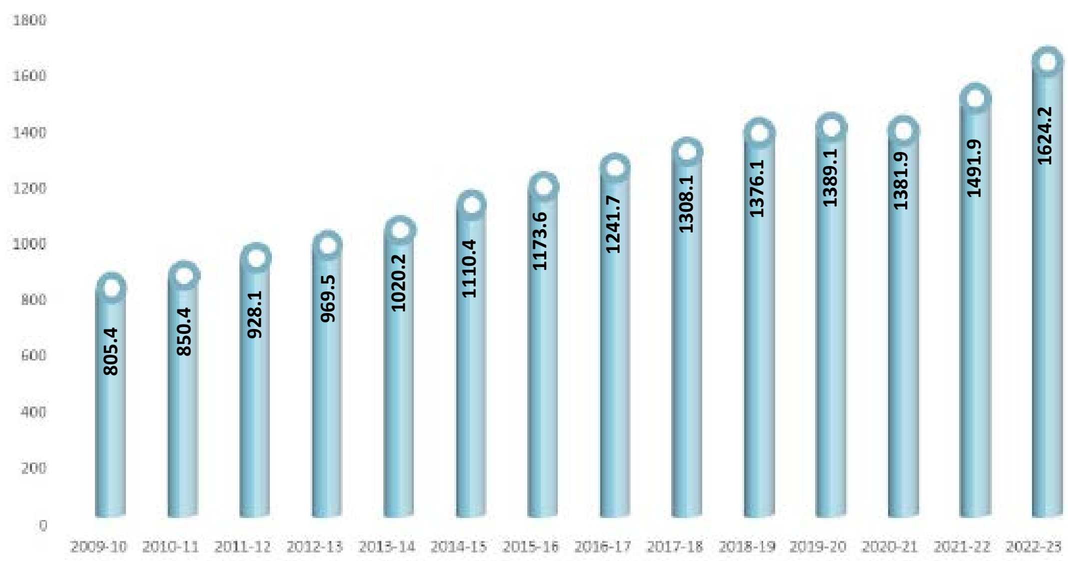
As of 31st May, 2023, the total installed power generating capacity in India stood at 416 GW, according to reports from the Central Electricity Authority (CEA). The private sector plays a significant role, contributing 50.54% of the country's installed capacity. On the other hand, the States and Central Sectors account for 25.41% and 24.05% of the installed capacity, respectively. This distribution highlights the substantial involvement of the private sector in India's power generation landscape.



Overview of Energy Generation

The chart below illustrates the historical trend of total annual electricity generation in India, which includes generation from renewable energy sources. The total annual electricity generation is 1,624.2 BU for FY 2022-23.

Total Generation (Including Renewable Sources) **(in Billion Units)**

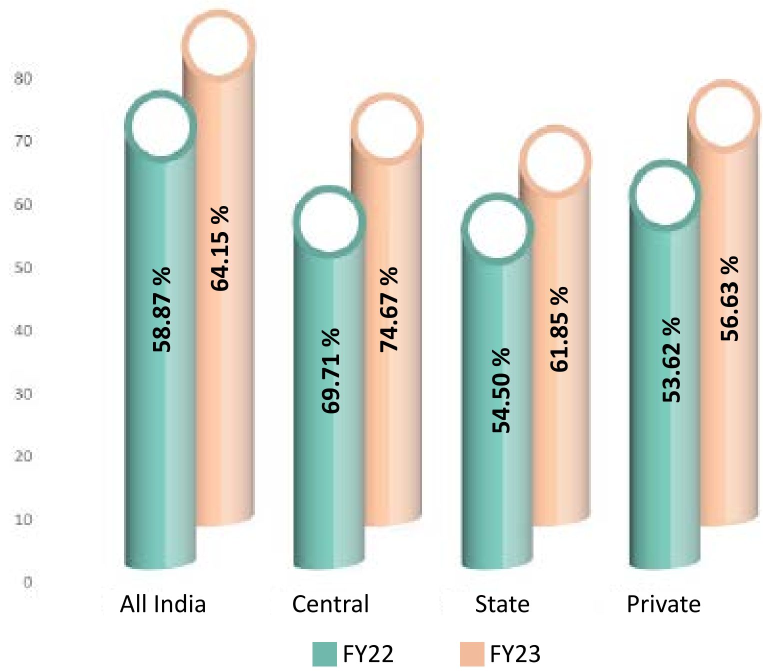


Source: Ministry of Power

Plant Load Factor of power stations (PLF)

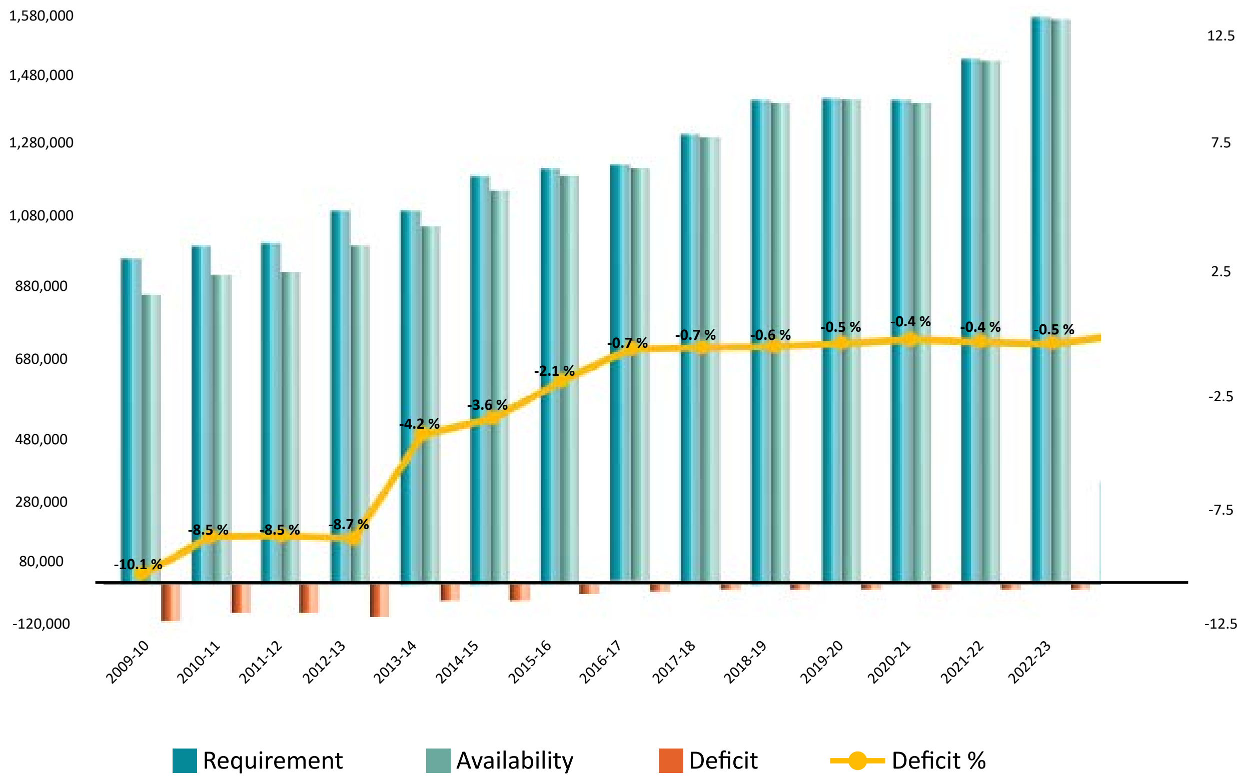
Coal-based stations in India witnessed an increase in PLF from 58.87% to 64.15% in FY 2022-23. The sector wise PLF is as follows:

Sector -wise PLF (%)



Source: CEA

Access to Energy – Demand vs Supply



Source: Website of the Ministry of Power, Government of India

Regulatory and Policy Developments

The Indian Power sector experienced several regulatory and policy changes in the past year, propelling its growth and trajectory. Key developments included the promulgation of Late Payment Surcharge (LPSC) Rules, Green Open Access Rules, Ancillary Services regulations, a thoroughly revised Deviation Settlement Mechanism and a new Over-the-Counter platform, alongside a major regulatory push for energy storage systems.

Noteworthy government announcements included:

The Ministry of Power invoked Section 11 of the Electricity Act, 2003, twice within nine months (May 2022 and February 2023), aiming to address the increased peak electricity demand. This action directed all imported coal-based power plants to operate at full capacity and issued instructions to domestic coal-based plants to ensure sufficient fuel stock, partially through imported coal blending.

The draft Electricity (Amendment) Bill 2022 proposed several key amendments, including multiple distribution licensees operating within a supply area, stricter penalties for Renewable Purchase Obligation (RPO) non-compliance, a comprehensive redefining of NLDC's functions and responsibilities and changes to the selection criteria for Central/State Regulatory Commissions' Chairman and Members. The Bill, which aims to increase competition and accountability in the distribution sector, was tabled in the Parliament's monsoon session and referred to the Parliament Standing Committee on Energy.

The Ministry of Power issued the Electricity (Amendment) Rules 2022 with key features such as a uniform RE Tariff from a common pool for end procurers, multiple energy storage utilization modes, automatic recovery of fuel and power purchase cost via Fuel and Power Purchase Adjustment Surcharge (FPPAS) and mandatory resource adequacy requirements.

These developments are viewed positively as they promote the closure of purchase contracts between DISCOMs and intermediary entities like SECI, RE grid integration through the deployment of storage and timely cost recovery by DISCOMs.

India's National Electricity Plan

India's National Electricity Plan (NEP) charts a transformative course towards a sustainable energy future, driven by ambitious targets for peak electricity demand and electrical energy requirements. The NEP envisions a shift towards non-fossil-based capacity, aiming for around 500 GW of renewable-based installations by 2029-30. By 2031-32, this vision is expected to materialize with an estimated installed capacity of 900,422 MW, comprising 68.4% renewable-based capacity. The embrace of electric vehicles, solar rooftops and green hydrogen production further reinforces this commitment to sustainability. With energy storage playing a critical role, the NEP outlines a requirement of 73.93 GW by 2031-32 to ensure a reliable and resilient power supply. As India forges ahead, the average emission factor is anticipated to decrease significantly, paving the way for a greener, cleaner and more vibrant energy landscape.

Power Trading Overview

During the fiscal year 2022-2023 (FY23), the short-term power market witnessed remarkable growth, with approximately 190 Billion units (BUs) of electricity traded, a significant increase from the 184 BUs traded in FY 22. Power exchanges played a substantial role in this market, accounting for about 42% of the total trading volume. The intense competition among power traders resulted in considerable pressure on trading margins. Notably, the market saw a concentration of 8 key players, while smaller traders primarily focused on regional pockets, predominantly trading their own power supplies.

One of the significant developments in FY23 was the surge in the average clearing price for the Day Ahead Market (DAM), reaching ₹ 5.94 per unit, signifying an almost 35% increase from the previous fiscal year. Several factors contributed to this rise in DAM prices, including a surge in overall demand for electricity, increasing international coal and gas prices and a domestic coal supply shortage, particularly during the monsoon seasons. These supply-demand dynamics put upward pressure on prices, impacting the overall market conditions.

Looking ahead, the tender prices discovered by DISCOMs for the forthcoming months of 2023 have remained high, with price ranges spanning between ₹ 8 to ₹ 11 per kilowatt-hour (kWh). This trend reflects the ongoing challenges in the power sector, driven by various factors influencing electricity prices and supply availability.

In conclusion, FY 23 witnessed a vibrant short-term power market with a substantial increase in trading volumes and heightened competition among key players. However, the surge in DAM prices brought on by multiple factors presents both challenges and opportunities for market participants in the upcoming year. As the power sector continues to evolve, strategic planning, efficient resource management and prudent decision-making will be critical for navigating the complexities of the dynamic short-term power market.

Overview of Coal Sector in India

In 2023, India's coal sector finds itself at a crossroads, caught between the need to fuel a rapidly growing economy and the pressing demands of environmental responsibility and sustainability.

Historically, India has been heavily reliant on coal, being home to the world's fourth-largest reserves and ranking as the second-largest producer and consumer of the resource. Coal plays a pivotal role in India's energy mix, catering to approximately 70% of the country's power production.

India ranks as the world's second-largest coal producer, having produced approximately 893.08 million tonnes in the fiscal year 2022-23. Coal contributes to about 49.3% of India's total installed power capacity, not considering lignite, signifying the substantial dependence on this fossil fuel. As India targets to ramp up its power generation capacity in the years to come, coal is expected to be at the forefront of this growth.

On the reserves front, India boasts of an abundance of coal, with geological resources surpassing 361 billion tonnes as of April 1st, 2022. At the current production rate, these reserves are more than adequate to meet the country's anticipated demand.

Despite the steady significance of coal, India is witnessing a shift in its energy mix. As per the Draft NITI Aayog Report (Nov '21), the share of coal in the energy mix is predicted to decline from 72% at present to 52% by 2030, 43% by 2035 and 34% by 2040 due to the increased penetration of renewable energy sources. While coal remains a significant contributor to India's energy supply, an increasing commitment towards reducing carbon emissions and combating climate change has driven a paradigm shift. The focus is moving away from further exploitation of coal reserves towards a more balanced and sustainable energy portfolio.

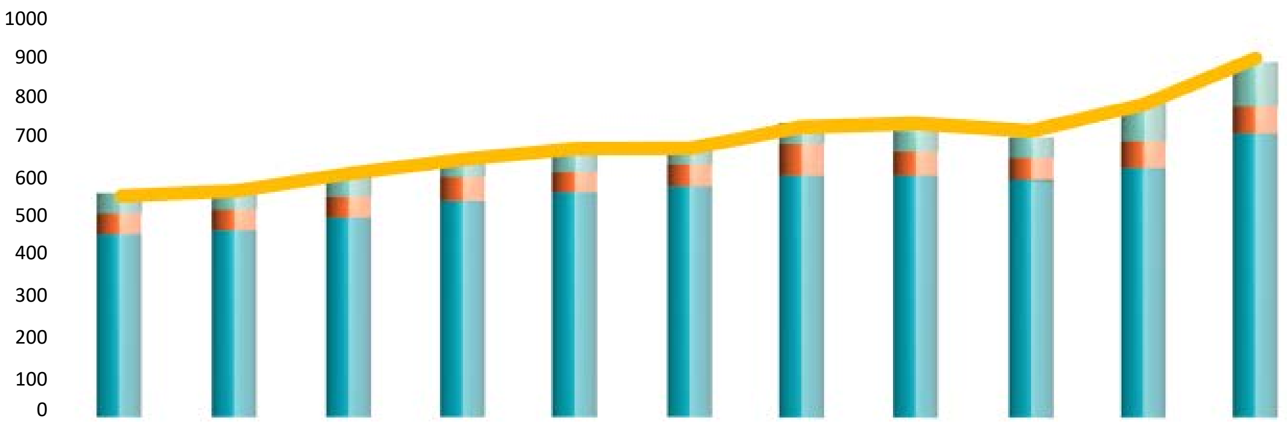
Policy measures aimed at decreasing the country's carbon footprint have seen the government encouraging coal-based plants to improve their efficiency and reduce emissions. In addition, there is an increasing emphasis on the rehabilitation of mines and land reclamation, reflecting a more responsible approach to coal mining.

Despite these environmental initiatives, coal is likely to remain a significant part of India's energy mix in the short-to-medium term, especially in sectors such as power generation, steel and cement, where alternative energy sources are not yet fully viable.

In the context of India's growing energy demand, the coal sector in 2023 is focused on balancing its role as a reliable energy provider with the pressing need for environmental responsibility and the transition towards a lower-carbon economy. As India seeks to navigate this energy transition, the role and management of the coal sector will undoubtedly be pivotal.

The Government of India, aligning with global sustainable development goals, aims to provide clean, affordable and sustainable electricity to all citizens. While renewable energy's share has been steadily increasing, coal is projected to continue its dominance in India's electricity generation in the near future.

The Company Wise production of raw coal during last ten years (Quantity in Million Tonnes) is as follows:



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Captive /others	51.01	52.88	62.41	40.09	42.39	46.03	57.43	64.7	69.29	90.53	122.72
SCCL	53.19	50.47	52.54	60.38	61.34	62.01	64.4	64.04	50.58	65.02	67.14
CIL	452.2	462.41	494.23	538.75	554.14	567.37	606.89	602.13	596.22	622.63	703.22
Total	556.4	565.77	609.18	639.23	675.87	675.4	728.72	730.87	716.08	778.2	893.08

CIL SCCL Captive/Others Total

Availability of Coal in India

The resources have been found mainly in Jharkhand, Odisha, Chhattisgarh, West Bengal, Madhya Pradesh, Telangana and Maharashtra. As on 1st April, 2022, the total estimated reserves of Coal in India were 361.411 BT.
Details of State-wise and category-wise coal resource are given as under:

(Million Tonnes)

State	Measured	Indicated	Inferred	Total Resources	% of Total
Total	1,87,105.30	1,47,252.00	27,054.00	3,61,411.46	100%
Odisha	48,572.58	34,080.40	5,451.60	88,104.60	24.38%
Jharkhand	53,245.02	28,259.70	5,155.40	86,660.10	23.98%
Chhattisgarh	32,053.42	40,701.40	1,437.00	74,191.76	20.53%
West Bengal	17,233.88	12,858.80	3,778.50	33,871.25	9.37%
Madhya Pradesh	14,051.66	12,723.00	4,142.10	30,916.73	8.55%
Telangana	11,256.78	8,344.35	3,433.10	23,034.20	6.37%
Maharashtra	7,983.64	3,390.48	1,846.60	13,220.71	3.66%
Bihar	309.53	4,079.69	47.96	4,437.18	1.23%
Andhra Pradesh	920.96	2,442.74	778.17	4,141.87	1.15%
Uttar Pradesh	884.04	177.76	0.00	1,061.80	0.29%
Meghalaya	89.04	16.51	470.93	576.48	0.16%
Assam	464.78	57.21	3.02	525.01	0.15%
Nagaland	8.76	21.83	447.72	478.31	0.13%
Sikkim	0.00	58.25	42.98	101.23	0.03%
Arunachal Pradesh	31.23	40.11	18.89	90.23	0.02%

Overview of Lignite in India

Lignite, often referred to as brown coal, is a soft, combustible, sedimentary rock that is naturally abundant and relatively cheaper to produce, making it an important part of India's energy profile. The country's lignite reserves are estimated to be about 46.20 Billion tonnes as of 1st April, 2022. The State of Tamil Nadu holds the largest deposits of lignite, followed by Rajasthan, Gujarat, the Union Territory of Puducherry, Jammu and Kashmir, Kerala, Odisha and West Bengal.

Despite being considered a lower-grade fuel due to its lower energy content compared to other types of coal, lignite is utilized extensively for power generation in thermal power plants across the country. In particular, it serves as a crucial energy source for states with substantial lignite reserves.

However, in line with global and national efforts to transition towards cleaner and more sustainable energy sources, the Government has been focusing on increasing the share of renewable sources in the country's energy mix, although lignite is expected to continue to play a role in the energy sector for some time to come.

Lignite Resources (in Million Tonne)

State	Measured	Indicated	Inferred	Resources	% of Total
Puducherry	0.00	405.61	11.00	416.61	0.90%
Tamil Nadu	4,926.92	21,981.20	9,652.60	36,560.72	79.10%
Rajasthan	1,168.53	3,029.78	2,259.40	6,457.72	14.00%
Gujarat	1,278.65	283.70	1,159.70	2,722.05	5.90%
J&K	0.00	20.25	7.30	27.55	0.10%
Kerala	0.00	0.00	9.65	9.65	0.00%
WB	0.00	1.13	2.80	3.93	0.00%
Odisha	0.00	0.00	5.93	5.93	0.00%
Total	7,374.10	25,721.70	13,108.00	46,204.16	100.00%

SWOT Analysis

SWOT ANALYSIS

Strength

- **Abundant resources:** Availability of Lignite, coal and water for power generation.
- **Diversified energy portfolio:** Fossil fuel mining, thermal power generation and renewable power expertise.
- **Experienced management:** Committed team with strong track record.
- **Financial performance:** Growth and solid financial track record.
- **Groundwater management expertise:** Effective resource management.
- **Harmonious industrial relations:** Productive work environment.
- **Mining expertise:** Open-cast lignite mining with SME technology.
- **Research and development capabilities:** Exploration, mine planning and innovation.
- **Secure power purchase agreements:** Long-term PPAs and Pit Head Power Stations.

Weakness

- **Higher mining costs:** Impact on operational expenses.
- **Higher stripping ratio:** Increased mining costs.

Opportunity

- **Smart Cities Mission:** Infrastructure development and power demand.
- **Power trading:** Revenue diversification and optimization.
- **Per capita power consumption:** Potential for increased energy demand.
- **Green energy investments:** Promote renewable energy.
- **Government commitment:** Higher electricity consumption for citizens.
- **Atmanirbhar Bharat Abhiyaan:** Self-reliant India campaign opportunities.
- **Explore:** Green Hydrogen, Pump storage, Mining of Rare Earth Elements.

Threat

- **Water pumping costs:** Increased production expenses.
- **Underutilization of capacity:** Surrendered power and underutilized resources.
- **Renewable energy challenges:** Competing with thermal power generation.
- **Rehabilitation and resettlement:** Higher costs for land evictees.
- **Land acquisition challenges:** Resistance, compensation demands.
- **International conflicts:** Risks to energy supply chains.
- **Delayed payment realisation:** Impact on cash flow.
- Change in regulatory frame work

Segment-wise performance

The main report includes a section titled "Operational Performance" which discusses the performance of each segment individually."

Company Outlook

Company outlook is discussed in the main report under the heading "Corporate Plan"

Risks and concerns

A brief on the major risks faced by the Company are given below:

Operational risks:

- Risk in land acquisition
- Realisation of dues from DISCOMs
- Surrender of power by beneficiaries
- Denial of agreed tariff due to delay in commissioning of project within the control period prescribed by Regulators.
- Cost and time over run of projects under execution.
- Higher cost of lignite mining.
- Risk due to stringent environmental norms
- Competition consequent to de-regulation in Indian power sector.
- Stringent norms prescribed by regulatory authorities affecting power tariff.

Internal Control Systems and their adequacy

The Company has well-established Internal Control Systems and Procedures commensurate with its size. The Company has in place an approved and well laid out Delegation of Powers (DoP), Purchase, Contracts and HR Manuals. The internal audit is conducted by external firms of Chartered Accountants covering all offices / Units and their reports are periodically reviewed by the Audit Committee.

The 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 are 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.

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 Standalone 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:

- Regarding the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company.

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Statutory Auditors are required to review the adequacy and operating effectiveness of such internal financial control over financial reporting and furnish a separate audit report on such review as required by Companies Act, 2013 along with the audit report on financial statements.

In order to strengthen internal financial control, external expert has been appointed and a comprehensive document for the key control areas along with responsibility matrix is in place.

Financial Discussion and Analysis

A detailed discussion and analysis on financial statements is furnished below. Reference to Note(s) in the following paragraphs refers to the Notes to the standalone financial statements for the financial year 2022-23 placed elsewhere in this report.

A. Financial Position

The items of the Balance Sheet are as discussed under:

1. Property, Plant & Equipment (PPE), Capital Work in Progress, Assets Under Development

Particulars	As at March 31		
	2023 (₹ Crore)	2022 (₹ Crore)	% Change
Gross Block of PPE (Note-2)	27,016.22	26,070.93	3.63
Net Block of PPE (Note-2)	18,502.90	18,945.65	-2.34
Net Block - RoU Asset (Note-3)	53.59	54.59	-1.83
Net Block of Intangible Assets (Note-4)	175.42	184.71	-5.03
Capital Work-In-Progress (Note-5)	1,011.59	1,012.41	-0.08
Assets Under Development (Note-6)	-	113.58	-100.00

During the year, the gross block of PPE increased by ₹ 945.29 Crore, whereas the net block decreased by ₹ 442.75 Crore.

The increase in gross block is mainly due to capitalization of Mine IA expansion (4 MTPA), acquisition of land in Neyveli as well as in Talabira and LEP of TPS-II, whereas the decrease in net block is mainly attributable to depreciation on the assets.

The marginal decrease in Right-to-Use Assets (RoU Assets) by ₹ 1.00 Crore is mainly on account of periodic depreciation on RoU assets.

The decrease in net block of intangible assets by ₹ 9.29 Crore is mainly attributable to periodic depreciation on Intangible assets and this decrease in net block of asset is partially offset by additions of assets during year of ₹ 2.82 Crore.

During the current year various Project Assets under Development such as TPS- II 2nd Expansion, 10 MW Smart City, Solar 100 MW Hybrid, Mine-III etc. has been moved from Asset Under Development schedule to CWIP Schedule.

2. Non- Current Financial Assets (Note-7) and other Non-Current Assets (Note-8)

a. Investments in Subsidiaries, Associate and Joint Venture Companies (Note-7a)

The break-up of investments in Subsidiaries, Associate and Joint Venture Companies is as follows:

Particulars	As at March 31, 2023 (₹ Crore)	As at March 31, 2022 (₹ Crore)
Investment in Subsidiaries	4,191.04	3,927.39
Investment in Joint Venture	0.01	0.01
Investment in Associates	5.27	5.27

The change in Investment in subsidiaries is on account of subscription to additional equity shares @ ₹ 10 per Share of ₹ 263.65 Crore (PY ₹318.18 Crore) of NUPPL, through rights issue. However, the percentage of holding remains unchanged.

b. Non Current Trade Receivables (Note -7b)

As per the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by Ministry of Power on June 3rd 2022, one DISCOM has opted ₹734.56 Crore under interest free installment scheme within the given cut off date. The dues of such beneficiary has been presented at fair valued as per the requirements of IND AS 109 and non-current balances of dues as at 31st March of current year and previous year are as follows:

Particulars	As at March 31, 2023 (₹ Crore)	As at March 31, 2022 (₹ Crore)
Unsecured -Trade Receivables	377.15	-

c. Non Current Loans (Note- 7c)

The secured loans and unsecured loans to employees include house building loan, car loan, vehicle loan, multipurpose loan, etc. outstanding at 31st March of current year and previous year are as follows:

Particulars	As at March 31, 2023 (₹ Crore)	As at March 31, 2022 (₹ Crore)
Loans to related parties	0.04	0.03
Loans to employees	33.93	21.87

d. Other Non Current Financial Assets (Note- 7d)

As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of “Coal Controller Escrow Account NLC India Limited” for each captive mine and the balances held in these escrow accounts are presented as ‘Mine closure deposit’. Up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan as per the guidelines. Interest earned on the escrow account is added to mine closure deposit account.

Particulars	As at March 31, 2023 (₹ Crore)	As at March 31, 2022 (₹ Crore)
Mine Closure Deposit	497.48	425.11

e. Other Non-Current Assets (Note – 8)

Particulars	As at March 31, 2023 (₹ Crore)	As at March 31, 2022 (₹ Crore)
Capital Advances	1,041.26	395.47
Advances Other than Capital Advances	123.50	123.50

The increase in capital advance is mainly due to advance given for acquiring land for Talabira project & Neyveli Mines and capital advance for FGD project of NNTPS.

3. Current Assets (Note-9 to Note-12)

The current assets as at 31st March 2023 and 31st March 2022 and the changes therein are as follows:

Particulars	As at March 31 (₹ Crore)		YoY Change (₹ Crore)	% Change
	2023	2022		
Inventories (Note 9)	833.92	1,025.30	-191.38	-18.67
Trade Receivables (Note 10a)	3,791.44	3,128.65	662.79	21.18
Cash and Cash Equivalents (Note 10b)	71.18	123.52	-52.34	-42.37
Bank balances other than cash and cash equivalent (Note 10c)	129.01	113.37	15.64	13.80
Loans (Note 10d)	4.83	25.56	-20.73	-81.10
Other Financial Assets (Note 10e)	2,760.36	1,150.25	1,610.11	139.98
Current Tax Assets (Net) (Note 11)	246.48	468.56	-222.08	-47.40
Other Current Assets (Note 12)	584.04	432.03	152.01	35.19

Inventories (Note 9) :

The reduction in inventory to the tune of ₹ 191.38 Crore is mainly on account of decrease in the closing stock of Raw Material — Lignite during the current year compared with previous year which is mainly due to lower production of lignite.

Trade Receivables (Note 10a) :

Trade receivable balances have increased due to billing of income tax paid under VSVS to DISCOMs and billing of CERC orders received during the year. Further, there is reduction in bills discounted during the current financial year as compared to that of previous year (₹ 3,448.69 Crore in current year and ₹ 4,663.19 Crore in previous year.)

Cash and Cash Equivalents (Note 10b) :

The movement in cash and cash equivalents is on account of short term deposit. The deposits are generally maintained for a 5-7-day period, to ensure liquidity. Short term deposit amount of ₹ 50 Crore as on 31st March, 2022 matured in the current year.

Bank balances other than cash and cash equivalent (Note 10c) :

Increase in bank balance other than cash and cash equivalents is on account of additional deposits towards fund maintained for Post Retirement Medical Assistance.

Loans (Note 10d):

Loans balances mainly represents the Secured loans of various nature such as House building Loan, Car/Scooter Loan and unsecured loans such as Multipurpose Loans etc. which has been given to employee. During the current financial year, loan to employees has reduced mainly due to repayment/ settlement of loan amount by the employees vis-a-vis new drawl.

Other Financial Assets (Note 10e) :

The increase in other Financial Asset is mainly due to increase in unbilled revenue on account of provisional Lignite Transfer Price order of 2019-24 for Neyveli mines. Further, the other financial asset increase is attributable to receipt of insurance claim confirmation for TPS-II amounting to ₹ 50 Crore.

Current Tax Assets (Net) (Note 11) :

Reduction in current tax assets is mainly on account of refund received from Income Tax Department for excess taxes paid under VSVS which led to reduction in advance tax assets.

Other Current Assets (Note 12) :

Other current asset consists of prepaid expenses, advances other than employee advances, deposits with Government Authorities w.r.t various indirect taxes and other misc. assets which can not be classified in any other schedule has been classified as other current assets.

The increase in other current asset is mainly on account of increase in advances given to related parties by ₹ 55.60 Crore and further the increase in other advances is also attributable to advance payment of Royalty and GST etc. by ₹ 86.53 Crore.

4. Regulatory Deferral Account Debit Balances (Note-13).

Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances'. The Company reviews its regulatory balances at each balance sheet date and the adjustments arising from the above are adjusted in regulatory deferral balances from the year in which the same become recoverable or payable to the beneficiaries.

Regulatory deferral account debit balance consists of various incomes which accrue to the Company from its beneficiaries due to various actions of the Regulator. During the current Financial year the regulatory account balance has been reduced by ₹ 1,186.73 Crore as compared to previous financial year mainly due to :

i. During the year , the Company has received the provisional tariff order for the period 2019-24 for thermal power stations(except NNTPS and BTPS) and truing up orders for the period 2014-19 for all its thermal power stations (except BTPS).Consequent to allowance of water charges, security expenses and consumption of capital spares as part of O&M, regulatory assets created in this regard has been withdrawn in the current year.

ii. Further, during the year CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the Company to bill the same to the beneficiaries. Accordingly, the total claim of ₹ 783.64 Crore which was earlier recognized under regulatory asset has been withdrawn from regulatory deferral account.

Reduction in Regulatory Deferral Account debit balances is partly off set by

i. Exchange differences arising from settlement/ translation of monetary items 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' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of Account ₹ 134.34 Crore as at 31st March 2023 has been accounted for as 'Regulatory deferral account debit balance' (31st March 2022: ₹ 117.85 Crore).

ii. Based on the petition filed with CERC for NNTPS (2 X 500 MW) , the differential amount (provision tariff order and tariff petition) of ₹ 360.27 Crore (PY ₹ 114.36 Crore) considered under regulatory deferral account debit balances.

iii. The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May 2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Based on expenses incurred on actual mine closure for the 5 years' period from 2016-17 to 2020-21 the Company has submitted a claim for ₹ 171.15 Crore to Coal Controller which is pending for approval and same has been recognized under Regulatory Deferral Asset.

Further an amount of ₹ 23.33 Crore (PY ₹ 22.22 Crore) has been considered as regulatory income during the Financial Year 2022-23 in line with mine closure guidelines.

5. Total equity (Note-14 and 15)

The total equity of the Company at the end of financial year 2022-23 increased to ₹ 14,638.86 Crore from ₹ 13,806.64 Crore in the previous year. Major reasons for the 6.03% increase are tabulated below:

Particulars	Total Equity (₹ Crore)	Book Value per Share (₹)
Opening balance as on 1st April, 2022	13,806.64	99.57
Profit for the year	1,248.24	9.00
Other comprehensive income and other adjustments to reserves	-0.02	0.00
Dividend	(416.00)	(3.00)
Balance as on 31st March, 2023	14,638.86	105.57

The President of India holds 1,09,82,21,224 of shares constituting 79.20% of total share capital and the remaining 20.80% shares are held by public as on 31st March, 2023.

6. Non-Current and Current Liabilities

Details of Schedules	31-March 23 (₹ Crore)	31-March 22 (₹ Crore)	Difference
Long term borrowings including current maturities of long term borrowings (Note 16 (a) & 19 (a))	8,850.34	9,954.03	-1,103.69
Lease Liability- Note 16 (b)	27.18	27.40	-0.22
Other Non-Current Financial Liabilities – Note 16 (c)	648.06	937.27	-289.21
Deferred Tax Liability (net)- Note – 17	3,077.25	2,828.64	248.61
Other Non-Current Liabilities – Note – 18	619.99	551.90	68.09
Current Borrowings excluding current maturities of long term loan – Note 19 (a)	498.00	285.00	213.00
Current Trade Payable – Note 19 (b)	1,635.53	1,076.51	559.02
Other current financial liabilities- Note 19 (c)	161.69	162.10	-0.41
Other Current Liabilities- Note -20	790.25	721.06	69.19
Provisions- Note -21	434.29	572.68	-138.39

Details of Non-Current and Current Liabilities are discussed below:

i. Non-Current financial liabilities and Current maturities of long term borrowings (Note-16(a) and 19(a)):

Particulars	31-Mar-23 (₹ Crore)	31-Mar-22 (₹ Crore)
Borrowings in Non-current financial liabilities (Note-16a)	7,816.91	8,826.06
Current maturities of non-current borrowings included in current liabilities-(Note-19 (a))	1,033.43	1,127.97
Total borrowings	8,850.34	9,954.03

During the year, repayment of terms loans, project specific loans and others borrowings mainly resulted in the reduction in long term borrowings in current year compared with previous year.

ii. Lease Liabilities - Note no 16 (b)

To meet its requirements w.r.t maintaining offices/guest houses at various locations, its requirement of vehicles for official purpose and use of Power evacuation facility for its solar stations, the Company has entered a number of lease agreements with various parties. The lease liability represents the present value of future lease payments as on 31st March, 2023. The reduction in lease liability is due to lease payments during the FY 2022-23.

iii. Other Non-Current Financial Liability – Note no 16 (C)

The other non current financial liabilities represents liabilities towards capital expenditures. The liability has decreased to ₹ 648.06 Crore In FY 22-23 (PY ₹ 937.27 Crore) mainly due to discharge of capital liability of NNTPP projects and other capital liability for solar and others.

iv. Non-current liabilities -Deferred tax liabilities (net) (Note-17):

Deferred tax liabilities (net) have increased from ₹ 2,828.64 Crore as at 31st March, 2022 to ₹3,077.25 Crore as at 31st March, 2023. Net increase in deferred tax liability during the year amounting to ₹ 248.61 Crore is mainly on account of reduction in deferred tax asset on tax losses / provisions and utilization of MAT credit during the current financial year.

v. Other Non-current Liabilities (Note-18):

Non-current liabilities have Increased from ₹ 551.19 Crore in FY 2021-22 to ₹ 619.99 Crore in FY 2022- 23 mainly due to increase in deposit of Mine closure by ₹ 73.83 Crore which is partially offset by ₹ 5.74 Crore on account of reduction in deferred income.

vi. Current liabilities (Note-19):

The current liabilities excluding current maturity of long term borrowings as at 31st March, 2023 were ₹ 3,519.76 Crore as against ₹ 2,817.35 Crore as at the end of previous financial year. The break-up of current liabilities is as under

Particulars	31-Mar-23 (₹ Crore)	31-Mar-22 (₹ Crore)	% change
Borrowings excluding current maturities of long term debt (Note- 19 a (a))	498.00	285.00	74.74
Trade payables (Note-19 b)	1,635.53	1,076.51	51.93
Other financial liabilities (Note-19 c)	161.69	162.10	-0.25
Other current liabilities (Note-20)	790.25	721.06	9.60
Provisions (Note- 21)	434.29	572.68	-24.17
Total	3,519.76	2,817.35	24.93

Below are the reasons for significant changes

Borrowings (Note- 19 a):

In order to meet the short term fund requirements, the Company has taken short term borrowings of treasury bill linked working capital loan carrying interest rate @ 7.6% and outstanding amount of this treasury bill linked working capital loan as on 31st March, 2023 was ₹ 498 Crore as against ₹ 285 Crore as on 31st March, 2022.

Trade payables (Note-19 b)

The trade payables has been increased by ₹ 559 Crore from ₹1,076.51 Crore as at 31st March, 2022 to ₹ 1,635.53 Crore as at 31st March, 2023.

Other Financial Liabilities (Note 19 c)

Other financial liabilities represents financial liabilities such as unpaid dividends and accrued interest of long term as well as short term liabilities. There is minor change in other financial liability in current year in compared with previous year.

Other current liabilities (Note-20)

The increase in other current liabilities during the year is mainly on account of increase in royalty liability due to provisional tariff order for lignite transfer price for Neyveli mines for the control period 2019-24 and other recoveries w.r.t to Talabira mines.

Provisions (Note- 21)

Reduction in provisions is mainly on account of withdrawal of provision for contingencies provided in previous year in respect of capital advances w.r.t Bithnok and BTPS Expansion projects.

7. Regulatory Deferral Account Credit Balances (Note-22):

Amount under regulatory deferral liabilities as on 31st March, 2023 relates to the impact arising out of various regulatory orders for the previous tariff periods.

I) The Company has filed appeals before the Appellate Authority of Electricity (APTEL) against the following CERC orders / filed review petition before CERC which are pending for disposal:

1. Thermal Power Station II (Neyveli) – Rejection of substitution of actual secondary fuel consumption (SFC) in place of normative SFC in computing energy charge rate, disallowance of de-capitalization of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14
2. Lignite Truing up – Disallowance of O &M escalation at 11.50% p.a. as per MOC Guidelines considering FY 2008-09 as the base year.

3. Sharing of profits and incentives on additional generation in TS -II on adoption of pooled lignite price considering the cost of Mines – II Expansion.

   The impact on the above mentioned orders have been considered appropriately under Regulatory Deferral Account Balances / Net Movement in Regulatory Deferral Balances in accordance with Ind AS 114, in the respective previous financial period's.

4. The Company has filed review petition before CERC on the true up order for determination of Lignite Transfer Price for the Tariff Period 2014-19. During the year CERC has admitted the review petition for disallowance of additional capitalization w.r.t. new assets and disallowances of stores for the purpose of interest on working capital and has set aside the review of O&M Expenses as the similar issue for the period 2009-14 is sub-judice before APTEL and O&M Expense for the period 2014-19 is subject to the final decision of APTEL. In view of the order, the Company has considered in Regulatory Expenses of ₹ 783.79 Crore (including interest) in addition to the existing amount already provided in different periods under Regulatory Deferral Account Balances towards O&M Expenses for the period 2014-19.

II) CERC has issued trued up order in respect of TPS-II expansion for the tariff period 2014-19 on 09th June, 2022. The Company has filed a review petition on 20th July, 2022 and pending disposal of the review petition, the Company has accounted an amount of ₹ 48.03 Crore arising out of the difference between billed rate and trued up order rate under regulatory deferral liabilities.

III) The Company has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on 26th July, 2022 and for Barsingsar mines on 26th December, 2022. Refer Note no. 23(d) for Neyveli Mines. Pending disposal of the said Petition, the Company has billed energy charges based on provisionally approved Lignite transfer rate by CERC for NNTPS tariff petition for tariff period 2019-24 for Neyveli mines and provisionally approved rate by CERC for the tariff period 2014-19 for Barsingsar mines. Pending receipt of tariff order with respect to Barsingsar Mines for Tariff period 2019-24, an amount of ₹ 40.90 Crore (including interest) representing the difference between billed rate and petition rate has been accounted under regulatory account balances.

IV) As per CERC regulations (second amendment) 2019-24, the company is required to share the Non tariff income arising from sale of coal (Talabira Mines) to the beneficiary. Accordingly an amount of ₹ 143.54 Crore has been recognized as regulatory liabilities.

8. Total Income (Note-23 & Note-24)

Sl.No	Particulars	FY 2022-23 (₹ Crore)	FY 2021-22 (₹ Crore)	Change (₹ Crore)
	Revenue			
1	Sale of Power	10,283.23	8,147.44	2,135.79
2	Sale of Lignite / Coal	2,565.20	1,749.88	815.32
3	Sale of by-products	88.81	59.08	29.73
4	Consultancy & other services	38.79	37.43	1.36
	Less: Transfer to CWIP & Rebate	21.03	137.35	-116.32
5	**Revenue from Operations**	**12,955.00**	**9,856.48**	**3,098.52**
	Other Income			
6	Interest on deposits, loan to subsidiary, loan to employees and others	388.68	44.24	344.44
7	Provisions written back	446.40	24.51	421.89
8	Dividend from subsidiary	97.37	331.05	-233.68
9	Surcharge	86.46	344.80	-258.34
10	Others (Net off transfer to CWIP)	221.99	61.29	160.70
	Total Income	**14,195.90**	**10,662.37**	**3,533.33**

The major source of revenue from operations and its variations from last year are briefly explained below :

Revenue from Operations:

The revenue form sale of power has increased by 26.21% mainly due to improved Plant Availability Factor of NNTPS (2 x 500 MW) and Barsingsar units (2 x 125 MW) which has resulted in the increase in power generation and in turn increase in revenue from operations.

Further during the year, your Company has received several regulatory/tariff orders such as Provisional Lignite transfer price for its Neyveli Mines for tariff period 2019-24, Tariff order for control period 2019-24 for its Thermal Station -II, Thermal Station I Expansion & Thermal Power station II expansion and truing up order for control period 2014-19 for all thermal except Barsingsar thermal, order for billing of Wage revision & gratuity enhancement.

The increase in power sales is partly offset by reduction in performance of TPS-II and URS sales during the current financial year as compared to previous financial years.

Revenue from Sales of lignite/coal has increased by 46.59% in the current financial year as compared to previous financial year due to higher production and off take by linked thermal plants as well as sharp increase in demand for coal has resulted in increase in price.

Other Income (Note No. 24)

The Other income of the Company has increased by 53.98% during the current year as compared to Previous year mainly due to interest income recognised on account of various CERC orders, write back of provisions created for debtors and advances which are no longer required during the current Financial Year.

9. Expenses (Note Nos. – 25 to 29) and Net movement in Regulatory (Note No.30)

Details of various expenses and movement with previous year are as follows:

EXPENSES	Note	March 31, 2023 (₹ Crore)	March 31, 2022 (₹ Crore)	% Change
Changes in Inventories	25	268.42	476.49	(43.67)
Employee Benefit Expenses	26	2,526.32	2,624.48	(3.74)
Finance Costs	27	755.63	783.78	(3.59)
Depreciation and Amortization Expenses	28	1,419.69	1,528.13	(7.10)
Other Expenses	29	5,196.71	3,306.43	57.17
Total Expenses		**10,166.77**	**8,719.31**	**16.60**
Net movement regulatory deferral account balances income / (Expenses)	30	-2,179.00	345.53	(732)

(Note: Expenses increase (+) and Decrease (-))

The total Expenses and the movement in regulatory have increased mainly due to the following reasons:

Note 25 Decrease in level of closing stock of lignite compared to opening stock resulted in the movement in inventory in the current financial year.

Note 26 Decrease in the Employee Benefit Expenses is on account of reduction in average employee strength from 10,822 nos in FY 2021-22 to 10,380 nos in FY 2022-23 which was partly offset by annual increments and increase in DA in the current financial year.

Note 27 Finance costs have reduced mainly due to better fund management on account of collection from debtors through bill discounting and repayment of long-term loans in respect of commissioned projects. Further the Company has diversified its borrowing portfolio to more competitive low-cost short-term borrowings.

Note 28 The reduction in cost of depreciation and amortization due to change in life of mine development from 25 years to 20 years in the FY 2021-22 which has resulted additional depreciation in FY 2021-22.

Note 29 The Increase in other expenses by 57.17% in the current financial year as compared to previous financial is mainly attributable to the increase in expenditure with respect to royalty (including DMF and NMET, additional royalty), MDO charges, stores, fuel & belt consumption, repair and maintenance expenses in the current year as the production (lignite and coal) in the current year has increased as compared to previous year.

In addition to the above, your Company has received CERC order for provisional lignite transfer price for Neyveli mines for control period 2019-24. Based on the order the Company has written off from its debtors during the current financial year towards water, security and power surrender and surcharge which were billed to beneficiaries in earlier periods.

Note 30 Reduction of income in net movement regulatory deferral account balances income / (Expenses) during the current year compare with previous is mainly on account of :

i) During the year, the Company has received the provisional tariff order for the period 2019-24 of its thermal power stations(except NNTPS and BTPS) and truing up orders for the period 2014-19 of its thermal power stations (except BTPS).Consequent to allowance of water charges, security expenses and consumption of capital spares as part of O&M, regulatory assets created in this regard has been withdrawn in the current year.

ii) Further, during the year the CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the Company to bill the beneficiaries. Accordingly, the total claim of ₹ 783.64 Crore which was earlier recognized under regulatory asset has been withdrawn from regulatory deferral account.

iii) The Company has filed review petition before CERC on the true up order for determination of Lignite Transfer Price for the Tariff Period 2014-19. During the year CERC has admitted the review petition for disallowance of additional capitalization w.r.t. new assets and disallowances of stores for the purpose of interest on working capital and has set aside the review of O&M Expenses as the similar issue for the period 2009-14 is sub-judice before APTEL and O&M Expense for the period 2014-19 is subject to the final decision of APTEL. In view of the order, the Company has considered in Regulatory Expenses of ₹ 783.79 Crore (including interest) in addition to the existing amount already provided in different periods under Regulatory Deferral Account Balances towards O&M Expenses for the period 2014-19.

Details of Significant Changes in Key Financial Ratios

Name of Ratio	FY 2022-23	FY 2021-22	Variation (%)
Current Ratio	1.85	1.64	12.80
Debt - equity ratio	0.64	0.75	-14.67
Interest Service Coverage Ratio	5.18	5.78	-10.38
Inventory Turnover Ratio	13.94	8.06	72.95
Trade Receivable Turnover Ratio	3.55	2.26	57.08
Operating Margin	11.73	21.66	-45.84
Net Profit Margin	11.71	12.47	-6.09

Reasons for variations beyond 25%:

i. Inventory Turnover Ratio

The inventory turnover ratio has increased due to significant increase in operating revenue and reduction in inventory in current year compare with previous year thus resulted in increase of inventory turnover ratio.

ii. Trade Receivable Turnover Ratio

The increase in trade receivable are due to accounting of several CERC orders received during the current financial year which resulted in the increase in turnover and reduction of average debtors due to implementation of various measures for efficient debtor collection such as bill discounting, LC etc.

iii. Operating Margin:

The reduction in operating margin by 45.84% in the current financial year is mainly on account of receipt of adverse CERC orders in case of Mines and few thermals.

The net worth of the Company has increased from ₹ 13,693.06 Crore to ₹ 14,638.86 Crore during the current financial year. The accretion to the net worth is mainly due to profits earned by the Company during the current year and movement of income and expenses details as stated above, in Sr No.8 and Sr No.9

Environmental Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation.

Covered in main Report

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

Covered in main Report

Corporate Social Responsibility

Covered in the main Report.

Cautionary Statement

Statement 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: 30th August, 2023

Prasanna Kumar Motupalli
Chairman and Managing Director

CORPORATE GOVERNANCE REPORT

ANNEXURE - 4

Mandatory Requirements

Company's Philosophy on Code of Governance

Your Company is committed to achieve and maintain the highest standards of Corporate Governance. Your Company's philosophy on good Corporate Governance involves transparency, empowerment, accountability, equity and integrity and taking efforts to continually enhance the stakeholders' value by contributing to society.

Your Company's Corporate Governance framework ensures effective engagement with our stakeholders and which help us to evolve with changing time.

The governance standards are benchmarked globally and your Company strives to adopt the emerging best practices being followed worldwide.

Board of Directors

Composition

As on 31st March, 2023, the Board of Directors of your Company comprised an Executive Chairman, three Executive Directors, two Non-Executive Directors and four Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2023, details of other directorships & Membership/Chairmanship of Committees of Directors are furnished below:

Sl.No.	Name (Sarvashri / Smt.)	Designation	Other Directorships held	Directorship in Listed Entity	Other Committee ** Memberships	
					As Member	As Chairman
Executive Directors						
1	M Prasanna Kumar	Chairman and Managing Director (CMD)	3	--	1	1
2.	K Mohan Reddy	Director (Planning & Projects)	3	--	3	--
3.	Suresh Chandra Suman	Director (Mines)	4	--	2	--
4.	Samir Swarup	Director (Human Resource)	--	--	--	--
Non-Executive Directors						
5.	Vismita Tej	Government Nominee Director	--	--	--	--
6.	Ramesh Chand Meena$	Government Nominee Director	6	--	--	--
Independent Directors						
7.	Subrata Chaudhuri	Independent Director	--	--	1	--
8.	Prakash Mishra	Independent Director	--	--	1	1
9.	Nivedita Srivastava	Independent Director	1	--	2	1
10.	M T Ramesh	Independent Director	--	--	2	1

**Membership of only Audit Committee and Stakeholders Relationship Committee have been considered.

$ Shri Ramesh Chand Meena, Additional Chief Secretary to the Government of Tamil Nadu, Energy Department ceased to be Government Nominee Director w.e.f. 10th July, 2023 due to change in nomination.

Dates of Board Meetings & Directors' Attendance

During the financial year 2022-23, 11 meetings of the Board of Directors were held on the following dates:

25th April, 2022, 30th May, 2022, 08th June, 2022, 21st July, 2022, 12th August, 2022, 26th September, 2022, 11th November, 2022, 25th November, 2022, 30th December, 2022, 13th February, 2023 and 27th March, 2023.

The details of attendance of Directors at the Board Meetings held during the financial year 2022-23 and their attendance in last AGM are as under:

Name (Sarvashri/Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Whether Attended last AGM held on 29/09/2022	Remarks
Rakesh Kumar	9	9	Yes	Relinquished w.e.f. 01st January, 2023
M Prasanna Kumar	2	2	NA	Appointed w.e.f. 12th January, 2023
Nagaraju Maddirala	10	9	Yes	Relinquished w.e.f. 22nd February, 2023
Vismita Tej	1	1	NA	Appointed w.e.f. 22nd February, 2023
Ramesh Chand Meena	11	2	Yes	Relinquished w.e.f. 10th July, 2023
Shaji John	9	9	Yes	Relinquished w.e.f. 01st February, 2023
Jaikumar Srinivasan	4	4	NA	Relinquished w.e.f. 21st July, 2022
K Mohan Reddy	11	11	Yes	-
Suresh Chandra Suman	10	10	Yes	Appointed w.e.f. 11th May, 2022
Samir Swarup	1	1	NA	Appointed w.e.f. 27th February, 2023
V Muralidhar Goud	3	3	NA	Relinquished w.e.f. 10th July, 2022
N K Narayanan Namboothiri	3	3	NA	Relinquished w.e.f. 10th July, 2022
Subrata Chaudhuri	11	10	Yes	-
Prakash Mishra	11	11	Yes	-
Nivedita Srivastava	11	11	Yes	-
M T Ramesh	11	11	Yes	Appointed w.e.f. 06th April, 2022

Disclosures- Relationship between Directors inter-se:

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31st March, 2023.

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:

Directors are imparted training organised from time to time by other agencies/ institutions with a view to augment leadership qualities, knowledge and skills. The training also enables them to get a better understanding of sector as well as the Company.

From time to time Directors are also briefed about changes/developments in corporate and economic scenario including Legislative/ Regulatory changes.

Familiarization programmes to Independent Directors is available at https://www.nlcindia.in/investor/familiarisation_programme_indpnt_dir.pdf

Core skills/ expertise/competencies of Board of Directors:

The Board of Directors of the Company consists of expert Directors who have vast experience in their respective field of specialisation as required in the context of its business(es) and sector(s) for it to function effectively.

Apart from CMD, the composition of Board as approved by the Government of India (GOI), consists of the Functional Directors viz. Director (Mines), Director (Finance), Director (Planning & Projects), Director (Power) and Director (Human Resource).

The functional Directors are appointed on the Board of the Company by the Ministry of Coal, Administrative Ministry on the basis of recommendations of Public Enterprises Selection Board (PESB) after obtaining approval of competent authority and completing due formalities in this regard.

The Nominees of Ministry of Coal and Government of Tamil Nadu are generally senior officers at the level of Additional Secretary and Principal Secretary, respectively.

The Independent Directors are notified for appointment by Ministry of Coal and they are selected by the Search Committee constituted by the Department of Public Enterprises.

The Independent Directors being appointed on the Board are drawn from various fields and possess vast experience and by virtue of their experience and exposure, provide guidance to Board on all important issues and are involved in the decision-making process.

Independent Directors:

It is affirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and are independent of the management of the Company.

Separate Meeting of Independent Directors:

A separate meeting of Independent Directors was held on 13th February, 2023 wherein the Independent Directors assessed the performance of Non-Independent Directors and the Board of Directors as a whole. Further, the Independent Directors reviewed the performance of the Chairperson of the Company and also the quality, quantity & timeliness of flow of information between the Company's management and the Board.

Audit Committee:

(i) **Terms of Reference**: The terms of reference confirm to the requirements of the provisions of Companies Act, 2013, the Listing Regulations and DPE Guidelines on Corporate Governance.

(ii) **Composition of the Committee**: The Committee as on 31st March, 2023 comprised of four Independent Directors viz., Shri Prakash Mishra as the Chairman and Shri Subrata Chaudhuri, Prof. Nivedita Srivastava & Shri M.T. Ramesh as its members and Functional Directors are invited during the meetings.

(iii) **The details of Audit Committee meetings held during the year 2022-23 and attendance of members of the Committee are as under:**

Name of the Director (Sarvashri/ Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Date of Meetings
V Muralidhar Goud*	1	1	30th May, 2022 29th July, 2022 12th August, 2022 26th September, 2022 11th November, 2022 30th December, 2022 13th February, 2023 20th March, 2023
N K Narayanan Namboothiri*	1	1	
Prakash Mishra$	8	8	
Subrata Chaudhuri***	7	6	
Nivedita Srivastava***	7	7	
M.T. Ramesh**	8	8	

*ceased to be a member of the committee w.e.f. 10th July, 2022.
**appointed as a member of the committee w.e.f. 06th April, 2022.
***appointed as a member of the committee w.e.f. 10th July 2022.
$ appointed as Chairman of the Committee w.e.f. 10th July, 2022.

The Company Secretary acts as the Secretary to the Committee.

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. The scope & terms of reference of Nomination and Remuneration Committee in terms of the provisions of the Companies Act, 2013 and the Listing Regulations is limited to below Board Level employees only and for finalising the Performance Related Pay (PRP) for Executive Directors, Executives and Non-Unionised Supervisors, as per DPE guidelines.

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 of the Committee:

The Committee as on 31st March, 2023 comprised of three Independent Directors viz. Shri Subrata Chaudhuri as the Chairman, Prof. Nivedita Srivastava & Shri Prakash Mishra as its Members with Director (HR) and Director (Finance) of the Company as Permanent Invitees. The Company, being a Government Company, the appointment/ re-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.

iii. The details of Nomination and Remuneration Committee meetings held during the year 2022-23 and attendance of members of the Committee are as under:

Name of the Director (Sarvashri/ Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Date of Meetings
N K Narayanan Namboothiri*	1	1	30th May, 2022 10th November, 2022 13th February, 2023
V Muralidhar Goud*	1	1	
Prakash Mishra**	2	2	
Nivedita Srivastava	3	3	
Subrata Chaudhuri$	3	3	

*ceased to be a member of the committee w.e.f. 10th July, 2022.

**appointed as member of the committee w.e.f. 10th July,2022.

$ appointed as Chairman of the Committee w.e.f. 10th July, 2022.

The Company Secretary acts as the Secretary to the Committee.

Remuneration of Directors

i. No remuneration is being paid to Part-time Official Directors and hence, no separate criteria has been laid out in this regard. The Part-time Non-Official Directors (i.e., Independent Directors) were paid sitting fee @ ₹35,000/- per meeting for attending the meetings of the Board and ₹25,000/- per meeting for the meetings of the committees thereof.

ii. The details of remuneration paid to the Executive Directors during the year 2022-23 are as under:

Name of the Director (Sarvashri)	Salary for the year (in ₹)	Benefits (in ₹)	Performance Related Pay* (in ₹)
Rakesh Kumar#	46,78,961	8,00,506	15,66,874
M Prasanna Kumar##	11,27,218	2,32,070	-
Shaji John###	53,39,080	7,77,326	11,27,543
Jaikumar Srinivasan####	11,97,991	2,36,742	52,550
K Mohan Reddy	45,92,331	9,25,626	8,65,403
Suresh Chandra Suman#####	44,19,844	8,06,550	7,95,988
Samir Swarup######	3,32,100	68,372	-

*PRP for the FY 2020-21 and PRP advance for the FY 2021-22.

Relinquished his office w.e.f. 01st January, 2023.

##assumed office w.e.f. 12th January, 2023, hence, the payment of PRP did not arise.

Relinquished his office w.e.f. 01st February, 2023.

Relinquished his office w.e.f. 21st July, 2022.

assumed office as Director (Mines) w.e.f. 11th May, 2022.

assumed office w.e.f. 27th February, 2023, hence, the payment of PRP did not arise.

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 2022-23, no bonus/ commission was paid and no Stock Options were issued to the Directors.

iii. The details of sitting fees paid to the Independent Directors during the year 2022-23 are as under:

Sl. No.	Name of the Director (Sarvashri/Smt.)	Sitting fee paid for (in ₹)	
		Board Meetings	Committee Meetings
1.	V. Muralidhar Goud	1,05,000	1,00,000
2.	N K Narayanan Namboothiri	1,05,000	50,000
3.	Nivedita Srivastava	3,85,000	5,50,000
4.	Subrata Chaudhuri	3,50,000	4,00,000
5.	Prakash Mishra	3,85,000	4,00,000
6.	M T Ramesh	3,85,000	3,25,000

Stakeholders' Relationship Committee:

i. **Terms of Reference**: To look into the redressal of Stakeholders'/Investors' grievance and review the action taken by the Company.

ii. **Composition of the Committee:** The Committee as on 31st March, 2023 comprised of three members viz. Shri M T Ramesh, Independent Director as its Chairman, Shri Suresh Chandra Suman & Shri K Mohan Reddy, Directors as its Members.

iii. **The details of Stakeholders' Relationship Committee meetings held during the year 2022-23 and attendance of members of the Committee are as under:**

Name of the Director (Sarvashri/ Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Date of Meetings
M T Ramesh$	1	1	13th February, 2023
Suresh Chandra Suman*	1	1	
K Mohan Reddy*	1	1	
Nivedita Srivastava#	-	-	
Jaikumar Srinavasan@	-	-	
N K Narayanan Namboothiri#	-	-	

$ appointed as Chairman of the Committee w.e.f. 10th July, 2022.

* appointed as Member of the Committee w.e.f. 10th July, 2022.

Ceased to be a Member of the Committee w.e.f. 10th July, 2022.

@ Ceased to be a Member of the Committee w.e.f. 21st July, 2022.

Shri R. Udhayashankar, Company Secretary is the Compliance Officer w.e.f. 01st December, 2022, consequent to the cessation of Shri K. Viswanath on 30th November, 2022.

Integrated Registry Management Services Private Limited, Chennai, is the Registrar and Share Transfer Agent (R&STA) of the Company and they attend to transfers/ transmission requests lodged with the Company. The R&STA also co-ordinates with NSDL & CDSL, the Depositories and attend to Investors' complaints besides also by the Company and the activities of the R&STA 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 2022-23, 16 complaints were received from the shareholders/investors pertaining, generally, to non-receipt of dividend & request for hard copy of the Annual Report and the same have been resolved from time to time.

Risk Management Committee:

i. **Terms of reference:** The terms of reference confirm to the requirements of the provisions of Companies Act, 2013 and the Listing Regulations.

ii. **Composition of the Committee:** The Committee as on 31^{st} March, 2023 comprised of four Directors viz. Shri Subrata Chaudhuri as the Chairman and Prof. Nivedita Srivastava, Shri Suresh Chandra Suman & Shri Samir Swarup as its Members.

iii. **The details of Risk Management Committee meetings held during the year 2022-23 and attendance of members of the Committee are as under:**

Name of the Director (Sarvashri/ Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Date of Meetings
Subrata Chaudhuri	2	2	30^{th} May, 2022 23^{rd} November, 2022
Prakash Mishra*	1	1	
Nivedita Srivastava	2	2	
Shaji John##	2	1	
Jaikumar Srinivasan#	1	1	
Suresh Chandra Suman@	2	1	
Samir Swarup**	0	0	

* Ceased to be a member w.e.f. 10^{th} July, 2022.
# Ceased to be a member w.e.f. 21^{st} July, 2022.
Ceased to be a member w.e.f. 01^{st} February, 2023.
**Appointed as a member w.e.f. 27^{th} February, 2023.
@Appointed as a member w.e.f. 11^{th} May, 2022.

Corporate Social Responsibility Committee:

i. **Terms of reference:** The terms of reference of the Committee confirm to the requirements of the provisions of Companies Act, 2013.

ii. **Composition of the Committee:** The Committee as on 31^{st} March, 2023 comprised of five Directors viz. Prof. Nivedita Srivastava as the Chairperson and Shri Prakash Mishra, Shri M T Ramesh, Shri Suresh Chandra Suman & Shri Samir Swarup, Directors, as its Members with Director (Power) and Director (Finance) as Permanent Invitees.

iii. **The details of Corporate Social Responsibility Committee Meetings held during the year 2022 - 23 and attendance of members of the Committee as under:**

Name of the Director (Sarvashri/ Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Dates of the Meeting
Nivedita Srivastava$	4	4	21^{st} July, 2022 24^{th} September, 2022 13^{th} February, 2023 27^{th} March, 2023
Prakash Mishra@	4	4	
M T Ramesh	4	4	
Suresh Chandra Suman*	4	4	
Samir Swarup#	1	1	
N.K. Narayanan Namboothiri ##	0	0	
V. Muralidhar Goud ##	0	0	

$ appointed as Chairperson of the Committee w.e.f. 10^{th} July, 2022.
@Ceased to be Chairman of the Committee w.e.f. 10^{th} July, 2022.
* appointed as Member of the Committee w.e.f. 10^{th} July, 2022.
# appointed as Member of the Committee w.e.f. 27^{th} February, 2023.
ceased to be Members of the Committee w.e.f. 10^{th} July, 2022.

Senior Management:

Particulars of senior management including the changes therein since the close of the previous financial year are as follows:

Details of the Executive Directors i.e., executives one level below the Board:

Shri Hemant Kumar	Shri Prabhu Kishore K
Shri Mukesh Agrawal	Shri Franklin Jayakumar K
Shri Rajasekhara Reddy A	Shri Srinivas G
Shri Mathi K	Shri Santhosh CS
Shri Jagadish Chandra Mazumdar	Shri Satya Prasad K
Shri Jasper Rose I S	Shri Dhabaseelan G
Smt. Ranialli G	

Details of the Executive Directors retired during the year and retired after the closure of Financial Year 2022 - 23:

Shri Syed Nazar Mohammed	Shri Balakrishnan P
Shri Ravindran A	Shri Kaushal Kishore Anand
Shri Venkateswara Rao G	Shri Arvind Kumar
Shri Harikrishnan S	Shri Sathiamoorthy P
Shri Lakshmi Kantha Rao M	Shri Kondas Kumar K
Shri Nambirajan K	Shri Sadish Babu N
Shri Gurusamynathan S	Shri Balasubramanian V
Shri Mohan R	Ms. Karthigai N
Shri Joe Stephen Dominic Y	Shri Thiagaraju C
Shri Kannan G	Shri Nedungkeeran R

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 2019-20	29th September 2020, 15.00 Hrs	Through Video Conferencing
AGM 2020-21	29th September 2021, 15.00 Hrs	Through Video Conferencing
AGM 2021-22	29th September 2022, 15.00 Hrs	Through Video Conferencing

Special Resolutions:

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

Postal Ballot:

1. The Company vide Postal Ballot Notice dated 20th May, 2022 had sought the consent of the Shareholders in respect of the appointment of Shri M.T. Ramesh (DIN: 07313892) as an Independent Director by way of a Special Resolution and for the appointment of Shri Suresh Chandra Suman (DIN: 09549424) as a Director of the Company by way of an Ordinary Resolution by voting through electronic means.

2. The Company vide Postal Ballot Notice dated 2nd March, 2023 sought the consent of the Shareholders in respect of the appointment of Shri Prasanna Kumar Motupalli (DIN: 08456692) as Chairman and Managing Director of the Company by way of an Ordinary Resolution by voting through electronic means.

Procedure of postal ballot:

The postal ballot exercise was conducted as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and read with the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021 and 3/2022 dated 5th May, 2022.

The Postal Ballot Notice dated 20th May, 2022 and 2nd March, 2023 was sent only by electronic mode to those members whose names appeared in the Register of Members / List of Beneficial Owners as on 27th May, 2022 and 3rd March, 2023, respectively ("Cut-Off Date") received from the Depositories and whose e-mail addresses were registered with the Company / Depositories.

Newspaper Publication of Postal Ballot Notice as per Regulation 47 of the Listing Regulations and intimation to the Stock Exchanges was given simultaneously after the despatch of Postal Ballot Notice to the Members. The Postal Ballot Notice was also made available on the Website of the Company, website of the Stock Exchanges where the equity shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited and on the website of the E-voting service provider (i.e.,) NSDL at www.evoting.nsdl.com.

The Company had engaged the services of NSDL to provide e-voting facility to its Members.

M/s Kumar Naresh Sinha & Associates, Practising Company Secretaries, Noida, had been appointed as the Scrutinizer for conducting the Postal Ballot through the E-voting process in a fair and transparent manner.

The details of the E-Voting are as under:

Date of Postal Ballot Notice	E-voting period	Details of Resolution passed through Postal Ballot	Details of Voting Pattern		Date of passing of Resolution
			Voting % (in favour)	Voting % (against)	
20th May, 2022	E - voting period commenced at 9.00 a.m. (IST) on 1st June, 2022 and ended at 5.00 p.m. (IST) on 30th June, 2022.	Appointment of Shri M.T. Ramesh (DIN 07313892) as an Independent Director of the Company (Special Resolution)	99.45	0.55	30th June, 2022
		Appointment of Shri. Suresh Chandra Suman (DIN 09549424) as a Director of the Company (Ordinary Resolution)	98.76	1.24	
2nd March, 2023	E - voting period commenced at 9.00 a.m. (IST) on 08th March, 2023 and ended at 5.00 p.m. (IST) on 6th April, 2023.	Appointment of Shri Prasanna Kumar Motupalli (DIN 08456692) as Chairman and Managing Director of the Company (Ordinary Resolution)	99.81	0.19	6th April, 2023

The above resolutions were passed with requisite majority as per the report submitted by the Scrutinizer. The Chairman and Managing Director announced the results stating that the Ordinary and Special Resolutions as proposed in the Postal Ballot Notice dated 20th May, 2022 and 2nd March, 2023 have been approved by the requisite majority of Shareholders on 30th June, 2022 and 6th April, 2023, being the last date of E-Voting.

Voting results of postal ballot are available on the website of the Stock Exchanges and website of the Company.

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

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

Means of Communication:

The quarterly and yearly financial results are furnished immediately to the Stock Exchanges where the Company's equity shares are listed. The quarterly financial results are generally published in Business Standard (English) and Dinamani (Tamil). The financial results are also made available on the Company's website @ www.nlcindia.in and on the website of the Stock Exchanges. The Company's official news releases, all the events/information as per the provisions of the Listing regulations are being displayed on the website of the Company. Investors/Analysts presentations is periodically uploaded on the website of the Company, besides furnishing the same to the stock exchanges.

General Shareholder Information:

AGM: Date, Day, Time: 26th September 2023, Tuesday, 11.00 Hrs IST.

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 28th December, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

Financial Calendar for the year 2023-24

Results for the quarter ending 30th June, 30th September & 31st December	Within 45 days from the end of the quarter or such other extended date as may be permitted by SEBI
Audited Yearly results	Within 60 days from the end of the financial year or such other extended date as may be permitted by SEBI

Payment of Dividend

The final dividend @15% for FY 2021-22 was paid on 28th October, 2022 after obtaining approval of shareholders at the 66th Annual General Meeting. The Board of Directors had declared an Interim Dividend of ₹ 1.50/- per equity share (15%) on 13th February, 2023 and the same was paid on 13th March, 2023.

Unclaimed Dividend Account Details:

The unclaimed Dividend Account details as on 31st March, 2023 is as under:

Sl. No.	Account for the Year	Balance Amount as on 31.03.2023 (in ₹)	Due date for transfer to IEPF Authority
1.	2015 - 2016 (2ND Interim)	2,51,051.10	27th March, 2023
2.	2015-2016 (Final)	9,28,945.60	19th October, 2023
3.	2016-2017 (Interim)	53,71,698.42	19th April, 2024
4.	2017-2018 (Interim)	23,68,713.47	17th April, 2025
5.	2017-2018 (Final)	2,02,637.80	30th August, 2025
6.	2018-2019 (Interim)	24,47,577.42	23rd April, 2026
7.	2019-2020 (Interim)	43,89,047.12	1st April, 2027
8.	2020-2021 (Interim)	6,78,548.00	18th March, 2028
9.	2020-2021 (Final)	12,81,517.50	1st November, 2028
10	2021-2022 (Interim)	12,41,052.00	5th April, 2029
11.	2021-2022 (Final)	13,65,986.00	3rd November, 2029
12.	2022-2023 (Interim)	17,66,118.50	16th March, 2030
	Total	**2,22,92,892.93**	

Details of unclaimed Dividend amount and Shares transferred to IEPF:

During the Financial Year 2022-23, the following shares and dividends were transferred to IEPF:

Dividend Account	Unclaimed Dividend amount (₹)	Unclaimed Shares
2014-2015 (Interim)	11,04,277.00	17,416
2014-2015 (Final)	6,21,948.00	20,059
2015-2016 (1ST Interim)	11,29,541.00	15,344

Listing on Stock Exchanges and payment of listing fees:

The equity shares and Bonds of the Company are presently listed with the BSE Ltd and National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges up to the year 2023 – 24.

Stock code

Name of the Stock Exchange	Stock Code	
	Equity	Debentures
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	513683	958806, 959237, 959834, 960476 & 973663
National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	NLCINDIA	NLC29, NLC30, NLC25, NLC26 & NLC32

Stock Market Data

The monthly high and low market price of the Company's shares during each month in the FY 2022-23 as quoted at the BSE & National Stock Exchange and its comparative performance with the broad base BSE Sensex & NIFTY 50 during the same period is as under:

Month	Share Price (BSE) (₹)		Share Price (NSE) (₹)		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April 2022	86.95	62.70	86.95	62.70	60845.10	56009.07	18114.65	16824.70
May 2022	92.40	68.70	92.40	68.75	57184.21	52632.48	17132.85	15735.75
June 2022	80.65	58.35	80.65	58.30	56432.65	50921.22	16793.85	15183.40
July 2022	70.90	61.65	70.90	61.60	57619.27	52094.25	17172.80	15511.05
August 2022	78.30	67.40	78.30	67.85	60411.20	57367.47	17992.20	17154.80
September 2022	84.90	65.05	84.90	65.00	60676.12	56147.23	18096.15	16747.70
October 2022	77.60	66.45	77.60	66.50	60786.70	56683.40	18022.80	16855.55
November 2022	89.65	75.30	89.65	75.40	63303.01	60425.47	18816.05	17959.20
December 2022	95.25	76.75	95.30	76.60	63583.07	59754.10	18887.60	17774.25
January 2023	87.70	74.00	87.80	74.00	61343.96	58699.20	18251.95	17405.55
February 2023	82.10	72.75	82.15	72.70	61682.25	58795.97	18134.75	17255.20
March 2023	83.03	69.79	83.05	69.70	60498.48	57084.91	17799.95	16828.35

Registrar and Share Transfer Agent:

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

Address: 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600017.

Tel. No.: 044-28140801-803| Fax No.: 044-28142479| E-mail id: corpserv@integratedindia.in.

Shareholding Pattern:

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2023 is as under:

Category	No. of Shares	% to Total
President of India	1,09,82,21,224	79.20
Financial Institution – State Government	5,97,01,260	4.31
Financial Institution - Banks	55,689	0
Insurance Companies	2,94,77,873	2.13
Mutual Fund	6,12,96,843	4.42
NBFCs	2,650	0
Corporate Bodies	1,24,16,991	0.90
Foreign Portfolio Investors – Corporate 1 & 2	92,94,356	0.67
NRI	33,26,109	0.24
Resident Individual/Employees	10,65,56,371	7.68
Clearing Member	4,42,470	0.03
Others	58,44,773	0.42
Total	**1,38,66,36,609**	**100**

Distribution of Shareholding as on 31st March, 2023:

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of shareholding
1 - 500	1,60,825	86.15	1,88,48,212	1.3593
501 - 1000	12,248	6.56	1,02,50,025	0.7392
1001 – 2000	6,421	3.44	1,00,12,294	0.7221
2001 – 3000	2,366	1.27	61,12,884	0.4408
3001 - 4000	961	0.51	35,07,997	0.2530
4001 - 5000	1,060	0.57	50,88,024	0.3669
5001 - 10000	1,460	0.78	1,10,74,916	0.7987
10001 and above	1,337	0.72	1,32,17,42,257	95.3200
Total	**1,86,678**	**100**	**1,38,66,36,609**	**100**

Dematerialisation of shares and liquidity

As on 31st March 2023, the equity shares of the Company numbering to 1,38,47,04,331 **(99.86%)** 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.

Commodity price risk/foreign exchange risk and hedging activities:

For the FY 2022-23, Commodity Price Risk and Commodity Hedging Activity: Not applicable.

Plant locations:

Mine-I (including Expansion) Mine-IA, Mine-II (including Expansion), TPS-I, TPS-I Expansion, TPS-II and TPS-II Expansion, Neyveli New Thermal Power Station 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, Chelliyanallur, Ettankulam, Pudur & Therkupatti (Tirunelveli District), Thoppalakkarai, Sethupuram, Saminatham & Poolangal (Virudhunagar District), Kadamangalam, Avathandai & Kamuthi (Ramanathapuram District), Maranthai & 51MW Wind Power Plant(Tenkasi district), Onamakulam(Tuticorin District) all in the State of Tamilnadu and in Dollygunj (Adaman and Nicobar Islands). Talabira-II & III Coal open cast Mines at Sambalpur in the State of Odisha. A Thermal Power Plant of the Subsidiary Company (NTPL) is in operation at Tuticorin, in the State of Tamil Nadu. A Thermal Power Plant at Ghatampur in the State of Uttar Pradesh and a Coal Mine at Pachwara South in the State of Jharkhand is under construction/development by the Subsidiary Company (NUPPL).

Address for correspondence:

Shareholders/Investors may send their correspondence to the Company Secretary to the Registered Office at No. 135, EVR Periyar High Road, Kilpauk, Chennai – 600 010 (Tel. No. 044 - 28369139). Shareholders may also send their communication electronically to investors@nlcindia.in, the exclusive e-mail-id provided.

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

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

Address: 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017.
Tel.No.: 044-28140801-803 Fax No.: 044-28142479 E-mail id: corpserv@integratedindia.in

Credit Ratings for Borrowings

During the year, your company has retained AAA rating for Long Term Borrowings including issue of Bonds and A1+ for issue of Commercial Papers from Credit Rating Agencies. The Present Ratings are given below:

	Rating Agency / Particulars		Rating Assigned
1	**ICRA**		
	Non-Convertible Debentures - Secured	₹ 2,000 Crore	ICRA AAA/Stable
2	**CRISIL**		
	Working Capital Loan	₹ 5,000 Crore	CRISIL AAA/Stable
	Non-Convertible Debentures (Issued amount- ₹2,175)	₹ 3,000 Crore	CRISIL AAA/Stable
	Proposed Term Loan	₹ 1,695 Crore	CRISIL AAA/Stable
3	**CARE Ratings**		
	Solar 500 MW	₹ 512.31 Crore	CARE AAA; Stable
	NNTPS 1000 MW	₹ 2,100 Crore	CARE AAA; Stable
	Commercial Paper	₹ 6,000 Crore	CARE A1+
4	**India Rating (Fitch Group)**		
	Solar 709 MW	₹ 1,681 Crore	IND AAA/Stable
	Non-Convertible Debentures – Secured	₹ 2,000 Crore	IND AAA/Stable
	Non-Convertible Debentures – Unsecured	₹ 2,175 Crore	IND AAA/Stable
	Commercial Paper	₹ 6,000 Crore	IND A1+
5	**Infomerics Ratings**		
	Talabira Mine	₹ 1,428.51 Crore	IVR AAA/Stable
6	**Acuite Ratings & Research**	₹ 1,000 Crore	ACUITE AAA/Stable

Other Disclosures:

i. The policies on related party transactions and 'material subsidiaries' are available at
https://www.nlcindia.in/new_website/policy_on_related_party_transactions.pdf
https://www.nlcindia.in/investor/policy_on_material_subsidiaries.pdf

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

ii. The Company has complied with the requirements of the Listing Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India except that the Company is non-compliant w.r.t. the composition of Board of Directors where the number of Independent Directors on the Board were less than 50% of the total strength except during the period 6th April, 2022 to 10th May, 2022. The requirement of appointment of one Independent Director from the Board of the Holding Company on the Board of Subsidiary Companies has also not been complied with. Further, the evaluation of Independent Directors has not been done by the entire Board of Directors. The required policies / criteria for appointment of Directors on the Board was not formulated by the Nomination and Remuneration Committee. The explanations for non-compliance as stated above have been given in **Annexure-6**.

The Stock Exchanges have levied penalty for non-compliance with respect to the composition of the Board of Directors and the Company has represented to the Exchanges for waiver of penalty levied since the Company is a Government Company and the power to appoint Directors vests with the administrative Ministry. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related 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 Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI and other guidelines, to the extent applicable. The policy shall deem to cover the amendments if any, issued by any of the regulatory authorities and / or Govt. of India from time to time.

Being a Central Public Sector Enterprise (CPSE), the Company is required to comply with 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, CPSE are expected to pay the maximum dividend permissible under the Act under which CPSE has been set up, unless lower dividend proposed to be paid is justified on a case to case basis after the analysis of the following aspect:

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

Further internal factors such as Cash Flow, 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.in/investor/dividenddistributionpolicy_15042017.pdf

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

v. Disclosure of commodity price risks and commodity hedging activities:

For FY 2022-23, 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. Disclosures in relation to the Sexual Harassment of Woman at work place:

During the year 2022-23, one complaint pertaining to the previous year was resolved and disposed of and no cases were pending at the end of the year.

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

viii. Items of expenditure debited in the books of accounts, which are not for the purposes of the business: Nil

ix. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management: Nil

x. Certification from Company Secretary in Practice

M/s Kumar Naresh Sinha & Associates, Company Secretaries, Noida has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such Statutory authority. The same is placed at **Annexure-6A**.

xi. Details of total fees paid to statutory auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part, are as follows:

(₹ Crore)

Type of service	FY 2022-23	FY 2021-22
Audit fees	1.03	0.76
Tax Audit fees	0.10	0.07
Others	0.42	0.16
Total	**1.55**	**0.99**

xii.During the year, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

xiii.Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Nil

xiv.Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

S.No.	Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
1	NLC Tamil Nadu Power Limited	18th November, 2005	Chennai	M/s S. Venkatram & Co. LLP, Chennai	26th August, 2022
2	Neyveli Uttar Pradesh Power Limited	09th November, 2012	Lucknow	M/s D S Sinha & Co., Kanpur	1st September, 2022

xv.Disclosure of certain types of agreements binding listed entities - Information disclosed under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations: Not Applicable

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 website www.nlcindia.in for the information of shareholders and other investors.

All significant events and information about the Company are uploaded in the Company's website 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 2022-23 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 conducted in a hybrid manner involving outsourced internal Audit by engaging firms of Chartered Accountants and in-house internal audit by experienced executives drawn from multi-disciplinary domains such as Mining, Thermal, Renewable Energy, Finance, etc. attached to the Internal Audit department.

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.

Disclosures with respect to demat suspense account/ unclaimed suspense account

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year - Nil

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year - Nil

(c) number of shareholders to whom shares were transferred from suspense account during the year - Nil

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - 5 Shareholders and 1000 shares

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Declaration - Code of Conduct

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 | **Prasanna Kumar Motupalli**

Date: 30th August, 2023 | **Chairman and Managing Director**

ANNEXURE - 5

R.Subramanian and Company LLP,
Chartered Accountants,
New No.6 Old. No. 36,
Krishna Swamy Avenue, Luz Mylapore,
Chennai – 600004

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

To

The Members of NLC INDIA Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 17th August 2023.
2. We have examined the compliance of conditions of Corporate Governance by NLC INDIA Limited ("the Company"), for the year ended March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D 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').

Managements' Responsibility

3. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations and DPE Guidelines.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations and DPE Guidelines, except for the following:

a. As per Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015 read with 25(6) and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors, the number of Independent Directors on the Board shall be at least half of the Board of Directors. Except during the period from 6th April, 2022 to 10th May, 2022, the composition of Independent Directors was less than 50% of the total strength of the Board.

b. The requirement of appointment of at least one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiaries as required under Regulation 24(1) of SEBI (LODR) Regulations, 2015 have not been complied with respect to Neyveli Uttar Pradesh Power Limited upto 16th May, 2022.

c. The requirement of appointment of at least one Independent Director of the Company on the Board of Directors of Unlisted Subsidiaries as required under Para 6.1 of DPE Guidelines on Corporate Governance have not been complied with respect to

   i. NLC Tamil Nadu Power Limited and

   ii. Neyveli Uttar Pradesh Power Limited upto 16th May, 2022.

d. The requirement of evaluation of independent Directors by the Board of Directors as required under Regulation 17(10), Regulation 19(4), Clause (2) Item (A) of Part D of Schedule II and Item (d) of Part (4) of Para (C) of Schedule V of SEBI (LODR) Regulations, 2015 has not been complied with by the Company.

9. The Company has received notices from BSE and NSE imposing penalties for non-compliance with the requirements pertaining to the Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarters ended June 2022, September 2022, December 2022 and March 2023.

10. We 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 R. Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSRSP6084

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No 001997S

M.S.N.M. Santosh
Partner
M No. 221916
UDIN: 23221916BGXUTF1603

Place: Chennai
Date: 17th August, 2023

SECRETARIAL AUDIT REPORT

ANNEXURE - 6

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023
[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,
CIN: L93090TN1956GOI003507
No. 135, EVR Periyar High Road,
Kilpauk, Chennai, Tamil Nadu - 600010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC India Limited** (hereinafter called "the Company"), having its Registered Office at **No. 135, EVR Periyar High Road, Kilpauk, Chennai, Tamil Nadu - 600010**. 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 & 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 which ended on **March 31, 2023** 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 & returns filed and other records maintained by the Company for the financial year which ended on **March 31, 2023,** according to the provisions of:

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

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

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

(4) 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;

(5) 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, 2018; **(Not applicable to the Company during the audit period)**

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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, 2021 **(Not applicable to the Company during the audit period);** and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**

(6) The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:

- The Mines Act, 1952 and the rules made thereunder.
- Coal Mines Regulations, 1957.
- DGMS Guidelines on Periodic Medical Examination for Mines.
- Mines Vocational Training Rules, 1966.
- The Electricity Act, 2003 and the rules made thereunder.
- Indian Boiler Act, 1923 and the regulations made thereunder.
- Explosives Act, 1884 and the rules made thereunder.
- Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008.
- Mines and Mineral (Development and Regulation) Act, 1957.
- For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents & records as produced and shown to us and the information & explanations as provided to us, by the management of the Company and to the best of our judgement and understanding of the applicability of the different enactments upon the Company, in our opinion adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General & Labour Laws.
- The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor(s) and other designated professionals.

We have also examined compliance with the applicable regulations / clauses of the following:

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

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii. Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

iv. Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F No. 5/2/2016-Policy dated 27th May, 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

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

1. **The number of Independent Directors on the Board was less than 50% of the total strength as required under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors excepting during the period from April 6, 2022 to May 10, 2022.**

2. **The requirement of appointment of at least 1 Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiaries as under Regulation 24(1) of SEBI (LODR) Regulations, 2015 and Para 6.1 of DPE Guidelines on Corporate Governance have not been complied with respect to NLC Tamilnadu Power Limited during the audit period and upto May 16, 2022 with respect to NEYVELI UTTAR PRADESH POWER LIMITED.**

We further report that:

1. During the period under review, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors, except that the Company has not been able to appoint requisite number of Independent Directors as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors. 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.

2. The Company has received notices from BSE and NSE imposing penalties for non-compliance with the requirements pertaining to the Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarters ended June, September, December 2022 and March 2023.
3. The Company, being a Central Public Sector Enterprise (CPSE), the appointment of Directors on the Board is made by the Administrative Ministry, i.e., Ministry of Coal, Government of India (GoI). The Company has been continuously following up with the Ministry for appointment of requisite number of Independent Directors on the Board. Further, the same has also been communicated to the Stock Exchanges and the Stock Exchanges have been requested for waiver of penalty imposed from time to time.
4. Adequate notice(s) was given to all Directors for the Board Meetings. Agenda and detailed notes on agenda were generally sent at least seven days in advance, other than those held at shorter notice, to all directors 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.
5. Decisions were carried unanimously in the Board / Committee Meetings during the period under review.

We further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, 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 audit period the Company has:

i. Paid final dividend @15% (i.e., ₹ 1.50 per equity share) on October 28, 2022 for FY 2021-22 after obtaining approval of shareholders at the 66th Annual General Meeting.

ii. Declared an Interim Dividend of 15% (i.e., ₹ 1.50 per equity share) on February 13, 2023 for FY 2022-23 and the same was paid on March 13, 2023.

iii. In the meeting held on May 19, 2023, the Board of Directors have recommended a final dividend @20 % (i.e., ₹2 per equity share) for the financial year ended March 31, 2023, subject to C&AG Audit and approval of shareholders at the ensuing Annual General Meeting of the Company.

We further report that during the audit period the Company does not have any specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except as reported above.

Place: Noida
Date: July 15, 2023

For Kumar Naresh Sinha & Associates
Company Secretaries

CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807E000615970

Note: This report is to be read with our letter of even date which is annexed as ***"Annexure-A"*** *and forms an integral part of this report.*

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Annexure A

To
The Members
NLC India Limited,
CIN: L93090TN1956GOI003507
No. 135, EVR Periyar High Road,
Kilpauk, Chennai, Tamil Nadu - 600010

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida
Date: July 15, 2023

For Kumar Naresh Sinha & Associates
Company Secretaries

CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807E000615970

Reply to the Observations of Secretarial Auditor

Sl. No.	Secretarial Auditor's Observations (as per S.No. of the Report)	Reply/Explanation
1	The number of Independent Directors on the Board was less than 50% of the total strength as required under Regulation 17(1)(b) of SEBI {LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors excepting during the period from April 6, 2022, to May 10, 2022.	Being a Government Company, as per the Articles of Association, the power to appoint Directors including the Independent Directors on the Board of the Company vests with the President of India. The Company has from time to time communicated to the Ministry of Coal, Government of India, being the Administrative Ministry, for appointment of Independent Directors on the Board of the Company.
2	The requirement of appointment of at least one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiaries as under Regulation 24(1) of SEBI {LODR} Regulations, 2015 and Para 6.1 of DPE Guidelines on Corporate Governance have not been complied with respect to NLC Tamilnadu Power Limited during the audit period and upto May 16, 2022, with respect to Neyveli Uttar Pradesh Power Limited.	The Company has from time to time communicated to Ministry of Coal, the Administrative Ministry, for appointment of one Independent Director from the Board of the Company on the Board of Directors of the Unlisted Material Subsidiary i.e., NLC Tamilnadu Power Limited.

For and on behalf of the Board of Directors

Place: Neyveli
Date: 30th August, 2023

Prasanna Kumar Motupalli
Chairman and Managing Director

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[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 Tamil Nadu Power Limited,
CIN: U40102TN2005GOI058050
No.135, EVR Periyar High Road,
Kilpauk, Chennai, Tamil Nadu - 600010

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC Tamil Nadu Power Limited** (hereinafter called "The Company"), having its Registered Office at **No. 135, EVR Periyar High Road, Kilpauk, Chennai, Tamil Nadu - 600010.** 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, 2023** complied with the statutory provisions prescribed 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 & returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023** 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; **(Not Applicable during the Audit Period under review)**

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; **(Not Applicable during the Audit period)**

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 (Listing Obligation and Disclosure Requirements) Regulations, 2015.

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the Audit period)**

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the Audit period)**

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the Audit period)**

   e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, **(Not Applicable during the Audit period)**

   f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g. 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;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review); and**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review)**

vi. The other laws, as informed by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:

a) The Electricity Act, 2003 and the Rules made thereunder;

b) Indian Boiler Act, 1923 and the Rules made thereunder;

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditors and other designated professionals.

We have also examined compliance with the applicable clauses/Regulations of the following:

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

(ii) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May 2010.

(iii) Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F No. 5/2/2016-Policy dated 27th May 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

During the period under review and as per the explanations and representations made by the management and subject to the clarifications given to us, the Company has satisfactorily complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **subject to the following observations:**

1. **Requisite number of Independent Directors as required under the DPE Guidelines on Corporate Governance regarding composition of the Board of Directors.**
2. **At least One-Woman Director on its Board as required under Section 149(1) of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014.**
3. **Appropriate composition of the Audit Committee with the requisite number of Independent Directors as required under the DPE Guidelines on Corporate Governance.**
4. **The quorum for the meetings of the Audit Committee of the Board of Directors as prescribed under the DPE Guidelines on Corporate Governance.**
5. **An Independent Director as the Chairman of the Audit Committee as prescribed under the DPE Guidelines on Corporate Governance.**
6. **An Independent Director as the Chairman of the Nomination and Remuneration Committee as prescribed in the DPE guidelines on Corporate Governance.**
7. **Non-compliance with the requirements of Regulation 52(2)(d) of SEBI (LODR) Regulations, 2015 pertaining to delayed submission of annual financial results audited by the Comptroller and Auditor General of India for FY 2021-22.**

We further report that:

- During the period under review, the Company was not having Independent Directors including Woman director as reported herein-above. 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.
- The Company has received notice from BSE imposing penalty for non-compliance with the requirements of Regulation 52(2)(d) of SEBI (LODR) Regulations, 2015 pertaining to submission of annual financial results audited by the Comptroller and Auditor General of India for the FY 2021-22. As advised by the Stock Exchange, the subject matter of notice was placed to the Board of Directors at the meeting held on 7th February 2023. The Board, while noting has advised to avoid recurrence of such default in future. The Board has further advised to request the stock exchange to waive the penalty levied by the exchange and further request for refund of the penalty paid by the Company since it is a first-time default.

- Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance for meetings, other than those held at shorter notice, to all directors 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.
- Decisions were carried unanimously during the period under review.

We further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, 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 audit period:

i. The Company has issued and allotted Commercial Paper, in various tranches aggregating to ₹ 4,200 Crore, listed with BSE and they were redeemed on their respective maturity dates.

ii. The Company has declared and paid interim dividend @ ₹ 0.50/- per equity share on face value of ₹ 10/- per equity share.

We further report that during the audit period, there were no instances of:

(i) Public / preferential issue of Shares / Debentures / Sweat Equity, etc.

(ii) Buy-back of securities.

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations.

Date: July 15, 2023
Place: Noida

For Kumar Naresh Sinha & Associates
Company Secretaries

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807E000617721

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

Annexure A

To
The Members,
NLC Tamil Nadu Power Limited
CIN: U40102TN2005GOI058050
No.135, EVR Periyar High Road
Kilpauk, Chennai, Tamil Nadu – 600010

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: July 15, 2023
Place: Noida

For Kumar Naresh Sinha & Associates
Company Secretaries

Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR: 610/2019
FRN: S2015UP440500
UDIN: F001807E000617721

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[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,
NEYVELI UTTAR PRADESH POWER LIMITED
CIN: U40300UP2012GOI053569
Reg. Office: KH 419, G. N. Extension, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.
E-mail id: cosec.nuppl@nlcindia.in

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neyveli Uttar Pradesh Power Limited, CIN:U40300UP2012GOI053569** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

i. Maintenance of various statutory registers and documents and making necessary entries therein;
ii. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
iii. Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
iv. Notice of Board and various Committee meetings of Directors;
v. Meetings of Directors
vi. Notice and convening of Annual General Meeting held on 28th September, 2022;
vii. Minutes of the proceedings of the Board Meetings, Committee and Members Meetings;
viii. Approvals of the Board of Directors, Committee of Directors, Members and Government authorities, wherever required;
ix. Committees of Directors and appointment and reappointment of Directors;
x. Payment of remuneration to Directors and Managing Director and Key Managerial Personnel;
xi. Appointment and remuneration of Statutory Auditors, Secretarial Auditors and Internal Auditors;
xii. Transfer of Company's shares, issue and allotment of shares;
xiii. Contracts, registered office and publication of name of the Company;
xiv. Report of the Board of Directors;
xv. Investment of Company's funds;
xvi. Generally, all other applicable provisions of the Act and the Rules there under;
xvii. The Company has, in our opinion, proper Board-processes and compliance mechanism and has complied with the applicable statutory provisions, Act(s), rules, regulations, guidelines, applicable secretarial standards, etc., mentioned above and as stipulated under the Memorandum and Articles of Association the Company.

I have examined the books, papers, minute books, forms & returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; **(Not applicable to the Company during the Audit period)**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the Rules and the Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit period)**

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; **(Not applicable to the Company during the Audit period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the Audit period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**

(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; **(Not applicable to the Company during the Audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable to the Company except Regulation 24 during the Audit period)**

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

a) The Coal Bearing Areas (Acquisition and Development) Act, 1957 and the Rules made thereunder.

b) Mines and Mineral (Development and Regulation) Act, 1957.

c) The Electricity Act, 2003 and the Rules made there under.

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

I have also examined the applicable clauses of the following:

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

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

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

1. **The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**

2. **The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**

3. **In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with, during the period 01/04/22 to 23/06/22.**

4. **In the absence of requisite number of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**
5. **The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with during the period 1st April, 2022 to 16th May, 2022.**
6. **The Company has not undertaken training program for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.**

I further report that:

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

Generally adequate notice was given to all Directors to convene the Board Meetings. Agendas and detailed note on agendas were sent at least seven days in advance/ at a shorter notice as per the provisions of the Act/ Regulations 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 were not included in the agenda or circulated at a shorter notice, were considered vide supplementary agenda with the permission of the Chairman and with the consent of 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 and Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

a. The Company has further issued 51,69,59,000 Equity shares of ₹10/- each on Right basis to the promoter companies i.e., NLC India Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited in the ratio of 51:49 respectively, for a consideration of ₹10/- per share, in dematerialized form.

I further report that during the audit period, there were no instances of:

(i) Public / preferential issue of Shares / Debentures / Sweat Equity, etc.

(ii) Redemption / buy-back of securities.

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations.

Place: Lucknow
Date: 1st August, 2023

CS Dileep Kumar Dixit
Practicing Company Secretary
FCS No. 6244
CP No. 6770
UDIN: F006244E000717702

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure A

To

The Members,

NEYVELI UTTAR PRADESH POWER LIMITED

CIN: U40300UP2012GOI053569

Reg. Office: 6/42, Vipul Khand, Gomti Nagar,

Lucknow-226010, Uttar Pradesh.

E-mail id: cosec.nuppl@nlcindia.in

Our Secretarial Audit Report of even date for the Financial Year 2022-23 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. We have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. The audit has been conducted as per the applicable Auditing Standards.
4. We have the responsibility to only express our opinion on the evidences collected, information received and Records maintained by the Company or given by the Management.
5. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
6. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
7. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
8. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the basis of relevant and appropriate audit evidences to ensure that correct facts are reflected in secretarial records.
9. The Company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements, or have complied with applicable laws or rules while performing any corporate action.
10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except for the matters described under "Basis of opinion" and We conclude that:

a. there is due compliance with the applicable laws in terms of timelines and process; and
b. the Records as relevant for the audit verified by me as a whole are free from Misstatement and maintained in accordance with applicable laws.

Basis of opinion

- **The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**
- **The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**
- **In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with, during the period 1st April, 2022 to 23rd June, 2022.**

- **In the absence of requisite number of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**
- **The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with during the period 1st April, 2022 to 16th May, 2022.**
- **The Company has not undertaken training program for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.**

Disclaimer

11. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
12. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company so far it is not concerned with our audit related matters.

Place: Lucknow
Date: 1st August, 2023

CS Dileep Kumar Dixit
Practicing Company Secretary
FCS No. 6244
CP No. 6770
UDIN: F006244E000717702

Annexure 6A

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment
Plot No.: C-58/19, Sector-62
Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
NLC INDIA LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NLC INDIA LIMITED** having **CIN L93090TN1956GOI003507** and having its office at **No.135, EVR Periyar High Road, Kilpauk, Chennai, Tamil Nadu-600010** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal - www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below during the Financial Year ended 31st March 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of Appointment in the Company	Date of Cessation
1.	Shri Prasanna Kumar Motupalli	08456692	12th January, 2023	Continuing
2.	Smt. Vismita Tej	08255194	22nd February, 2023	Continuing
3.	Shri Mohan Reddy Kalasani	09514050	21st February, 2022	Continuing
4.	Shri Suresh Chandra Suman	09549424	11th May, 2022	Continuing
5.	Shri Samir Swarup	09648745	27th February, 2023	Continuing
6.	Shri Subrata Chaudhari	05346876	5th November, 2021	Continuing
7.	Shri Prakash Mishra	09388622	8th November, 2021	Continuing
8.	Prof. Nivedita Srivastava	09388948	10th November, 2021	Continuing
9.	Shri Meethale Thundiyil Ramesh	07313892	6th April, 2022	Continuing
10.	Shri Ramesh Chand Meena	08009394	23rd December, 2021	10th July, 2023
11.	Shri V Muralidhar Goud	03595033	17th July, 2019	9th July, 2022
12.	Shri N K Narayanan Namboothiri	08527157	2nd August, 2019	9th July, 2022
13.	Shri Jaikumar Srinivasan	01220828	5th February, 2020	21st July, 2022
14.	Shri Rakesh Kumar	02865335	28th September, 2018	31st December, 2022
15.	Shri Shaji John	08418401	17th April, 2019	31st January, 2023
16.	Shri Nagaraju Maddirala	06852727	3rd January, 2022	22nd February, 2023

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida
Date: 15th July, 2023

For Kumar Naresh Sinha & Associates
Company Secretaries
CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; CP No.: 14984
FRN: S2015UP440500
UDIN: F001807E000615629

C&AG COMMENTS

ANNEXURE - 7

भारतीय लेखा तथा लेखापरीक्षा विभाग
प्रधान निदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै

CONFIDENTIAL

Indian Audit and Accounts Department
Office of the Principal Director of Commercial Audit, Chennai

No. PDCA/CA-I/NLCIL/4-62/2023-24/29/ **Date: 19.07.2023**

To

The Chairman-cum-Managing Director,
NLC India Limited,
Corporate Office,
Neyveli – 607801.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143 (6)(b) of the Companies Act, 2013 on the Standalone and Consolidated Financial Statements of NLC India Limited for the year ended 31 March, 2023.

*****

I am to forward herewith the comments of the Comptroller and Auditor General of India under Section 143 (6)(b) of the Companies Act, 2013, on the Standalone and Consolidated Financial Statements of NLC India Limited for the year ended 31 March, 2023.

Five copies of Annual Report of your Company may kindly be arranged to be forwarded to this office. The date of holding of AGM may also be intimated please.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

S. Velliangiri 19.7.2023

(S. Velliangiri)
Principal Director of Commercial Audit

Encl: Audit Certificate

इंडियन ऑयल भवन, स्तर - 2,139 , महात्मा गाँधी मार्ग, चेन्नै- 600034
Indian Oil Bhavan, Level- 2, 139, Mahatma Gandhi Road, Chennai - 600034
Tel: 044-28330147 Fax: 044-28330142/145 e-mail:,pdcachennai@cag.gov.in

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 31st March, 2023

The preparation of financial statements of NLC India Limited for the year ended 31 March 2023 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 auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is 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 19.05.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NLC India Limited for the year ended 31 March, 2023 under Section 143 (6)(a) of the Act. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comment on Profitability
Comment No. 1
Balance Sheet as at March 31, 2023 - Equity and Liabilities – Liabilities
Regulatory Deferral Account Credit Balances (Note 22) - ₹3,830.62 Crore

The Company provided liability to the extent of ₹ 29.55 Crore for billed energy charges as the difference between billed rate (2018-19: ₹ 887.74 per MT) and tariff petition rates filed in December 2022 for Lignite Transfer Price for tariff period 2019-2024 which was subject to approval of CERC. An order for truing-up of Lignite Transfer Price (₹ 703.27 per MT) for the year 2018-19 was issued by CERC in June 2022. Pending approval of tariff petition for 2019-24, the Company should have provided liability of ₹ 98.08 Crore considering the difference between billed rate (2018-19: ₹ 887.74 per MT) and revised rate for 2018-19 (₹ 703.27 per MT) instead of the difference between billed rate and tariff petition rates filed in December 2022.

This resulted in understatement of Liabilities i.e., Regulatory Deferral Account Credit Balances and overstatement of Profit by ₹ 68.53 Crore.

Comment No. 2
Balance Sheet as at March 31, 2023
Assets - Current Assets
Financial Assets - Trade Receivables Note 10a - ₹3,791.44 Crore

During 2022-23, NICIL billed its customers an amount of ₹ 386.51 Crore towards settlement of disputed income tax assessment cases of earlier tariff periods pursuant to 'Vivad Se Vishwas Scheme' (VSVS). As per CERC Tariff Regulations, tax on income from core-activity of a generating Company could be recovered from its customers. Tax on any income from non-core activity/other business shall not be recoverable from DISCOMs and shall be borne by generating Company. Out of the amount billed (₹ 386.51 Crore) by NICIL under VSVS, an amount of ₹ 122.13 Crore was tax paid on account of the following:

a) Surcharge from Electricity Boards on delayed payment of bills (₹ 90.67 Crore).
b) Income-tax reimbursement by DISCOMs for arriving 80-IA (Tax holiday) claim (₹ 19.76 Crore).
c) Deduction u/s 80-IA (Tax holiday) on other income earned (₹ 11.7 Crore).

As CERC regulations permitted recovery of tax expenditure from DISCOMs incurred on core business and the above three items being non-core business expense, NLCIL should not have billed it to the customers. The Company should create a provision of ₹ 122.13 Crore against the receivable amount. This resulted in overstatement of trade receivables and profit by ₹ 122.13 Crore.

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

S. Velliangiri
(S. Velliangiri)
Principal Director of Commercial Audit

Place: Chennai
Date: 19 July, 2023

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 31st MARCH, 2023

The preparation of consolidated financial statements of NLC India Limited for the year ended 31 March, 2023 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 19.05.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of NLC India Limited for the year ended 31 March, 2023 under Section 143 (6) (a) of the Act read with section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of NLC India Limited, NLC Tamil Nadu Power Limited and Neyveli Uttar Pradesh Power Limited but did not conduct supplementary audit of the financial statements of Coal Lignite Urja Vikas Private 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.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6)(b) read with section 129 (4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability

Comment No. 1

Balance Sheet as at 31 March, 2023 - Equity and Liabilities - Liabilities

Regulatory Deferral Account Credit Balances (Note 23) - ₹3,974.16 Crore

The Company provided liability to the extent of ₹ 29.55 Crore for billed energy charges as the difference between billed rate (2018-19: ₹ 887.74 per MT) and tariff petition rates filed in December 2022 for Lignite Transfer Price for tariff period 2019-2024 which was subject to approval of CERC. An order for truing-up of Lignite Transfer Price (₹ 703.27 per MT) for the year 2018-19 was issued by CERC in June 2022. Pending approval of tariff petition for 2019-24, the Company should have provided liability of ₹ 98.08 Crore considering the difference between billed rate (2018-19: ₹ 887.74 per MT) and revised rate for 2018-19 (₹ 703.27 per MT) instead of the difference between billed rate and tariff petition rates filed in December 2022.

This resulted in understatement of Liabilities i.e., Regulatory Deferral Account Credit Balances and overstatement of Profit by ₹ 68.53 Crore.

Comment No. 2

Balance Sheet as at 31 March, 2023

Assets - Current Assets

Financial Assets - Note 10(a) - Trade Receivables- ₹ 4,264.47 Crore

During 2022-23, NLCIL billed its customers an amount of ₹ 386.51 Crore towards settlement of disputed income tax assessment cases of earlier tariff periods pursuant to 'Vivad Se Vishwas Scheme' (VSVS). As per CERC Tariff Regulations, tax on income from core-activity of a generating Company could be recovered from its customers. Tax on any income from non-core activity/other business shall not be recoverable from DISCOMs and shall be borne by generating Company. Out of the amount billed (₹ 386.51 Crore) by NICIL under VSVS, an amount of ₹ 122.13 Crore was tax paid on account of the following:

a) Surcharge from Electricity Boards on delayed payment of bills (₹ 90.67 Crore).

b) Income-tax reimbursement by DISCOMs for arriving 80-IA (Tax holiday) claim (₹ 19.76 Crore).

c) Deduction u/s 80-IA (Tax holiday) on other income earned (₹ 11.7 Crore).

As CERC regulations permitted recovery of tax expenditure from DISCOMs incurred on core business and the above three items being non-core business expense, NLCIL should not have billed it to the customers. The Company should create a provision of ₹ 122.13 Crore against the receivable amount. This resulted in overstatement of trade receivables and profit by ₹ 122.13 Crore.

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

S. Velliangiri

(S. Vellangiri)
Principal Director of Commercial Audit

Place: Chennai
Date: 19 July, 2023

MANAGEMENT REPLY TO C&AG COMMENTS ON STANDALONE FINANCIAL STATEMENTS FOR THE FY 2022-23

S No	C&AG Comments	Management Replies
1	**Comment No.1** **Balance Sheet as at March 31, 2023 - Equity and Liabilities - Liabilities** **Regulatory Deferral Account Credit Balances (Note 22)-** **₹ 3,830.62 Crore** The Company provided liability to the extent of ₹ 29.55 Crore for billed energy charges as the difference between billed rate (2018-19: ₹ 887.74 per MT) and tariff petition rates filed in December 2022 for Lignite Transfer Price for tariff period 2019-2024 which was subject to approval of CERC. An order for truing-up of Lignite Transfer Price (₹ 703.27 per MT) for the year 2018-19 was issued by CERC in June 2022. Pending approval of tariff petition for 2019- 24, the Company should have provided liability of ₹ 98.08 Crore considering the difference between billed rate (2018-19: ₹ 887.74 per MT) and revised rate for 2018-19 (₹ 703.27 per MT) instead of the difference between billed rate and tariff petition rates filed in December 2022. This resulted in understatement of Liabilities i.e., Regulatory Deferral Account Credit Balances and overstatement of Profit by ₹ 68.53 Crore.	1. As per para 10 (4) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, "In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31st March, 2019 for the period starting from 1st April, 2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations" 2. NLCIL has billed to the beneficiaries of Barsingsar Mines & Thermal Projects from 1st April, 2019 onwards as per the Lignite Transfer Price prevailing as on 31st March, 2019 aligning with CERC regulations as given above, pending approval of tariff petition for 2019-24. 3. In a conservative approach, the Company has provided a provision for ₹ 29.55 Crore towards differential amount between billed and Lignite Transfer price worked out in the petition for different years, in the petition filed with Hon'ble CERC, for the period 2019-24. 4. Thus the billed Lignite Transfer Price from 1st April, 2019 is in line with CERC Regulations. Thus the Regulatory Deferral Account Credit Balances and Profit are in line with accounting policy and regulations.
2	**Comment No.2** **Balance Sheet as at March 31, 2023** **Assets-Current Assets** **Financial Assets-Trade Receivables Note 10a- ₹ 3,791.44 Crore** During 2022-23, NLCIL billed its customers an amount of ₹ 386.51 Crore towards settlement of disputed income tax assessment cases of earlier tariff periods pursuant to "Vivad Se Vishwas Scheme" (VSVS). As per CERC Tariff Regulations, tax on income from core- activity of a generating Company could be recovered from its customers. Tax on any income from non-core activity/other business shall not be recoverable from DISCOMs and shall be borne by generating Company. Out of the amount billed (₹ 386.51 Crore) by NLCIL under VSVS, an amount of ₹ 122.13 Crore was tax paid on account of the following: a) Surcharge from Electricity Boards on delayed payment of bills (₹ 90.67 Crore). b) Income tax reimbursement by DISCOMs for arriving 80-IA (Tax holiday) claim (₹ 19.76 Crore). c) Deduction u/s 80-IA (Tax holiday) on other income earned (₹ 11.7 Crore). As CERC regulations permitted recovery of tax expenditure from DISCOMs incurred on core business and the above three items being non-core business expense, NLCIL should not have billed it to the customers. The Company should create a provision of ₹ 122.13 Crore against the receivable amount. This resulted in overstatement of trade receivables and profit by ₹ 122.13 Crore.	1. NLCIL has opted VSVS scheme for the settlement of Income Tax Disputes / demand lying at various forums for the period FY : 1999-2000 to 2015-16 and has paid tax an amount of ₹730.91 Crore as one time settlement under the VSVS scheme. 2. NLCIL has accounted an amount of ₹ 730.91 Crore as a tax expenses and recognised an income of ₹ 386.51 Crore as per CERC Tariff Regulations in the FY 2021-22 and billed to the beneficiaries in the FY 2022-23. 3. Some of the Beneficiaries have paid the amount fully and some of the Beneficiaries approached the Hon'ble High Court of respective States for setting aside the VSVS related invoices raised by NLCIL and for non-suspension of grid connectivity till the matter is decided upon. 4. Under the VSVS Scheme, Tax waiver was based on the appeal status and further waiver of interest and penalty on settlement of Tax under VSVS scheme. 5. As the appeal preferred by beneficiaries are pending at various Hon'ble High Court and none of the court has pronounced any verdict against the above claim 6. The amount claimed from the beneficiaries is in line with CERC regulations prevailing in various tariff periods and are legitimate claim. Thus the trade receivable and profit accounted are in line with the prudent accounting policies and Regulations.

MANAGEMENT REPLY TO C&AG COMMENTS ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FY 2022-23

S No	C&AG Comments	Management Replies
1	**Comment No.1** **Balance Sheet as at March 31, 2023 - Equity and Liabilities - Liabilities** **Regulatory Deferral Account Credit Balances (Note 23)-** **₹ 3,974.16 Crore** The Company provided liability to the extent of ₹29.55 Crore for billed energy charges as the difference between billed rate (2018-19: ₹ 887.74 per MT) and tariff petition rates filed in December 2022 for Lignite Transfer Price for tariff period 2019-2024 which was subject to approval of CERC. An order for truing-up of Lignite Transfer Price (₹ 703.27 per MT) for the year 2018-19 was issued by CERC in June 2022. Pending approval of tariff petition for 2019- 24, the Company should have provided liability of ₹ 98.08 Crore considering the difference between billed rate (2018-19: ₹887.74 per MT) and revised rate for 2018-19 (₹ 703.27 per MT) instead of the difference between billed rate and tariff petition rates filed in December 2022. This resulted in understatement of Liabilities i.e., Regulatory Deferral Account Credit Balances and overstatement of Profit by ₹68.53 Crore.	1. As per para 10 (4) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, "In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31st March, 2019 for the period starting from 1st April, 2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations" 2. NLCIL has billed to the beneficiaries of Barsingsar Mines & Thermal Projects from 1st April,2019 onwards as per the Lignite Transfer Price prevailing as on 31st March,2019 aligning with CERC regulations as given above, pending approval of tariff petition for 2019-24. 3. In a conservative approach, the Company has provided a provision for ₹29.55 Crore towards differential amount between billed and Lignite Transfer price worked out in the petition for different years, in the petition filed with Hon'ble CERC, for the period 2019-24. 4. Thus the billed Lignite Transfer Price from 1st April,2019 is in line with CERC Regulations. Thus the Regulatory Deferral Account Credit Balances and Profit are in line with accounting policy and regulations.
2	**Comment No.2** **Balance Sheet as March 31, 2023** **Assets-Current Assets** **Financial Assets- Note 10(a) -Trade Receivables - ₹4,264.47 Crore** During 2022-23, NLCIL billed its customers an amount of ₹386.51 Crore towards settlement of disputed income tax assessment cases of earlier tariff periods pursuant to "Vivad Se Vishwas Scheme" (VSVS). As per CERC Tariff Regulations, tax on income from core- activity of a generating Company could be recovered from its customers. Tax on any income from non-core activity/other business shall not be recoverable from DISCOMs and shall be borne by generating Company. Out of the amount billed (₹386.51 Crore) by NLCIL under VSVS, an amount of ₹122.13 Crore was tax paid on account of the following: a) Surcharge from Electricity Boards on delayed payment of bills (₹90.67 Crore). b) Income-tax reimbursement by DISCOMs for arriving 80-IA (Tax holiday) claim (₹19.76 Crore). c) Deduction u/s 80-IA (Tax holiday) on other income earned (₹11.7 Crore). As CERC regulations permitted recovery of tax expenditure from DISCOMs incurred on core business and the above three items being non-core business expense, NLCIL should not have billed it to the customers. The Company should create a provision of ₹122.13 Crore against the receivable amount. This resulted in overstatement of trade receivables and profit by ₹ 122.13 Crore.	1. NLCIL has opted VSVS scheme for the settlement of Income Tax Disputes / demand lying at various forums for the period FY : 1999-2000 to 2015-16 and has paid tax an amount of ₹730.91 Crore as one time settlement under the VSVS scheme. 2. NLCIL has accounted an amount of ₹730.91 Crore as a tax expenses and recognised an income of ₹386.51 Crore as per CERC Tariff Regulations in the FY 2021-22 and billed to the beneficiaries in the FY 2022-23. 3. Some of the Beneficiaries have paid the amount fully and some of the Beneficiaries approached the Hon'ble High Court of respective States for setting aside the VSVS related invoices raised by NLCIL and for non-suspension of grid connectivity till the matter is decided upon. 4. Under the VSVS Scheme, Tax waiver was based on the appeal status and further waiver of interest and penalty on settlement of Tax under VSVS scheme. 5. As the appeal preferred by beneficiaries are pending at various Hon'ble High Court and none of the court has pronounced any verdict against the above claim. 6. The amount claimed from the beneficiaries is in line with CERC regulations prevailing in various tariff periods and are legitimate claim. Thus the trade receivable and profit accounted are in line with the prudent accounting policies and Regulations.

For and on behalf of the Board of Directors

Place: Neyveli
Date: 30th August, 2023

Prasanna Kumar Motupalli
Chairman and Managing Director

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A: General Disclosure

I. Details of the Listed Entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L93090TN1956GOI003507
2	**Name of the Listed Entity**	NLC India Limited ('NLCIL')
3	**Year of incorporation**	1956
4	**Registered office address**	No. 135, EVR Periyar High Road, Kilpauk, Chennai- 600010, Tamil Nadu
5	**Corporate address**	Block - 1, Neyveli - 607 801, Cuddalore District, Tamilnadu.
6	**E-mail**	investors@nlcindia.in
7	**Telephone**	044-28360027, Fax: 044-28360057
8	**Website**	http://www.nlcindia.in/
9	**Financial year for which reporting is being done**	2022-23
10	**Name of the Stock Exchange(s) where shares are listed**	• BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 • National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
11	**Paid-up Capital**	₹ 1,386.64 Crore
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	
	Name of the Person	Shri. D.Shankar, General Manager, Management Services,
	Telephone	04142 212558
	Email address	gmms@nlcindia.in
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	
	Type of Reporting	The disclosures made under this report are made on a standalone basis for NLCIL.
	If selected consolidated:	-

II. Product/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1.	Electricity supply	Electric power generation	79%
2	Mining	Mining of coal and lignite	21%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1.	Electric power generation	35102	79%
2.	Sale of Coal	05101	14%
3.	Sale of Lignite	05201	7%

Source: National Industrial Classification

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	15	9	24
International	-	-	-

17. Markets served by the entity:

a. No of Locations

Locations	Numbers
National (No. of States)	10
International (No. of Countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nill

c. A brief on types of customers

The Company supplies energy and auxiliary services to customers comprising of state distribution companies, Commercial and Industrial consumers. The company is also having a fuel supply agreement with an Independent Power producer, TAQA Neyveli Power Company Pvt Ltd., Neyveli erstwhile St-Cms Electric Company Pvt. Ltd. for its thermal power plant and MoU with NTPC for a period of 03 years for supply of coal for its thermal power plants. Lignite is sold through E-Auction route to industries for captive power generation, refractories and other allied uses. NLCIL is also involved in power trading where power consumers buy the surrendered power by the DISCOMs. There are customers in the field of mining and solar power generation firms who receive consultancy services from NLCIL

IV. Employees

18. Details as at the end of Financial Year:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees and workers (including differently abled)						
Employees						
1	Permanent Employees (D)	3,676	3,357	91%	319	9%
2	Other than Permanent Employees (E)	102	72	71%	30	29%
3	**Total Employees (D+E)**	**3,778**	**3,429**	**91%**	**349**	**9%**
Workers						
4	Permanent (F)	7,105	6,534	92%	571	8%
5	Other than Permanent (G)	15,736	14,786	94%	950	6%
6	**Total Workers (F+G)**	**22,841**	**21,320**	**93%**	**1521**	**7%**
b. Differently abled employees and workers						
Employees						
1	Permanent Employees (D)	53	51	96%	2	4%
2	Other than Permanent Employees (E)	0	0	0	0	0
3	**Total Differently Abled Employees (D+E)**	**53**	**51**	**96%**	**2**	**4%**
Workers						
4	Permanent (F)	159	129	81%	30	19%
5	Other than Permanent (G)	0	0	0	0	0
6	**Total Differently Abled Workers (F+G)**	**159**	**129**	**81%**	**30**	**19%**

19. Participation/Inclusion/Representation of women

S.No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	10	2	20
2	Key Management Personnel (excluding Whole Time Directors)	1	0	0

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-2023 (Turnover rate in current FY)			FY 2021-2022 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.04	0.02	1.06	1.45	1.51	1.46	0.46	1.22	0.53
Permanent Workers	0.04	0.01	0.05	0	0.18	0.01	0.03	0.17	0.04

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	NLC Tamil Nadu Power Limited (NTPL)	Subsidiary	89%	Yes
2.	Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary	51%	Yes
3.	MNH Shakti Limited (MNH)	Associate	15%	No
4.	Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint venture	50%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
(ii) Turnover (in ₹) : ₹ 12,955.00 Crore
(iii) Net worth (in ₹): ₹ 14,638.86 Crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for the grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Y	327	4	NA	101	6	NA
Investors (other than shareholders)	Y	Nil	Nil	NA	Nil	Nil	NA
Shareholders	Y	16	Nil	NA	21	Nil	NA
Employees and workers	Y	Nil	Nil	NA	Nil	Nil	NA
Customers	Y	Nil	Nil	NA	Nil	Nil	NA
Value Chain Partners	Y	Nil	Nil	NA	1	1	NA
Others (please specify)							

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl.No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Community Engagement	R	The communities form as a key stakeholder considering the nature of the business	Communities are engaged through skill development and contract employment and several CSR projects	Negative
2.	Health and Safety	R	Risk of accidents that could result in impacting the health and safety of the relevant stakeholders due to the nature of operations	Safety measures and action taken to avoid fire incidents in thermal plants are: • Regular testing the readiness of Fire Detection & Suppression System; Weekly check of fire pump, hydrant pipeline and valves; 24x7 fire crew, presence of fire tender and foam tender across sites. • As per Safety and Health policy, everyone has the authority to challenge and stop unsafe activities. • Free medical facilities are available to NLC employees and contract workers. • Yes, ISO 45001-2018 has been implemented. • Joint Fire safety campaign conducted with CISF fire crew once in a year. • Hands on training imparted to all employees and contract workmen using portable fire extinguishers Safety measures in Mines : NLCIL has implemented a comprehensive set of safety measures to ensure a safe and healthy workplace in all its mines. These include annual safety audits by an ISO Team, monthly inspections by Central Safety Council Members, safety workshops and training and regular safety officer meetings. State-of-the-art technology is used in Neyveli mines with built-in safety features and strict adherence to Standard Operating Procedures is enforced. Risk assessment-based Safety Management Plans covering all mining activities is in place. Safety meetings, inspections and awareness activities are conducted regularly, including Tri-partite & Bi-partite meetings and Safety Week Celebrations. Safety equipment, first aid, fire safety and accident investigation protocols are all well-established and monitored	Negative

Sl.No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Air Emissions	R	The main sources of emission of pollutants are • Drilling and excavation activity • Transportation of lignite/ coal • Storage yard & Haul roads • Stack emissions • Ash handling system	The steps taken by NLCIL for controlling emission are: • Installation of Water sprinkler/Fog systems • Haul road water sprinklers • Vehicular water spraying/ Pressurized mobile water sprinkling system for roads inside the mines • Conveyor water spraying • Working face water spray pipelines • Fixed water sprinklers guns in Bunker area • Fog Cannon dust suppression system in Coal Stock Yard • Provision of Electrostatic precipitator • Flue gas desulphurization implementation is also under progress	Negative
4.	Land acquisitions	R	Delay for NLCIL's operations related to mining activities.	• R&R (Rehabilitation and Resettlement) policy in place, which compensates over and above the requirements under 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013' (RFCT LARR Act). • Providing employment opportunities to project affected persons through skill development and contractual employment besides engagement in agriculture and farming.	Negative
5.	Resource availability	O	Availability of abundant resource	• Improvement in operating parameters to effective usage of resources • Adoption of resource efficient technology	Negative
6.	Renewable energy	O	Renewable energy is one of the key focus areas of NLC as a long-term strategy.	Development of renewable energy deployments are being ventured.	Positive
7.	Water and effluent Management	R	The major pollutant that is present in the seepage & surface water is Suspended Solids. Other pollutants such as Bio-chemical Oxygen Demand, Chemical Oxygen Demand, Total Suspended Solids, Total Dissolved Solids, Oil & Grease etc., are generated from the vehicle washing & domestic waste from the mines	• All industries are provided with requisite STPs/ETPs for meeting the standards for treated wastewater. • Rainwater Harvesting in NLCIL premises • Artificial Recharge by gravity method in the recharge area • Artificial recharge through injection well technique	Negative

Sl.No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Governance	R	Being a regulated entity, compliance in all aspects is a priority	• Policy development to address key aspects concerning ESG for guiding the culture at NLCIL. • Provision of trainings and awareness programmes on anti-corruption and anti-competitive behaviour. • Building awareness among stakeholders on change in regulatory norms • Risk management with oversight of the Board. • Code of conduct training and guidance for all our stakeholders.	Negative
9.	Training, education and development	O	We understand the changing landscape in the context upskilling, compliance managements and career development	• Deploying and providing accessibility through digital means to the workforce has been a key-initiatives undertaken during the pandemic times.	Positive
10.	Climate Strategy	R	Our business activities are carbon intensive in nature. With the evolving regulatory and compliance regarding carbon markets, developing a climate strategy is critical to us.	We intend to expand our portfolio in the renewable energy space. • Also, through our R&D team (CARD) we intend to develop innovations that help reduce carbon footprint	Negative
11.	Innovation and Digitization	O	We believe sustained innovation is required to promote the green innovation and create a work friendly environment	We believe sustained innovation is required to promote the green innovation and create a work friendly environment.	Positive
12.	Sustainable Supply Chain	O	As part of our strategy to provide continuous power supply to our customers, we understand the importance of a sustainable supply chain	• Implementation of sustainable supply chain guidelines • Capacity building programmes for suppliers on Environment, Social and Economic fronts to create shared value. • Capturing ESG data of suppliers on voluntarily basis.	Positive
13.	Ethics and integrity	O	Being a regulated entity it is essential to maintain the highest standards of ethics in the organisation	• Ethics being part of core values, all business processes are aligned to principles of ethics and integrity. • Policies of code of conduct, whistle blower, complaint handling and banning of business dealings in place. • 100% compliance with laws and regulations ensuring a transparent and corruption free work environment. • Display Boards at all offices exhorting any visitor not to succumb to pressure and report any case of corrupt practices directly to Chief Vigilance Officer	Positive
14.	Biodiversity Preservation	O	We intend to conserve and promote the biodiversity in the areas which have been reclaimed after mining	• Ensure and implement responsible business practices in areas of high biodiversity value	Negative

Sl.No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Decommissioning of Old Plants	R	Some of our plants have attained their end of life. We would be decommissioning such plants	• Decommissioning of plants are governed by the norms of the Ministry of Power (MoP). • Ensuring safety and security of people and environmental impact during decommissioning.	Negative
16	Operational Efficiency and Plant Reliability	O	Operational efficiencies are key parameter for resource conservation	• Super critical boilers of 800 MW with less specific fuel consumption and CO_2 emission are being implemented in Thermal Power Plant at Talabira. •Adoption of Green mining technologies for minimizing the impact of mining activities on the environment.	Positive

Section B: Management and Disclosures

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Whistle blower policy - https://web.nlcindia.in/webcount/Document/whistleblow.pdf Complaint handling policy - https://web.nlcindia.in/webcount/Document/Complaint_Policy.pdf Archival Policy - https://www.nlcindia.in/investor/ArchivalPolicy.pdf Nomination and Remuneration Policy - https://www.nlcindia.in/investor/Remuneration-policy13032019.pdf Policy for Materiality of Event - https://www.nlcindia.in/investor/policy_materiality_event.pdf Policy on Material Subsidiary - https://www.nlcindia.in/investor/policy_on_material_subsidiaries.pdf Policy on Related Party Transaction - https://www.nlcindia.in/investor/policy_on_related_party_transactions.pdf Cyber security policy - https://www.nlcindia.in/new_website/cyber-policy-17-22.pdf Vendor grievance policy - https://www.nlcindia.in/new_website/Vendor%20Grievance%20Policy%20rv1%2018082022.pdf#:~:text=NLCIL%20Vendor%20Grievance%20Process%20allows%20vendors%20to%20access,about%20the%20contracting%20process%20and%20contract%20award%20decisions Waste Management Policy - https://www.nlcindia.in/new_website/Waste%20Management%20Policy.pdf ESG Policy -https://www.nlcindia.in/new_website/ESG_policy_28082023.pdf								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Dividend Distribution Policy - https://www.nlcindia.in/investor/dividenddistributionpolicy_15042017.pdf Policy for Investment in Surplus Funds - https://www.nlcindia.in/investor/policyforSTD07122018.pdf Environment Policy of NLC - https://www.nlcindia.in/new_website/env-policy-2019.pdf CSR Policy - https://www.nlcindia.in/new_website/csr_new/csr_policy_2021.pdf Code of Conduct - https://www.nlcindia.in/new_website/codeconduct.pdf Code of conduct for prevention of Insider Trading - https://www.nlcindia.in/investor/code_conduct_trading.pdf Code of Practices and Procedures for disclosure of Unpublished Price Sensitive Information - https://www.nlcindia.in/investor/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information06042019.pdf Health & Safety Policy - https://www.nlcindia.in/new_website/NLC%20Safety%20policy.pdf Code of Conduct to regulate, monitor and report trading - https://www.nlcindia.in/investor/code_conduct_trading.pdf									
2 Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4 Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO/IEC 17025:2005 • ISO 45001-2018- Safety Management System and ISO • ISO 9001 - 2015 Quality Management System • ISO 14000-2015 – Environmental Management System • ISO 17025 - Testing and Calibration Laboratories								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	NLCIL has ambitiously established a growth target to emerge as a prominent energy player, aiming for a robust power generation capacity of 17,171 MW by 2030. To ensure self-sufficiency in fuel supply, the Company plans to expand its lignite mining capacity from the current 30.10 MTPA to an impressive 40.10 MTPA, as well as enhance its coal mining capacity from 20.00 MTPA to a remarkable 44.00 MTPA. Moreover, NLCIL aims to significantly augment its renewable energy capacity to reach 6,031 MW by 2030, a substantial increase from its existing capacity of 1,421 MW.								
6 Performance of the entity against the specific commitments, goal and targets along with reasons in case the same are not met.	Refer Director's report								
Governance, Leadership and Oversight									
7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Functional Directors bear the responsibility of effectively implementing and overseeing the Business Responsibility policies within their specific functional domains.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9 Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	No. NLCIL is actively establishing a dedicated working committee to effectively oversee and address various sustainability-related topics								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against the above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	(Annually)								
Compliance with statutory requirements of relevance to the principles and the rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly/Annually								

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	N	N	Y	N	N	Y	N	Y	N

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	All principles are covered by our ESG policy								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	• Training and certification on Cybersecurity • Technological Advancements In Mine Mechanization And Management Towards Industry Enabling By Industry 4.0 And Digitalisation	50%
Key Managerial Personnel	4	• Corporate Governance • Developments in Power trading and the power market • Cost and Business orientation • SAP programme	40%
Employees other than BoDs and KMPs	1,298	• Functional and Behavioural training • Health and well-being • Management Development • Quality and Environmental standards • Safety • Skill development and upgradation • Statutory program • Women empowerment • CSR awareness	93%
Workers	1,316		40%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Not Applicable				
Settlement					
Compounding fee					

Non-Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Category	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   NLCIL has implemented robust internal standing orders that provide guidance on anti-bribery and anti-corruption practices. As part of its commitment to maintaining integrity, NLCIL has collaborated with esteemed organizations such as the Central Vigilance Commission (CVC) and Transparency International India (TII) to establish the Integrity Pact Programme. This program ensures that all tenders exceeding ₹ 1 Crore are closely monitored, with a strict integrity pact being enforced between NLCIL and its suppliers/contractors.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directors	NA	NA
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Topic	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NA		NA	
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Vendors Meet dated 28th October, 2022	Not assessed

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If yes, provide details of the same.

   The Company has the following policies in place to avoid/manage the conflict of interest involving members of the Board.
   1. Code of Conduct for Board Members and Senior Management Personnel.
   2. Code of conduct for prevention of Insider Trading.
   3. Code of Practices and Procedures for disclosure of Unpublished Price Sensitive Information.
   4. Whistle Blower Policy.
   5. Complaint Handling Policy.
   6. Policy for Materiality of Event.
   7. Policy on Related Party Transaction

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)	Details of improvement in environmental and social aspects
Research & Development (R&D)	37%	30%	CARD has taken up initiative for the formation of Innovation Incubation Centre (IIC). Under IIC, projects focusing on environmental improvement and social impacts of products and processes are taken up. In addition, R&D works like Hi-Tech Farming, Development of Mobile Electric Vehicle based - Real Time Air Quality Monitoring & Modelling for NLCIL, Lignite to Diesel, Lignite to Methanol etc. are being carried out.
Capital Expenditure (CAPEX)	95%	77%	

Note: The values of CAPEX has been restated for FY22 after considering cost incurred in implementation of renewable energy plants

2. a. Does the entity have procedures in place for sustainable sourcing? – Yes

   Lignite/Coal Linkage:
   - 100% of lignite requirement for the power generation is sourced sustainably by locating the power station at pithead reducing the energy required for transportation.
   - 100% of coal requirement for the proposed NLC Talabira Thermal Power Project is sourced sustainably from Talabira II & III Coal Mines, Odisha.

   b. If yes, what percentage of inputs were sourced sustainably?

   The majority of inputs used by NLCIL are sourced sustainably, primarily through captive mining of coal and lignite. However, the Company is actively engaged in evaluating and implementing sustainability checks for its suppliers, thereby ensuring that the entire supply chain aligns with sustainable practices.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging)

Since 2006, Neyveli Township has imposed a ban on the utilization of plastic bags and covers. In order to address the issue of discarded plastics such as oil covers and milk covers, a systematic approach has been adopted. These plastics are collected, shredded into smaller pieces and then processed to serve as additives in construction projects within the township. This innovative practice promotes sustainability by effectively repurposing plastic waste for constructive purposes

(b) E-waste

NLCIL collects and disposes the e-waste through e-tender by MSTC to Pollution Control Board Authorized recycler.

(c) Hazardous waste

NLCIL safely disposes the hazardous waste generated through e-tender by MSTC to Pollution Control Board Authorized recycler/co-processors/disposal facility.

(d) other waste

NLCIL is committed to utilize 100% fly ash generated from the lignite and coal-based thermal power projects.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency (Yes/ No)	Results communicated in the public domain (Yes/ No) If yes provide web-link
Life Cycle Assessment (LCA) have not been conducted. However, LCA of the fuel has been planned.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	3,357	33,57	100%	3,,357	100%	NA	NA	3,357	100%	NA	NA
Female	319	319	100%	319	100%	319	100%	NA	NA	319	100%
Total	**3,676**	**3,676**	**100%**	**3,676**	**100%**	**319**	**100%**	**3,357**	**100%**	**319**	**100%**
Other than Permanent Employees											
Male	72	72	100%	72	100%	NA	NA	72	100%	NA	NA
Female	30	30	100%	30	100%	30	100%	NA	NA	30	100%
Total	**102**	**102**	**100%**	**102**	**100%**	**30**	**100%**	**72**	**100%**	**30**	**100%**

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	6,534	5,534	85%	6,534	100%	NA	NA	6534	100%	NA	NA
Female	571	571	100%	571	100%	571	100%	NA	NA	571	100%
Total	**7,105**	**6,105**	**86%**	**7,105**	**100%**	**571**	**100%**	**6534**	**100%**	**571**	**100%**
Other than Permanent Workers											
Male	14,786	14,786	100%	14786	100%	NA	NA	NA	NA	NA	NA
Female	950	950	100%	950	100%	NA	NA	NA	NA	NA	NA
Total	**15,736**	**15,736**	**100%**	**15736**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Sl.No.	Benefits	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100	100	Y	100	100	Y
2	Gratuity	100	100	Y	100	100	Y
3	ESI	-	-	-	-	-	-
4	Others-Please Specify	100	100	Y	100	100	Y

3. **Accessibility of workplaces:**

   Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   The Company is fully committed to ensuring the inclusion and representation of physically challenged persons in its workforce, in accordance with the provisions outlined in the Rights of Persons with Disabilities Act, 2016. To uphold this commitment, the Company has implemented an internal manual specifically aimed to provide equal opportunities to all. This policy aligns with the guidelines set forth by the Department of Personnel and Training (DoP&T) and encompasses various facilities and support mechanisms aimed at promoting a conducive working environment for PwDs.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

   NLCIL ensures proper representation of persons with disabilities within its workforce and adheres to the provisions outlined in the Rights of Persons with Disabilities Act, 2016. NLCIL's internal manual offers guidelines adhering to the Act.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	NA
Female	100%	100%	100%	NA
Total	100%	100%	100%	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NLCIL upholds a strong belief in open and transparent communication, fostering an environment where employees are encouraged to express their concerns to their business heads, HR department, or senior management members. The Company follows an open-door policy, ensuring that every employee, regardless of hierarchy, has access to the senior management team. Additionally, NLCIL has established the Corporate Whistleblower Initiative (CWI), providing a formal platform for employees to report grievances on various matters. The details of the grievance mechanism and CWI are effectively communicated to employees through a dedicated module, including sensitization during the employee induction program.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Other than Permanent Workers	Moreover, NLCIL has a comprehensive policy addressing the prevention, prohibition and redressal of sexual harassment of women in the workplace, in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy is made available on the Company's website and an Internal Complaints Committee (ICC), consisting primarily of women members, is responsible for conducting inquiries related to such complaints. NLCIL consistently conducts workshops, group meetings, online training modules and awareness programs to sensitize employees on the prevention of sexual harassment at the workplace, ensuring regular and proactive engagement on this critical issue.
Permanent Employees	The process of redressal mechanism is given below: • The employee shall submit his/her grievance in the prescribed format immediately and in any case within a period of 3 months of Its occurrence. • For the purpose of prompt, correct and quick disposal of representations, employees have been grouped in the following three categories. (a) Workmen and Staff. (b) Supervisors and Executives. (c) Executives of GM and above. For each category of employees, a separate Corporate Level Redressal Committees formed. The Grievances will be handled in two stages: I. At Stage-I The employee concerned shall take up the grievance with the head of his/her Dept/Unit through proper channel in the prescribed FORM-I. The Unit/ Dept. Head shall call the concerned employee for redressal of the grievance and will return the Form-I with remarks/ action to be taken within 15 days from the date of receipt of the grievance petition. II. At Stage –II The employee may prefer an appeal if he/she is not satisfied with the reply directly to the respective Corporate Level Grievance Redressal Committee, in FORM-II. All such representations shall be submitted in duplicate to the respective Secretary of the Committee. A copy of the Form-I carrying the remarks/solution offered by the Unit Head must be enclosed with the Form-II
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	3,357	2,535	76%	3,585	2,878	80%
Female	319	243	76%	332	256	77%
Total	**3,676**	**2,778**	**76%**	**3,917**	**3,134**	**80%**
Total Permanent Workers						
Male	6,534	4,475	68%	6,760	4,867	72%
Female	571	373	65%	569	398	70%
Total	**7,105**	**4,848**	**68%**	**7,329**	**5,265**	**72%**

8. Details of training given to employees and workers:

Category	FY 2022-2023 (Current FY)					FY 2021-2022 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
Male	3,357	151	4%	643	19%	3,585	138	4%	1,112	31%
Female	319	17	5%	150	47%	332	17	5%	169	51%
Total	**3,676**	**168**	**5%**	793	22%	**3,917**	**155**	**4%**	1,281	33%
Workers										
Male	6,534	1,930	30%	1326	20%	6,760	1,174	17%	1,014	15%
Female	571	47	8%	196	34%	569	47	8%	157	28%
Total	**7,105**	**1977**	**28%**	1522	21%	**7,329**	**1,221**	**17%**	1,171	16%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	3,357	3,357	100%	3,585	3,585	100%
Female	319	319	100%	332	332	100%
Total	**3,676**	**3,676**	**100%**	**3,917**	**3,917**	**100%**
Workers						
Male	6,534	6,534	100%	6,760	6,760	100%
Female	571	571	100%	569	569	100%
Total	**7,105**	**7,105**	**100%**	**7,329**	**7,329**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
Yes, ISO 45001-2018 has been implemented.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
HIRA i.e., Hazard Identification and Risk Assessment is practiced and Safety Management Plan (SMP) is prepared based on the same.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
As per Safety and Health policy, every employee and worker have the authority to challenge and stop unsafe activities

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Free medical facilities are available to NLC employees and contract workers

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-2023 Current Financial Year	FY 2021-2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.03
	Workers	0.13	0.07
Total recordable work-related injuries	Employees	0	2
	Workers	8	4
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- NLCIL conducts an annual safety audit of all mines by the ISO Team, while accredited external agencies perform safety audits of thermal plants once every two years.
- Internal Safety Organization and Central Safety executives regularly inspect mines and thermal plants, providing safety observation reports to unit heads for compliance.
- Thorough investigations into accidents/incidents are conducted to identify root causes and implement corrective actions to prevent recurrence.
- Central Safety Council inspections and meetings are conducted monthly, as per the annual schedule, covering different units.
- Mines and thermal plants are overseen by qualified statutory officials who have established various divisions to ensure safety and health.
- Comprehensive standard operating procedures (SOPs) are in place for all mining and thermal activities, which are strictly implemented and periodically reviewed. SOPs are available in the local language to enhance understanding and implementation.
- The Central Safety Wing conducts monthly safety officers' meetings, encompassing all units of NLCIL, NUPPL and NTPL.
- Monthly Unit Safety Committee meetings are held in mines and thermal plants.
- Each mine maintains round-the-clock fire tenders, managed by CISF personnel.
- A dedicated division with expertise in groundwater control effectively studies and manages water danger potentials.
- NLCIL's Vocational Training Center is equipped with a simulator for virtual-based training of equipment operators, aiming to eliminate accidents during actual equipment operation.
- Blast-free technology, utilizing surface miners, is employed for coal excavation in Talabira – II & III OCP.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.
Corrective actions

- Provision of Personal Protective Equipment (PPE): All employees working at mines and thermal plants receive mandatory and job-specific PPE to ensure their safety. A meticulous PPE issuance register is maintained, meticulously recording the frequency of PPE distribution.
- Implementation of Standard Operating Procedures (SOP): Comprehensive SOPs are meticulously crafted for all activities conducted within mines and thermal plants. A stringent adherence to these SOPs is enforced to promote consistent and secure work practices.
- Lock Out and Tag Out (LOTO) Protocol: Before commencing any work, strict adherence to LOTO procedures is paramount. Workers are furnished with LOTO ID cards, which are affixed to locks, containing detailed information about the person responsible. These locks are only removed once the work is completed.
- Effective Training and Assessment: Our approach includes concise safety videos, hands-on demonstrations of proper PPE usage and interactive feedback sessions. Subsequent tests ensure the efficacy of the training. Additionally, the Group Vestibule Training Centre (GVTC) employs simulator-based training for HEMM Operators, promoting enhanced skill acquisition in a local language context.
- Rigorous Workmen's Inspectors Oversight: Periodic inspections by Workmen's Inspectors from diverse disciplines such as Mining, Mechanical and Electrical facilitate a comprehensive evaluation of safety protocols. Their observations are diligently forwarded to Safety Officers and Unit Heads for swift corrective action, thereby fostering a robust safety culture.
- Illumination Enhancement Initiatives: Regular illumination surveys are conducted within the mines to maintain adequate lighting levels, adhering to regulations. The adoption of LED fittings is systematically replacing conventional lighting across SME machines, haul roads and various other locations in both mines and thermal plants.
- Daily Safety Promotion Through Public Address System: Daily safety reminders and announcements are delivered through the public address system, reinforcing a culture of safe work behavior. Each workday commences with a collective Safety Pledge.
- Contract Workmen's On-Site Safety Training: Thorough safety training is extended to contract workers involved in LHS/JT-2 Structural strengthening work. This ensures consistent safety precautions during welding, cutting and material handling operations.
- Comprehensive Safety Audits: A multi-disciplinary team conducts regular safety audits across all Mines and Thermal Power Plants. These assessments drive continual improvements and compliance with safety standards.
- Structured Monthly Safety Officers Meeting: A monthly safety gathering, involving Safety Officers from all NL units, including NT and NU, led by ED/Central Safety, promotes knowledge exchange, best practice sharing and proactive safety culture reinforcement.
- Central Safety Council (CSC) Vigilance: The CSC, comprising representatives from different units, undertakes meticulous monthly inspections, culminating in presentations of findings to unit heads and ED/Central Safety in the afternoon. This proactive approach exemplifies our dedication to maintaining a robust safety framework.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
   A. Employees (Yes/No): Yes
   B. Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

   NLCIL diligently adheres to the deduction and deposition of all applicable statutory dues pertaining to its transactions, in accordance with prevailing regulations. This process is subject to rigorous review during both internal and statutory audits. In the case of contract workers, monthly clearance is provided by the respective division executives and HR executives to ensure full compliance with all statutory requirements. Only after obtaining clearance, payments are released for all types of work. Furthermore, periodic inspections by relevant authorities are carried out to ensure continued adherence to statutory obligations.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Employees	0	0	0	1
Workers	2	0	2	2

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).
   Yes

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Company expects its value chain partners to follow extant regulations, including health and safety practices and working conditions, these parameters are explicitly captured in the procurement contracts. Performance is monitored on various parameters including but not restricted to explicit parameters relating to adherence to health and safety practices and working conditions regulations. Although no specific assessment has been carried out pertaining to health and safety practices and working conditions of value chain partners, periodic inspections of material value chain partners are performed.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.
   No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:
NLC India Limited employs a dynamic and strategic stakeholder engagement process that involves identifying key stakeholder groups from a wide array of potential stakeholders. The selection is based on careful evaluation of the material influence each group holds over the Company's value creation capabilities and vice versa. Presently, the Company has recognized seven internal and external stakeholder groups that play crucial roles: Employees, Government and Regulatory Authorities, Customers, Communities and Civil Society / NGOs, Suppliers, Institutions and Investors.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	E-mail, direct communication	Engaged on a need-basis depending upon the purpose	To keep employees aware of key developments within the organization through engagement activities, training, awareness and welfare programmes
Shareholders/ Investors	No	Annual General Meetings, quarterly results investor meetings, stock exchange intimations, Emails, advertisement, Website communication	Engaged through multiple regulatory meetings, other engagements depending upon the purpose	Information of the financial and other key parameters, considering critical inputs from the shareholders
Customers	No	Customer meetings, website publications, conferences, emails and advertisements	On a need basis	Business related discussions, awareness and training programmes, workshops and seminars.
Institutions	No	Mail communication, industry association	On a need basis	Talent collaboration, training programmes
Communities and NGOs	Yes	CSR activities, community meetings, mail communication	Catering to the requirements as and when need arises	CSR initiatives
Suppliers	No	Mail communications, seminars, conferences	On a need basis	Business related discussions, awareness and training programmes, workshops and seminars
Government and Regulatory Authorities	No	Compliance meetings, comments given on regulatory matters, industry associations, mail communication	Continual on a need basis	Policy advocacy, statutory meetings

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
The Company actively engages in ongoing consultation with stakeholders on Environment, Social and Governance (ESG) topics through dedicated departments within the organization. NLCIL places great importance on seeking regular feedback from stakeholders and incorporates this input into the organization's strategy, ensuring alignment with its mission and vision. To prioritize material issues that impact both stakeholders and the business, internal discussions are held to identify and shortlist key concerns. These identified concerns are then addressed through discussions with relevant stakeholders, considering their priority and impact.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

NLCIL places a strong emphasis on valuing the opinions and suggestions of its diverse stakeholders. The Company actively engages with stakeholders to ensure that their expectations are effectively translated into policies and practices. In response to the needs and requirements expressed by stakeholders, NLCIL implements various CSR activities. These activities encompass a wide range of initiatives, including healthcare promotion through medical camps, construction of healthcare centers for government hospitals, Covid relief measures, sanitation improvement by contributing to the construction of toilets in railway stations in Tamil Nadu, education support through scholarships for girl students and rural development projects that provide affordable access to social facilities in Neyveli. NLCIL maintains continuous engagement with local communities, fostering the development of a value-driven and empowered society.

3. **Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

NLCIL addresses the concerns of vulnerable / marginalized stakeholder groups, especially through the wide-ranging CSR projects. For more information, refer to the CSR report

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3,676	49	1.2%	3,917	50	1.2%
Other than permanent	102	NA	0	136	NA	0
Total Employees	**3,778**	**49**	**1.2%**	**4,053**	**50**	**1.2%**
Workers						
Permanent	7,105	35	0.5%	7,329	98	1.3%
Other than permanent	15,736	NA	0	15,465	NA	0
Total Workers	**22,841**	**35**	**0.15%**	**22,794**	**98**	**0.4%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-2023 (Current FY)					FY 2021-2022 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	3,357	-	-	3,357	100%	3,585	-	-	3,585	100%
Female	319	-	-	319	100%	332	-	-	332	100%
Total	**3,676**	-	-	**3,676**	**100%**	**3,917**	-	-	**3,917**	**100%**

Category	FY 2022-2023 (Current FY)					FY 2021-2022 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No.(C)	% (C /A)		No.(E)	% (E / D)	No.(F)	% (F /D)
Employees										
Other than Permanent										
Male	72	-	-	72	100%	92	-	-	92	100%
Female	30	-	-	30	100%	44	-	-	44	100%
Total	**102**	-	-	**102**	**100%**	**136**	-	-	**136**	**100%**
Workers										
Permanent										
Male	6,534	-	-	6,534	100%	6,760	-	-	6,760	100%
Female	571	-	-	571	100%	569	-	-	569	100%
Total	**7,105**	-	-	**7,105**	**100%**	**7,329**	-	-	**7,329**	**100%**
Other than Permanent										
Male	14,786	-	-	14,786	100%	14,607	-	-	14,607	100%
Female	980	-	-	980	100%	858	-	-	858	100%
Total	**15,736**	-	-	**15,736**	**100%**	**15,465**	-	-	**15,465**	**100%**

3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	4	2,74,222	NA	NA
Key Managerial Personnel (excluding Whole Time Directors)	1	2,11,735	NA	NA
Employees other than BoD and KMP	3,233	1,45,676	309	88,471
Workers	6,534	1,05,301	571	65,991

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   NLCIL strictly adheres to the principles enshrined in the Constitution of India, as well as the laws pertaining to human rights, such as the Right to Information (RTI) Act, the Prohibition of Child Labour Act, the Sexual Harassment at Workplace Act and other relevant labor laws. The Company has established a dedicated working group to oversee and manage human rights activities and promptly address any concerns that may arise. It is noteworthy that NLCIL has not received any complaints from stakeholders concerning human rights violations, underscoring its commitment to upholding the highest standards of ethical and legal conduct in this regard

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   NLCIL has established a robust redressal process that encompasses the receipt of grievances, their thorough addressing through a formal procedure and timely resolution. In addition, NLCIL diligently adheres to the redressal mechanisms prescribed by the relevant laws that encompass human rights issues. By strictly following these statutory provisions, NLCIL ensures that grievances related to human rights are effectively and appropriately resolved, further strengthening its commitment to safeguarding and promoting human rights within its sphere of influence.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	NIL	NIL	2	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
   The Company is deeply committed to safeguarding stakeholders from any form of discrimination or harassment, taking proactive measures to prevent adverse consequences. In this regard, the Whistleblower policy is in place, which not only encourages and facilitates the reporting of any misconduct or wrongdoing but also provides robust protections to genuine whistleblowers. These protections encompass safeguards against harassment, unfair treatment, or victimization, ensuring that individuals who come forward with information are shielded from any form of retaliation or negative consequences. By promoting a safe and supportive environment for reporting concerns, the Company fosters a culture of transparency, accountability and protection for all stakeholders involved.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)
   Yes, business agreements and contracts contain human rights requirements

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	The Company is in compliance with all applicable laws
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.
    Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.
   NLCIL ensures to support the fundamental principles of human rights in all aspects of its operations. This dedication is in perfect harmony with the Company's Human Rights Statement, which serves as a guiding framework. NLCIL places great importance on promoting awareness and ensuring ethical conduct among its employees. To achieve this, the Company conducts regular training programs that focus on the Code of Conduct. These initiatives aim to sensitize employees to the principles and values that govern their actions, fostering a culture of responsible and ethical behaviour throughout the organization.

2. Details of the scope and coverage of any Human rights due diligence conducted.
   Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
   NLCIL ensures accessibility for differently abled visitors at its Registered Office, Corporate Office and all its Units. The facilities are equipped with ramps to facilitate easy movement for individuals with disabilities. Adequate elevators and infrastructure are in place to meet the specific needs of differently abled visitors. In recognition of the needs of visually impaired customers, the Company maintains application forms in Braille, ensuring inclusivity and providing equal opportunities for all. NLCIL's commitment to accessibility extends to creating a welcoming and inclusive environment for individuals with disabilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labor	NLCIL places strong emphasis on its value chain partners aligning with the same values, principles and business ethics upheld by the Company. While no specific assessment targeting value chain partners has been conducted, certain covenants are in place to closely monitor these parameters in certain lending arrangements. These measures ensure that NLCIL's partners are expected to uphold high standards of conduct and ethics throughout their business interactions, promoting a culture of integrity and responsible business practices across the value chain.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others human rights related issues	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above
   Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total electricity consumption (A) (GJ)	1,00,60,225	1,04,81,481
Total fuel consumption (B) (GJ)	27,77,36,715	28,16,41,277
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	28,77,96,940	29,21,22,758
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ per- rupee of turnover)	0.0022	0.0029
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

TPS-I Expn

- TPS 1 Expansion is a Designated Consumer (DC) under PAT scheme of the Government of India.
- Target achieved in PAT 1 Cycle (2012-13 to 2014-15) and also earned 3212 Energy Savings Certificate.
- Target not achieved in PAT II Cycle (2016-17 to 2018-19) and 17970 no. of EScert purchased.
- Remedial measures viz. heat rate improvement by turbine overhaul, energy efficiency coating in circulating water pumps, fixing of capacitor banks for voltage improvement, replacement of conventional lamps with LED lamps etc are being carried out.

TPS-II

- TPS-II is a Designated Consumer (DC) under PAT scheme of the Government of India.
- In PAT cycle-I (2012-13 to 2014-15), TPS-II had achieved the Net Heat Rate(NHR) target of 3148 kcal/kWhr. In this cycle, TPS-II was credited with 535 escerts.
- In PAT cycle-II (2016-17 to 2018-19), TPS-II could not achieve the Net Heat Rate target of 3097.48 kcal/kWhr. In this cycle, due to non-achievement of NHR target, 69365 escerts were purchased.
- Remedial measures viz. turbine overhaul to improve heat rate, RAPH basket cleaning and seal replacement, arresting air ingress in boilers, replacement of conventional lamps with LED lamps etc are being carried out.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water withdrawal by source (in Million Litres)		
(i) Surface water	8,505	5,621
(ii) Groundwater	21.9	1,911
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	1,09,774	63,244
Total volume of water withdrawal (in Million Litres) (i + ii + iii + iv + v)	1,18,300	70,776
Total volume of water consumption (in Million Litres)	83,598	69,415
Water intensity per rupee of turnover (Water consumed / turnover) (ML per rupee of turnover)	0.00000064	0.00000070
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
   The Company is yet to implement Zero Liquid Discharge. However, various steps are being undertaken to reduce consumption of water and re-use treated water for green belt development.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)**
NOx	µg/m3	110-478	70-297
SOx	µg/m3	741 -2528 *	359 -3078*
Particulate matter (PM)	µg/m3	37 -120	28 - 70
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	mg/m3	NA	NA
Others – please specify	PPM	NA	NA

* For reducing the SO2 emissions FGD implementation in under progress.

** For FY 22 in previous reporting AAQ data was provided

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	2,55,23,638.6	2,65,76,644.4
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	253.2	212.6
Total Scope 1 and Scope 2 emissions per rupee of turnover (in ₹)	tCO_2e/INR	0.00020	0.00027
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	tCO_2e	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.

No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

7. Does the entity have any project related to reducing Green House Gas emission? If yes,then provide detail

- NLCIL diligently adheres to government guidelines and procedures in its mining activities, while also embracing numerous green and sustainability initiatives. These initiatives encompass the utilization of clean energy technologies for mining operations, extensive development of green belts, bio-reclamation of abandoned mined-out lands for agriculture and the integration of renewable energy sources such as wind and solar power.
- The expansive green belt established by NLCIL acts as a natural carbon sink, significantly improving the air quality of the surrounding areas. Each year, approximately 100 hectares of land are reclaimed and afforested by planting 2,500 trees per hectare, following the Ministry's guidelines.
- In the thermal plants, NLCIL employs cutting-edge technologies like Electrostatic Precipitators (ESP), Super Critical Boilers and plans to implement Flue Gas Desulfurization (FGD) to ensure that emission levels remain well within the prescribed limits.
- All units within NLCIL actively adopt energy conservation measures to further reduce greenhouse gas (GHG) emissions.
- NLCIL's foray into renewable energy has been a remarkable milestone in reducing the nation's reliance on coal fuels. The Company has successfully established 1,370.06 MW of solar power plants and 51 MW of wind power plants across various locations. Additionally, battery cars have been introduced at NLCIL General Hospital to minimize the carbon footprint associated with conventional vehicles.

  Renewable energy expansion
  NLCIL's ambitious targets for the shift towards renewable power generation will significantly reduce reliance on coal fuel and, most importantly, contribute to a considerable reduction in the industry's carbon footprint in the foreseeable future.
- NLCIL has secured 510 MW through the Indian Renewable Energy Development Agency Limited (IREDA) under the CPSU scheme, as well as an additional 150 MW through the Solar Energy Corporation of India (SECI).
- NLCIL has ambitious plans to establish 4,610 MW of renewable energy projects in Tamil Nadu and other states.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	12.91	0.00
Bio-medical waste (C)	12.30	27.30
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	21.57	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)		
Transformer oil	0.00	70.86
Used oil	91.62	174.71
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	0.00	0.00
Total (A+B + C + D + E + F + G+ H)	**138.40**	**272.87**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**NA**	**NA**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
e-waste	12.91	0.00
Bio-medical waste	12.30	27.30
Battery	21.57	0.00
Hazardous	91.62	245.57
Total	**138.40**	**272.87**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.

No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   • The Company's mining operations prioritize the preservation of valuable topsoil from mined-out land, which is subsequently reused for land reclamation purposes. NLCIL implements contemporary techniques for slope stabilization and topsoil preservation in mines to foster green cover and environmental sustainability.

- NLCIL actively engages in organic/bio farming on the reclaimed land, ensuring the soil remains fertile and supports sustainable production in an eco-friendly manner.
- Within the Neyveli Township, NLCIL has constructed a state-of-the-art sewage treatment plant with a capacity of 30 MLD (million liters per day). The treated effluent and manure produced by the plant are utilized for green zone development. Additionally, the treated water is utilized for horticulture & Nurseries.
- A comprehensive Integrated Solid Waste Management System (ISWMS) is proposed to cover the entire Neyveli Township area, based on a pilot study and historical waste data. The ISWMS includes the establishment of a bio-gas plant utilizing domestic/municipal solid waste under the concept of "waste to energy." It also involves waste-to-electricity conversion to capture greenhouse gases and vermi-composting/micro-nutrient composting using biochest to produce bio-manure.
- NLC India Limited has consistently aligned itself with the national mission of "Clean & Green India" for the past six decades, consistently implementing the latest environmental technologies.
- NLCIL has successfully executed an R&D project in collaboration with Vellore Institute of Technology (VIT) that utilizes bottom ash from thermal power plants as a substitute for fine aggregates (sand) in construction activities. A 920 square feet experimental building has been constructed using bottom ash as a replacement for fine aggregates.
- NLCIL ensures the 100% utilization of fly ash generated from its thermal power plants by supplying it to brick industries, cement industries and utilizing it in-house for manufacturing fly ash bricks, solid blocks, RCC (reinforced cement concrete) door and window frames, lamp posts, slabs and more.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Talabira OCP II & III	Mining	Yes. Obtained Environment Clearance & Forest Clearance and the conditions are being compiled by the unit.
2	NTTPP, Odisha	Power Generation	Yes. Obtained EC on 02-02-2021 and WLC on 13-10-2020

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and Brief details of Project	EIA Notification No.	Date	Whether conducted by Independent External Agency (Yes/No)	Results communicated in Public domain (Yes/No)	Relevant web link
1200 MTPD Lignite to Methanol Project	EIA Notification, 2006 5(F) A category	02.01.2023 -Till now	Yes Eco tech Labs Pvt Ltd	No	https://environmentclearance.nic.in/proposal_status_new1.aspx

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S.No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines/ penalties/ action taken by regulatory agency such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	20,006	49,928
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**20,006**	**49,928**
From non-renewable sources		
Total electricity consumption (D)	1,00,40,219	1,04,31,553
Total fuel consumption (E)	27,77,36,715	28,16,41,277
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**28,77,76,934**	**29,20,72,830**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

2. Provide the following details related to water discharged:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in Million Litres)		
(i) To Surface water		
-No treatment		
-With treatment – please specify level of Treatment	-	13,537
(ii) To Groundwater		
-No treatment		
-With treatment – please specify level of Treatment		
(iii) To Seawater		
-No treatment		
-With treatment – please specify level of Treatment		
(iv) Sent to third-parties		
-No treatment		
-With treatment – please specify level of Treatment	39,088	24,215
(v) Others		
-No treatment		
-With treatment – please specify level of Treatment	11,058	419
Total water discharged (in Million Liters)	**50,146**	**38,173**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.

No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:
(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in Million Litres)		
(i) Surface water	Currently, no plant is located in a water stressed area.	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in Million Litres)		
Total volume of water consumption (in Million Litres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in Million Litres)		
(i) Into Surface water	Currently, no plant is located in a water stressed area.	
-No treatment		
-With treatment – please specify level of Treatment		
(ii) Into Groundwater		
-No treatment		
-With treatment – please specify level of Treatment		
(iii) Into Seawater		
-No treatment		
-With treatment – please specify level of Treatment		
(iv) Sent to third-parties		
-No treatment		
-With treatment – please specify level of Treatment		
(v) Others		
-No treatment		
-With treatment – please specify level of Treatment		
Total water discharged (in Million Litres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.

No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	NLCIL is in the process of collating data for accounting scope 3 emissions for the relevant emission categories	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. However, NLCIL intends to have an independent assessment carried out by an external agencies.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   No project of NLCIL is located in an eco-sensitive area

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Use of Overburden Clay as alternate for coarse aggregate	The overburden resulting from mining operations used to be discarded without any utilization, despite containing valuable sand materials. Recognizing the potential, IITM, Chennai and NLCIL have collaborated on a research project to explore the feasibility of extracting sand and clay from the overburden materials.	The extraction process has yielded a recovery rate of approximately 40 to 60% of sand from the overburden.
2	Study on Development of Hi-Tech Agriculture using Hydroponics / Aeroponics	As part of reclamation activities, a cutting-edge agricultural system utilizing hydroponics and aeroponics techniques is being established. The primary goal of this project is to develop a hydroponic cultivation system within the reclaimed area of Mine-IA, integrated with IoT capabilities for real-time data capture and plant growth monitoring	Extensive research indicates that this innovative technique holds immense potential for generating increased revenue while efficiently utilizing limited land resources.
3	Floating Solar PV plant at Thermal lake, Neyveli	As a sustainable energy solution, a floating solar power plant of 200kW capacity has been implemented to generate electricity for operating the water pump and providing illumination.	The floating solar photovoltaic (PV) system has generated a total of 3.74 Lakh units of power.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   Yes. NLCIL has implemented a comprehensive disaster management plan with a primary objective of ensuring the safety and well-being of the individuals working at the plant. This plan encompasses various objectives, including responding to emergencies swiftly and efficiently, minimizing environmental damage, mitigating loss of assets for both the plant and the surrounding community, conducting rescue operations and providing treatment for the injured.

   The disaster management plan addresses a wide range of potential disasters, encompassing natural events such as geological, hydrological, climatic and atmospheric occurrences, as well as man-made disasters of a sociological or technological nature. The main purpose of this plan is to foster a proactive, holistic and integrated approach to strengthen disaster preparedness, mitigation and emergency response in the event of any unforeseen calamities. It serves as a comprehensive framework and guidance for the power sector utilities, covering all phases of the disaster management cycle, through the "Crisis and Disaster Management Plan for the power sector."

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

   - To minimize the impact on the environment, NLCIL is implementing various mitigation measures, including adopting cleaner renewable energy sources, CFBC and supercritical boilers, green mining practices and installing pollution control measures such as dust suppression systems, bag filters and water jets/sprinklers.

   - Regular monitoring of the environmental stress reduction resulting from these eco-friendly activities is conducted and the findings are reported to the appropriate regulatory authorities through reports like Environmental Statements, Environmental Compliance reports and Fly Ash Report. Some reports, such as the Fly Ash reports, are also made available on NLCIL's website.

   - The Company is actively engaged in addressing global environmental issues through several initiatives. Notably, efforts are being made to increase capacity in the renewable energy sector, with the aim of significantly reducing greenhouse gas emissions. NLCIL has already installed 1,370.06 MW of solar and 51 MW of wind power plants, establishing its presence in renewable energy.

   - To combat pollution in its thermal power projects, NLCIL has implemented environmental protection measures, such as tall stacks to disperse and reduce gaseous and particulate pollution, electrostatic precipitators for dust control and the initiation of flue gas desulfurization (FGD) to control SO_2 emissions.

   - In NLCIL's mining operations, environmental protection measures include dust suppression using water sprinklers and the establishment of dense green belts along roadsides in and around the mines.

   - NLCIL places significant emphasis on environmental awareness and has conducted various programs addressing topics such as environment and pollution control, energy conservation, co-generation techniques, mining mitigation and environmental impact assessment.

   By implementing these measures and initiatives, NLCIL is actively working towards environmental sustainability and promoting responsible practices across its operations.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact
   Nil

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.
   NLCIL has 12 affiliations with industry chambers/associations

   b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Employers Federation of Southern India (EFSI)	National
2	Quality Circle Forum of India (QCFI)	National
3	All India Management Association (AIMA)	National
4	Power Sector Skill Council (PSSC)	National
5	Skill Council for Mining Sector (SCMS)	National
6	National Institute of Personnel Management (NIPM)	National
7	Standing Conference of Public Enterprises (SCOPE)	National
8	Central Board of Irrigation and Power (CBIP)	National
9	Project Management Associates (PMA)	National
10	Public Relations Society of India (PRSI)	National
11	National Safety Council (NSC)	National
12	All India Organization of Employer's (AIOE)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of Authority	Brief of the case	Corrective action taken
Not Applicable		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

S.No	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify	Web Link, if available
The Company plays an active role in stakeholder consultations, collaborating with industry players and government entities to contribute valuable insights in the development of policies related to energy, economic reforms, water management, mining practices, sustainability, electricity and non-conventional energy sources. Furthermore, the Company actively engages with trade and industry associations to shape regulations and policies pertaining to the power sector. By actively participating in these processes, the Company strives to contribute to the formulation of effective and impactful policies that benefit the industry and promote sustainable practices.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable, as there were no projects that required SIA to be undertaken under law					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No	Name of Project for which R&R is ongoing	State	District	No. of project affected families	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	Talabira II & III OCP	Odisha	Sambalpur	1,512	100%	₹ 4.05 Crore
2	Talabira II & III OCP	Odisha	Jharsuguda	1,461	100%	₹ 0.58 Crore
3	NLCIL (Mine II)*	Tamil Nadu	Cuddalore	358	100%	₹ 37.03 Crore

Note: NLCIL (Mine II): (i). Total agriculture lands acquired during FY 2022-23 is 114.193 Ha
(ii). No house site lands were acquired and hence no displaced families
(iii). Total number of awardees for FY 2022-23 is 358

3. Describe the mechanisms to receive and redress grievances of the community

NLCIL fosters community engagement through a range of CSR activities, overseen by a dedicated CSR head who serves as the primary contact person for addressing community grievances. To facilitate communication, community members can approach NLCIL through program officers who specialize in different areas. These program officers, acting as the initial point of contact, can receive complaints and grievances from the community, either through oral communication or written submissions. They work closely with the CSR head to ensure that the concerns are heard, thoroughly addressed and resolved to the community's satisfaction. This approach promotes effective communication channels and ensures that community members can easily reach out to NLCIL with their feedback and grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directly sourced from MSMEs/ Small producers	9 %	23%
Sourced directly from within the district and neighbouring districts	0.9 %	2.26%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No	State	Aspirational District information	Amount spent in INR
1	Rajasthan	Jaisalmer	1,88,345

3. (a)Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
No

(b) From which marginalized /vulnerable groups do you procure?
No

(c) What percentage of total procurement (by value) does it constitute?
Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S.No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	2 Nos. of patents were granted	Yes	Yes	

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6. Details of beneficiaries of CSR Projects.

S.no	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Promoting Health care and Sanitation	6,24,452	90%
2	Promoting Education and Employment Enhancing Skills		
3	Protection of national heritage, art and culture		
4	Measures for the benefit of armed forces veterans		
5	Promoting Rural Sports		
6	Rural development project		
7	Disaster Management, including relief, rehabilitation and reconstruction activities		

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Central Electricity Regulatory Commission (CERC) serves as the regulatory authority responsible for overseeing the tariff regulations of generating companies owned or controlled by the Central Government. Generating stations are required to submit tariff determination applications in the form of generating tariff applications, miscellaneous applications, or review applications.

   In the event of appeals against the decisions made by the Central and State Electricity Regulatory Commissions, the Appellate Tribunal for Electricity (APTEL) comes into play as a multi-disciplinary expert appellate body. Established in 2005, APTEL is entrusted with the task of hearing appeals primarily filed by DISCOMs or generating stations, particularly on issues related to capacity and energy charges that have been disallowed by CERC. The appeals process involves the submission of pleadings, followed by hearings. Subsequently, the Appellate Tribunal may remand the appeal back to CERC for further consideration and compliance.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about environmental and social parameters relevant to the product, safe and responsible usage, Recycling and/ or safe disposal:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as NLC India Limited is in the business of producing electricity and selling Coal and Lignite. There are no shelf goods or services that may carry information
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	NA	NA	NA	NA	NA	NA
Advertising	NA	NA	NA	NA	NA	NA
Cyber-security	NA	NA	NA	NA	NA	NA
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	NA	NA	NA	NA	NA	NA
Unfair Trade Practices	NA	NA	NA	NA	NA	NA
Other (Product related)	NA	NA	NA	NA	NA	NA

4. Details of instances of product recalls on account of safety issues

Name of authority	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes. NLCIL has developed a Cyber Security & Data Privacy Policy reflecting on its commitment to safeguard and restrict access to sensitive data
   Link: https://www.nlcindia.in/new_website/cyber-policy-17-22.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Nil

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   All information regarding business of NLC India Limited can be accessed through the Company's Website www.nlcindia.in and in its periodic disclosures such as the annual report and the integrated report.
   Link - https://www.nlcindia.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Not Applicable. NLCIL's major services include Electricity generation it is not directly involved in the distribution services to the consumer

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Not Applicable. NLCIL's major services include Electricity generation it is not directly involved in the distribution services to the consumer

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Not Applicable. NLCIL's major services include Electricity generation it is not directly involved in the distribution services to the consumer

5. Provide the following information relating to data breaches:
   a. Number of instances of data breaches along-with impact –
      Nil

   b. Percentage of data breaches involving personally identifiable information of customers –
      Not Applicable

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

R.Subramanian and Company LLP,
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Chennai – 600004

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

INDEPENDENT AUDITORS' REPORT

To
The Members of NLC India Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **NLC India Limited** ("the Company") ("NLCIL"), which comprise the Standalone Balance Sheet as at 31st March, 2023, the Standalone Statement of Profit and Loss (including other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended including a summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Talabira and Barsingsar (hereinafter referred to as "Standalone Financial Statements").

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 57(c) of the Standalone Financial Statements, wherein the non-availability of adequate quantum of land for lignite mining operations and power generation have been elaborated upon. Such non-availability situation may cast significant uncertainties relating to the operations of the Company and eventually the Company's ability to continue as a going concern in future.

Our opinion is not modified in respect of this matter.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

1. Note 23(d), 24(a) and 29(c), where the Company has filed Petition with CERC for determination of Input transfer price for Neyveli Mines on 26th July, 2022. Pending disposal of the petition, the Company has filed interlocutory application seeking approval of the provisional lignite transfer price for Neyveli Mines for the tariff period 2019-24. CERC vide order dated 4th May, 2023 has issued the interim lignite transfer price for the period 2019-24. Accordingly, the Company has recognized an amount of ₹ 1560.96 Crore on account of the differential energy charges between Interim Lignite transfer price and already billed amount and correspondingly an amount of ₹ 1,087.57 Crore has been written-off towards Power surrender, water, Security charges, surcharge and interest on these items already recognized earlier.
2. Note 13(c), regarding the adjustments to be carried out in respect of the mine closure deposit and regulatory income based on the outcome of the application, which is made to Coal Controller during the current period. Further, an amount of ₹ 23.33 Crore has been provisionally considered as regulatory income based on the existing mine plan, pending execution of the escrow agreement as per revised mining plan with Coal Controller.
3. Note 17(a), the tax holiday period as per section 80IA of Income Tax Act, 1961 for NLCIL Barsingsar project is upto the FY 2025-26. The estimated deferred tax in respect of temporary differences which reverse during this tax holiday period have been derecognized to the extent of ₹ 96.64 Crore.
4. Note 10a(c), regarding an amount of ₹ 196.55 Crore provision towards expected credit loss allowance on outstanding trade receivables as at 31st March, 2023, pending completion of exercise of reconciliation of balances and resolving various issues, in respect of which actions have been initiated.
5. Note 7(b), where the Company considered an amount of ₹ 734.56 Crore under the interest free settlement scheme as opted by a DISCOM within the cut-off date i.e., 3rd July, 2022.
6. Note 10a(e), with regard to amount billed on VSVS to DISCOMs and the Company's petition filed before CERC seeking their direction on the recoverability of this amount.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matters.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The following have been considered as Key Audit Matters :

Sl.No	Key Audit Matter	Auditors' Response
1.	Assessment of provisions and contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt. A high level of judgment is required in estimating the amount of provisioning. The Company's assessment is supported by the facts of matter, their own judgment, experience and independent legal advice wherever considered necessary. Accordingly, unexpected adverse outcomes which may significantly impact the reported profit and net assets are disclosed. A sum of ₹ 12,233.31 Crore have been considered by the Company towards contingent liability and commitments representing claims of third parties. Refer Note 49 of the Standalone Financial Statements. Included in the above, is a sum of ₹ 5,297.57 Crore that has been considered by the Company towards contingent liability which includes claims of third party's compensation for land acquisition (disclosed as "From Others"). The Company has not accepted the said claims which are contested in legal proceedings and are pending for disposal by the appellate authorities. Further, there are several items of disputes pending in various appellate forums in respect of determination and quantification of liability towards direct and indirect taxes by the departments. Liabilities in respect of disputed demands are considered only as contingent liabilities pending the outcome of the decision of the appellate authorities. The total unpaid amount of disputed liabilities on account of Direct and Indirect taxes (including land tax) is ₹ 1,566.74 Crore.	In view of the significance of the matter, we performed the following key audit procedures: • Testing the design and operating effectiveness of controls relating to taxation and contingencies; • We evaluated management's judgements in respect of estimates of provisions, exposures and contingencies; • In understanding and evaluating management's judgements, we have utilized our internal tax experts; • We have also examined the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and developments in the tax environment; and • Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the Standalone Financial Statements in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.
2.	**Project activities of Bithnok and BTPSE project:** Accuracy of impairment provisions in respect of exploration and evaluation assets and projects under "Capital work in progress" which involves critical judgment of the management in respect of feasibility of ongoing projects. The Standalone Financial Statements include relevant disclosures that identify and explain the amounts arising from such feasibility study. Refer Note 5 to the Standalone Financial Statements. Further, an aggregate amount of ₹ 374.66 Crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold, on account of cancellation of contract by the end customer.	Our audit procedures performed included the following: • We obtained the details of project activities of Bithnok and BTPSE project from the management; • Noted that the total project cost comprise of land amounting to ₹ 194.75 Crore, capital advances of ₹ 129.25 Crore and CWIP of ₹ 50.66 Crore; and • Reviewed the basis of provision of ₹ 70.62 Crore made as at 31st March, 2023.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Sl.No	Key Audit Matter	Auditors' Response
3.	**Expected Credit Loss on Trade Receivables** Ind AS 109 - Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the Standard. In the process of applying such principles and other requirements of the Standard, a significant degree of judgment has been applied by the management. The ECL in respect of trade receivables represents management's best estimate of the loss allowance. The ECL allowance is computed based on a simplified model considering ageing of trade receivables and also trend of collection of dues. The calculation of ECL allowance is a complex area considering the profile and background of customers and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the historical information and estimating the level and timing of expected future cash flows. The provision for ECL on trade receivables amounts to ₹ 196.55 Crore as at 31st March, 2023. Refer Note 10(a)(c) of the Standalone Financial Statements.	Our audit procedures performed included the following: • We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation; • We, having regard to profile and the background of the customers, collection of dues and the measures of the Govt(s) in regard to settlement of dues by such customers, understood the methodology used by the management to arrive at their ECL provision and examined certain assumptions used by the Company; • We also tested the arithmetical accuracy and assessed the judgments used in the management's model used to calculate provision for credit losses; and • We assessed the disclosures included in the Ind AS Financial Statements with respect to such allowance/ estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 - Financial Instruments: Disclosures.
4.	**Property, Plant & Equipment and Intangible Assets** Property, Plant and Equipment and Intangible Assets represent significant balances recorded in the Balance Sheet in the Standalone Financial Statements. There are areas where management judgement impacts the carrying amount of property, plant and equipment, intangible assets and their respective depreciation / amortization rates. These includes the decision to capitalise or expense costs; the timeliness of the capitalization of the assets; useful life of the assets and the use of the management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of Balance Sheet of the Company and the level of judgement and estimates required, we consider this to be as area of significance and considered to be a key audit matter.	Our audit procedures performed included the following: • We evaluated the assumptions made by management in the determination of carrying values and useful lives to ensure that these are consistent with the principles of Indian Accounting Standards (Ind AS) 16 Property, Plant and Equipment and (Ind AS) 38 Intangible Assets; • We assessed whether the carrying values and the useful lives were reasonable by challenging management's judgements through comparing the useful lives prescribed in Schedule II to the Companies Act, 2013, rates/ guidelines prescribed by Central Electricity Regulatory Commission (CERC), guidelines issued by Ministry of New and Renewable Energy (MNRE) and the useful lives of certain assets as per the technical estimate of the management; • We compared the useful lives of each class of asset in the current year to the previous year to determine whether there were any significant changes in the useful lives of assets; • We tested the controls in place over the property, plant and equipment and intangible assets, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of capitalisation including decapitalisation of assets retired from active use and the application of the asset life; • In performing these substantive procedures, we assessed the judgements made by management including the nature of underlying costs capitalised; the appropriateness of asset lives applied in the calculation of depreciation and amortization; and • We have observed that the management has regularly reviewed the aforesaid judgments and there are no material changes.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report and Business Responsibility & Sustainability Report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditors' report thereon. The other information is expected to be made available to us after the date of this Auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

(a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
(b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors' report is prepared.

Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

These Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Standalone Financial Statements of which we are the independent auditors. For the branches included in the Standalone Financial Statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matter' in this audit report.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Other Matters

We did not audit the financial statements of two (2) Branches located at Talabira and Barsingsar, included in the Standalone Financial Statements of the Company whose financial statements reflect total assets of ₹ 3,406.85 Crore as at March 31, 2023 and total income of ₹ 2,589.15 Crore for the year ended 31st March, 2023, total net profit before tax of ₹ 949.16 Crore for the year ended 31st March, 2023 and total comprehensive income of ₹ 917.21 Crore for the year ended 31st March, 2023 and net cash inflows of ₹ 4.72 Crore for the year ended 31st March, 2023. The financial statements of these Branches have been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these Branches, is based solely on the report of such branch auditors and the procedures performed by us as stated under Auditors' Responsibilities for the Audit of the Standalone Financial Statements section above.

Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The reports on the accounts of the Branch Offices of the Company audited under Sec 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;

   d. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   e. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS;

   f. The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;

   g. The Company being a Government Company, the provisions of Sec 164(2) of the Act relating to disqualification of directors is not applicable in view of the Notification No: G.S.R, 463(E) dated June 05, 2015, issued by the Ministry of Corporate Affairs;

   h. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

   i. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our report in "Annexure-II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to Standalone Financial Statements;

   j. The Company being a Government Company, the provisions of Sec 197 of the Act relating to managerial remuneration is not applicable in view of the Notification No: G.S.R, 463(E) dated 5th June, 2015, issued by the Ministry of Corporate Affairs. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable to the Company; and

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

k. With respect to the other matters to be included in the Auditors' 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 49 to Standalone Financial Statements;

ii. The Company has long term contracts for coal mining, power sale, project execution etc. However as at 31st March, 2023, there were no material foreseeable losses on those contracts. The Company did not have any derivative contracts as at 31st March, 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b)The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend paid by the Company during the year, which pertains to previous year 2021-22 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend;

(b) The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act; and

(c) The Board of Directors of the Company have proposed final dividend for the year 2022-23 which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

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

4. During the year, the Company has not complied with the requirements relating to the composition of the Board with respect to independent directors, as required under Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSROQ2278

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 23221916BGXUSU7521

Place: Chennai

Date: 19th May, 2023

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Annexure-I to Independent Auditors' Report on the Standalone Financial Statements

With reference to Annexure-I referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023, we report that:

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details of Property, Plant and Equipment (PPE) except for situation of PPE which was not available for majority of the items.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has conducted physical verification of PPE in the previous year which is in accordance with their planned programme of verifying them once in two years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) As informed by the management, the Company is in possession of Title deeds/Assignment deeds/ GOs in respect of immovable properties. However, in view of substantial volume of land documents held by the Company and reconciliation of the same with the PPE register which is in progress, verification of the title deeds was rendered difficult. It was also observed on test check of available documents that there were instances of title deeds still lying in the name of previous owner. We have been informed that the management is in process of making submissions to the concerned authorities for updating its name in the revenue records for the properties where the title deeds are still in the name of the previous owners. In view of this, the title deeds of the lands cannot be directly linked with the PPE register maintained by the Company.

As per expert legal opinion furnished to us, the ownership of the land acquired between the incorporation of the Company until the year 1977 and between the years 1997 to 2001 is subject to conditions attached by Government of Tamil Nadu in the respective assignment deeds.

Immovable properties of land, whose title deeds have been deposited with banks as security for term loans have been verified by us based on the documents provided to us by the Company relating to registration of charges with Ministry of Corporate Affairs.

(d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended 31st March, 2023 and accordingly, reporting on clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder and accordingly, reporting on clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) According to the information and explanation provided to us, the physical verification of inventory have been conducted at reasonable intervals by the Stock verification team under Perpetual Inventory System on continuous basis. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of five Crore rupees in aggregate from bank during the year on the basis of security of current assets of the Company. There are few instances noticed wherein the quarterly returns/statements filed with the bank are not in agreement with the books of account of the Company. However, considering the drawing power and the limits utilised by the Company during the year, the differences are not significant warranting detailed comments.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in and granted unsecured loans during the year to a subsidiary Company and employees.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has provided loans to a subsidiary Company and employees as follows:

Particulars	Loans (₹ Crore)
Aggregate amount granted/ provided during the year	
Subsidiary	100.00
Others – Employees	25.81
Balance outstanding as at balance sheet date in respect of above cases	
Subsidiary	
Others – Employees	18.25

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the investments made and the terms of the loans provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan to subsidiary, the schedule of repayment of principal and payment of interest have been stipulated and the repayments have been regular. In the case of loans to employees, the terms of the loans are governed by the Company's policies. The principal and interest have generally been regularly recovered at periodical intervals as laid down in such policies.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no material overdue amounts as at the Balance Sheet date. Accordingly, reporting under clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no cases where the loans have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties in respect of loans which had fallen due during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under the other requirements of clause 3(iii)(f) is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loans given, investments made and guarantee provided by the Company are in compliance with the provisions of Section 185 and 186 of the Act read with Ministry of Corporate Affairs notification number G.S.R. 463(E) dated 5th June, 2015.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, clause 3(v) of the Order is not applicable.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

(vi) We have reviewed the cost records maintained by the Company as specified by the Central Government under Section 148(1) of the Act and are of the opinion that the prescribed cost records have been maintained. We have also reviewed the most recent cost audit report made available to us for the Financial Year 2021-22 and did not notice any adverse comments on the maintenance of cost records.

(vii) (a) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Cess and other material statutory dues applicable to it, have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Cess and other material statutory dues were in arrears as at 31st March, 2023, for a period of more than six months from the date they became payable, except in the case of Royalty and Income Tax (TDS) dues as mentioned here below:

Statement of Arrears of Statutory Dues Outstanding for more than six Months:

Name of the statute	Nature of the dues	Demand Amount (₹ in Crore)*	Period to which the amount relates	Due date	Date of Payment	Remarks
Mines and Mineral (Development and Regulation) Act, 1957	Royalty	8.86	FYs 2009-10 to 2013-14	-	-	This is on account of truing up order for the tariff period 2009-14
Income Tax Act, 1961	Income Tax (TDS)	0.02	FY 2007-08	-	-	These are the dues as appearing in the TDS reconciliation analysis and correction enabling system (TRACES) portal and not accounted in books
		0.005	FY 2008-09	-	-	
		0.0004	FY 2009-10	-	-	
		0.005	FY 2010-11	-	-	
		0.003	FY 2011-12	-	-	
		0.0004	FY 2012-13	-	-	
		0.00001	FY 2013-14	-	-	
		0.00001	FY 2017-18	-	-	
		0.00002	FY 2022-23	-	-	

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Sales Tax, Service tax, Duty of Customs, Value Added Tax, Cess and other Statutory dues which have not been deposited as on 31st March, 2023 on account of any dispute except as reported below:

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Statement of Disputed Dues

Name of the statute	Nature of the dues	Demand Amount (₹ in Crore)*	Amt Deposited under protest (₹ in Crore)	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax (TDS)	0.008	-	FY 2007-08	Deputy Commissioner of Income Tax (TDS)
		0.009	-	FY 2008-09	
Income Tax Act	Income Tax	0.09	0.09	FY 2003-04	High court
		0.93	-	FY 2006-07	CIT(A)
		1.80	-	FY 2009-10	CIT(A)
		1.88	-	FY 2011-12	CIT(A)
		1.86	1.86	FY 2012-13	Assessing Officer
		81.08	-	FY 2012-13	High court
		89.96	-	FY 2012-13	High court
		1.92	1.92	FY 2013-14	Assessing Officer
		77.79	-	FY 2013-14	High court
		42.97	-	FY 2013-14	High court
		23.82	-	FY 2014-15	High court
		2.38	23.14	FY 2016-17	CIT(A)
		29.99	22.01	FY 2017-18	CIT(A)
		12.01	-	FY 2019-20	CIT(A)
		194.58	-	FY 2020-21	CIT(A)
Finance Act, 1994	Service Tax	0.90	0.07	Apr 2009 to Jun 2012	CESTAT
		0.51	0.07	Jul 2012 to Mar 2014	CESTAT
		8.53	-	Jul 2012 to Mar 2015	Supreme Court
		3.67	-	Jul 2012 to Mar 2014	Supreme Court
		0.26	0.03	Apr 2014 to Mar 2015	CESTAT
		1.06	-	Jun 2008 to Mar 2012	CESTAT
		0.73	0.07	Apr 2015 to Jun 2017	CESTAT
		14.17	-	Apr 2015 to Jun 2017	Supreme Court
		0.08	0.01	Apr 2015 to Jun 2017	CESTAT
		38.55	-	Oct'14 to Jun'17	Madras High Court
		4.49	-	FY 2015-16	Madras High Court
Tamilnadu VAT Act, 2006	Value added Tax	5.85	-	FY 2007-08	Madras High Court
Central Excise Act 1944	Clean Environment Cess and Excise Duty	179.00	-	As on 30-06-2017	Madras High Court
Tamilnadu VAT Act, 2006	Sales tax	468.38	112.43	FY 2011-12 to FY 2015-16	Madras High court
Rajasthan Finance Act, 2006	Land Tax	0.58	0.29	2008-09	Land Tax Assessing Officer
		1.74	0.63	2009-10	Land Tax Assessing Officer
		1.74	0.87	2010-11	Land Tax Assessing Officer
		2.00	1.00	2011-12	Land Tax Assessing Officer
		2.00	1.00	2012-13	Land Tax Assessing Officer
Customs Act,1969	Custom Duty	14.82	9.83	FY 2006-07	Supreme Court
Mines and Mineral (Development and Regulation) Act, 1957	Royalty	429.92	-	March 2021-June 2022	District Collector, Cuddalore

*As appearing in the demand notice

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not availed any term loans during the year.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.

(f) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate or joint venture.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit. Hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under section 143(12) of the Act has been filed by the auditors in Form ADT– 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) As represented to us by the management and according to the information given to us, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and therefore, the requirement to report on clause 3(xii) of the order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable. The Company, being a government Company, transactions with other government companies are exempt from compliance of Section 188 of the Act, in terms of Notification No: G.S.R. 463(E). dated 5th June 2015, issued by Ministry of Corporate Affairs, Government of India. Details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

(xiv) (a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued for the year under audit have been considered by us.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate Company, as applicable, or persons connected with them and hence provisions of section 192 of the Act, are not applicable.

(xvi) (a) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation provided to us and based on our examination of the records of the Company, the Group does not have any Core Investment Company. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year. Accordingly, clause 3(xvii) of the Order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans, though a material uncertainty related to Going Concern of the Company exists as at the Balance Sheet date, as far as it relates to availability of lands for mining, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. We also draw reference to the section "Material Uncertainty Related to Going Concern" in our main Audit Report.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

(xx) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, there are no amounts remaining unspent in respect of other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanation provided to us and based on our examination of the records of the Company, there are no amount remaining unspent under Section 135(5) of the Act, pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

(xxi) Reporting under clause (xxi) of the Order is not applicable as the same is required to be reported only in case of consolidated financial statements.

For R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSROQ2278

Place: Chennai

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 23221916BGXUSU7521

Date: 19th May, 2023

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Annexure-II to Independent Auditors' Report on the Standalone Financial Statements

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 NLC India Limited ("the Company") as of 31st March, 2023 in conjunction 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 (ICAI). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have 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, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

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 aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 ICAI.

Other Matter

We did not audit the Internal Financial Control over Financial Reporting of two (2) branches 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 in so far as it relates to the above two branches is solely based on the corresponding auditor's reports of the respective branch auditors.

Our opinion is not modified in respect of this matter.

For R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSROQ2278

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 23221916BGXUSU7521

Place: Chennai

Date: 19th May, 2023

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Reports

Annexure-III to Independent Auditors' Report on the Standalone Financial Statements

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

Sl.No	Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. SAP ERP has been implemented for the processes like Financial Accounting (FI), Controlling (CO), Material Management (MM), Sales and Distribution (SD), Production Planning (PP), Project systems (PS) and Plant maintenance (PM). During the year, Fund Management (FM) module of SAP has been implemented by the Company with effect from March 2023. Human Capital Management (HCM) has been implemented by the Company with effect from April 2023. Up to March 2023, Payroll Accounting software "PIPAS" was used for employees' salary. Our examination of records on sample basis did not reveal any transactions not coming within the purview of various IT systems as stated above.	NA
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	During the year under Audit, we have not noticed any cases of waiver/write off/ restructuring of any debt/loan/interest etc. by a lender to the Company.	NA
3.	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	During the year, the Company has not received any funds (grants/subsidy etc.) for specific schemes from Central / State Government or its agencies. During the year, we have noticed that the Company has received a sum of ₹ 10.22 Crore toward reimbursement of teachers' salary from Government of Tamil Nadu. The schools are run by the Company. As per the practice in various States, salaries of the school teachers are being paid by the Govt. of Tamil Nadu through its education department. Apart from Salary, all retirement benefits of these school teachers as per applicable guidelines are issued by Government of Tamil Nadu and are being paid by Government of Tamil Nadu. The salary of the teachers is paid by Govt. of Tamilnadu through NLCIL bank account as there are no separate bank accounts operated by the schools. These regular salary payment of school teachers, in our opinion, is not considered as a grant.	NA

For R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSROQ2278
Place: Chennai

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 23221916BGXUSU7521
Date: 19th May, 2023

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31st March, 2023

(₹ Crore)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	18,502.90	18,945.65
(b) Right-of-Use Asset	3	53.59	54.59
(c) Intangible Asset	4	175.42	184.71
(d) Capital Work-in Progress	5	1,011.59	1,012.41
(e) Asset Under Development	6	-	113.58
(f) Financial Assets	7		
i) Investments	a	4,196.32	3,932.67
ii) Trade receivables	b	377.15	-
iii) Loans	c	33.97	21.90
iv) Other Financial Assets	d	497.48	425.11
(g) Other Non-Current Assets	8	1,164.76	518.97
		26,013.18	**25,209.59**
(2) Current Assets			
(a) Inventories	9	833.92	1,025.30
(b) Financial Assets	10		
i) Trade Receivables	a	3,791.44	3,128.65
ii) Cash and Cash Equivalents	b	71.18	123.52
iii) Bank balances other than cash and cash equivalents	c	129.01	113.37
iv) Loans	d	4.83	25.56
v) Other Financial Assets	e	2,760.36	1,150.25
(c) Current Tax Assets (Net)	11	246.48	468.56
(d) Other Current Assets	12	584.04	432.03
		8,421.26	**6,467.24**
(3) Regulatory Deferral Account Debit Balances	13	**777.62**	**1,964.35**
Total Assets and Regulatory Deferral Account Debit Balances		**35,212.06**	**33,641.18**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	1,386.64	1,386.64
(b) Other Equity	15		
i) Retained Earnings	a	10,873.34	10,069.74
ii) Other Reserves	b	2,378.88	2,350.26
		14,638.86	**13,806.64**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	16		
(i) Borrowings	a	7,816.91	8,826.06
(ii) Lease Liabilities	b	27.18	27.40
(iii) Other Financial Liabilities	c	648.06	937.27
(b) Deferred Tax Liabilities (Net)	17	3,077.25	2,828.64
(c) Other Non-Current Liabilities	18	619.99	551.90
		12,189.39	**13,171.27**
(2) Current Liabilities			
(a) Financial Liabilities	19		
(i) Borrowings	a	1,531.43	1,412.97
(ii) Trade Payables	b		
-Total outstanding dues of Micro and Small Enterprises		43.68	18.53
-Total outstanding dues of creditors other than Micro and Small Enterprises		1,591.85	1,057.98
(iii) Other Financial Liabilities	c	161.69	162.10
(b) Other Current Liabilities	20	790.25	721.06
(c) Provisions	21	434.29	572.68
		4,553.19	**3,945.32**
(3) Regulatory Deferral Account Credit Balances	22	**3,830.62**	**2,717.95**
Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		**35,212.06**	**33,641.18**

Significant Accounting Policies 1

The accompanying Notes 1 to 57 forms an integral part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
Date: 19th May, 2023

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(₹ Crore)

Particulars	Notes	Year Ended 31st March, 2023	Year Ended 31st Marh , 2022
INCOME			
I. Revenue from Operations	23	12,955.00	9,856.48
II. Other Income	24	1,240.90	805.89
III. Total Income (I+II)		**14,195.90**	**10,662.37**
IV. EXPENSES			
Changes in Inventories	25	268.42	476.49
Employee Benefits Expense	26	2,526.32	2,624.48
Finance Costs	27	755.63	783.78
Depreciation and Amortization Expenses	28	1,419.69	1,528.13
Other Expenses	29	5,196.71	3,306.43
Total Expenses (IV)		**10,166.77**	**8,719.31**
V. Profit / (Loss) before Exceptional, Tax & Rate Regulatory Activity (III-IV)		4,029.13	1,943.06
VI. Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	30	(2,292.66)	273.53
VII. Profit / (Loss) before Exceptional Items and Tax (V+VI)		1,736.47	2,216.59
VIII. Exceptional Items-Expenses/(income)	31	12.32	(389.83)
IX. Profit / (Loss) before Tax (VII-VIII)		1,724.15	2606.42
X. Tax Expense:	50		
(1) Current Tax			
- Current Year Tax		977.45	462.94
- Previous Year Tax		(54.24)	603.67
- Tax Expenses / (Savings) on Rate Regulated Account		(557.90)	47.90
(2) Deferred Tax (after MAT adjustment)		110.60	255.13
Total Tax Expenses (X)		**475.91**	**1,369.64**
XI. Profit / (Loss) for the Year (IX - X)		**1,248.24**	**1,236.78**
XII. Other Comprehensive Income			
Items not to be reclassified to Profit or Loss:	32		
- Net Actuarial gains/(Losses) on defined benefit plans		(0.03)	32.44
- Income Tax expenses/(savings) on net actuarial gains/(losses) on defined benefit plans		(0.01)	5.68
Total other comprehensive income for the year-net of income tax (XII)		**(0.02)**	**26.76**
XIII. Total Comprehensive Income for the year (XI+XII) (Comprising Profit or (Loss) and other Comprehensive Income)		**1,248.22**	**1,263.54**
XIV. Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	33	21.51	7.29
(2) Diluted (in ₹)		21.51	7.29
XV. Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	33	9.00	8.92
(2) Diluted (in ₹)		9.00	8.92

The accompanying Notes 1 to 57 forms an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888

Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916

Date: 19th May, 2023

STANDALONE FINANCIAL STATEMENTS

Statement of Changes in Equity for the Year Ended 31st March, 2023

A. Equity Share Capital

(₹ Crore)

Particulars	No of Shares	Amount
Balance as at 1st April, 2022	1,386,636,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2023	**1,386,636,609**	**1,386.64**
Balance as at 1st April, 2021	1,386,636,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2022	**1,386,636,609**	**1,386.64**

B. Other Equity

(₹ Crore)

Particulars	Retained Earnings and Other Reserves						Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
Balance as at 01.04.2022	**362.90**	**130.00**	**1,457.00**	**291.07**	**109.29**	**10,069.74**	**12,420.00**
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,248.24	1,248.24
Other comprehensive income	-	-	-	-	-	(0.02)	(0.02)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**1,248.22**	**1,248.22**
Dividend paid :							
- Interim dividend FY 2022-23						(208.00)	(208.00)
- Final Dividend FY 2021-22						(208.00)	(208.00)
Appropriations- Transfer from / (to) Retained Earnings	4.33	10.00	-	-	14.29	(28.62)	-
Balance as at 31.03.2023	**367.23**	**140.00**	**1,457.00**	**291.07**	**123.58**	**10,873.34**	**13,252.22**

(₹ Crore)

Particulars	Retained Earnings and Other Reserves						Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
Balance as at 01.04.2021	**358.00**	**120.00**	**1,457.00**	**291.07**	**107.79**	**9,238.60**	**11,572.46**
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,236.78	1,236.78
Other comprehensive income	-	-	-	-	-	26.76	26.76
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**1,263.54**	**1,263.54**
Dividend paid :							
- Interim dividend FY 2021-22						(208.00)	(208.00)
- Final dividend FY 2020-21						(208.00)	(208.00)
Appropriations- Transfer from / (to) Retained Earnings	4.90	10.00	-	-	1.50	(16.40)	-
Balance as at 31.03.2022	**362.90**	**130.00**	**1,457.00**	**291.07**	**109.29**	**10,069.74**	**12,420.00**

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888

Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916

Date: 19th May, 2023

STANDALONE FINANCIAL STATEMENTS

Statement of Cash Flows for the Year ended 31st March, 2023

(₹ Crore)

Particulars	Year Ended 31st March, 2023		Year Ended 31st March, 2022	
A.Cash flow from operating activities:				
Net Profit Before Tax		1,724.15		2,606.42
Adjustments for:				
Less:				
Profit on Disposal of Asset	7.49		2.29	
Dividend from NTPL	97.37		331.05	
Interest Income	388.68		44.24	
	493.54		377.58	
Add:				
Depreciation/Amortisation	1,419.69		1,528.13	
Other non cash charges	(436.51)		226.98	
Provision for loss on asset	-		44.51	
Loss on Disposal of assets	0.31		0.01	
Interest expense	670.44		783.78	
	1,653.93	1,160.39	2,583.41	2,205.83
Operating Profit before working capital changes		2,884.54		4,812.25
Adjustments for :				
Trade Receivables		(734.98)		2,347.54
Loans & Advances		(137.67)		158.17
Inventories & other Current Assets		(336.78)		(238.88)
Trade payables & other Current Liabilities		1,815.55		(219.31)
Cash Flow generated from Operations		3,490.66		6,859.77
Direct Taxes paid		(5.21)		(801.92)
Cash Flow Before Extraordinary Items		3,485.45		6,057.85
Grants received		(6.58)		4.51
Net Cash from operating activities		**3,478.87**		**6,062.36**
B.Cash flow from investing activities:				
Purchase of property, plant and equipment / preliminary expenses		(1,783.54)		(216.08)
Sale of property, plant and equipment / Projects from continuing operations		11.01		5.38
Sale/Purchase of Investments		(263.65)		(310.68)
Dividend Received from Subsidiary		97.37		331.05
Interest Received		394.33		67.55
Net Cash used in investing activities		**(1,544.48)**		**(122.78)**
C.Cash flow from financing activities:				
Short Term Borrowings (Net)		118.46		(3,938.80)
Long Term Borrowings (Net)		(1,009.15)		(871.84)
Loans to subsidiary (Net)		-		-
Payment of lease obligations		(2.54)		20.20
Interest paid		(677.20)		(762.06)
Dividend Paid		(416.29)		(415.92)
Net Cash (used)/received in financing activities		**(1,986.72)**		**(5,968.42)**
Net increase, decrease(-) Cash and Cash equivalents		**(52.34)**		**(28.84)**
Cash and cash equivalents as at the beginning of the year		**123.52**		**152.36**
Cash and cash equivalents as at the end of the year		**71.18**		**123.52**
NOTE : (-) INDICATES CASH OUTFLOW.				
DETAILS OF CASH AND CASH EQUIVALENTS:		As at March 31, 2023		As at March 31, 2022
CASH IN HAND		-		0.01
CASH AT BANK IN CURRENT ACCOUNTS		71.18		73.51
CASH AT BANK IN DEPOSIT ACCOUNTS		-		50.00
TOTAL		**71.18**		**123.52**

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
Date: 19th May,2023

Notes to STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 1- Significant Accounting Policies

For the year ended 31st March, 2023

(Expressed ₹ in Crore, unless otherwise stated)

Reporting entity

NLC India Limited ("NLCIL" or "the Company"), is a Government Company (CIN L93090TN1956GOI003507) registered under the erstwhile Companies Act, 1956 with its registered office located at No. 135, E.V.R. Periyar High Road, Kilpauk, Chennai - 600 010 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLCIL is engaged in the business of mining of Lignite, Coal and generation of power by using lignite as well as Renewable Energy Sources and consultancy .

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 (₹) which is also the Company's functional currency. All amounts are rounded to the nearest Crore (upto two decimals), 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 recognized in the financial year in which the results are known or materialized.

c. Current and Non-Current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

I. Property, Plant and Equipment

Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. Subsequently it is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation and allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement. 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 capitalized 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 and intangible assets as 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.

Cost of a self-constructed item of Property, Plant and Equipment includes the cost of materials, direct labor and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Other direct expenses relating 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.

Subsequent Cost of Capitalization

Subsequent expenditure incurred on the existing assets are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria as per Ind AS 16.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized as expenses in the statement of profit and loss as and when it is incurred.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Thermal Power Stations 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 extended life of the Unit from the completion of original life/from the date of synchronization of the Unit as the case may be.

Spares and Equipment

Initial spares: Purchased along with Property, Plant and Equipment are capitalized and depreciated along with the main asset.

Spares purchased subsequent to commissioning of the asset: Item of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment as per Ind AS 16 are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit or Loss on consumption.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Capitalization of Land

a. **Freehold Land:** Land acquired for mining, thermal plants, wind mills, solar plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894 / Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/changes made by respective State Govt. from period to period. The cost of the said land is capitalized on the date of taking over the possession/ transfer of title deed in favour of the Company.

b. **Lease hold Land:** Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act, 1957. The said leasehold land is capitalized when the entire land/substantial portion of land is ready for development and mining activity.

c. **Coal / Lignite Mines:** The date of commercial operation in case of integrated mines (commissioned after 31st March, 2019) shall mean the earliest of: -

   a. The first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or

   b. The first date of the year succeeding the financial year in which the value of production estimated in accordance with CERC Regulation 2019-24, exceeds total expenditure in that financial year; or

   c. The date of two years (i.e., Financial Year) from the date of commencement of production.

Capitalization

a. **Specialized 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 Specialized Mining Equipment System viz., Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalization 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. **Thermal Power Generation Unit**

Test and trial production for Thermal Power Generation unit commences from the date of synchronization and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of Commercial Operation Date (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Direct expenses and interest charges incurred during the test and trial run are capitalized 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 is capitalized on the date on which it is connected to grid based on the commissioning and acceptance certificate issued by DISCOM's.

d. **Solar Power Plant**

Solar Power Plants are capitalized on the date on which it is connected to Grid or the date of COD, if any, specified in the agreement after complying necessary technical parameters. In case the date of COD is later than the date of connection to Grid, revenue if any, arises from sale of infirm Power off sets to the Capital Cost of the project.

e. **Other Assets**

Other assets are capitalized when they are available for the use as intended by the Management.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Depreciation / Amortization

Depreciation is provided on cost of the Property, Plant and Equipment net of estimated residual values over their estimated useful lives and is recognized in the Statement of Profit and Loss. Freehold land is not depreciated.

The cost of the land taken on lease is amortized from the date of commencement of commercial operation over the estimated useful life of the Mine or life of the linked Thermal Power Plant originally estimated whichever is less and in all other cases over the lease period, wherever applicable.

The cost of mining land capitalized in the Books of Accounts is amortized on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by Technical Experts.

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

Description of Assets covered	Basis
i. a. Assets of Thermal Power Stations excluding vehicles other than Ash Tippers	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates / guidelines 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 Programme ('LEP') Assets.	Life assessed as per technical estimate / life approved by CERC/SERC.
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 technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. Specialized Mining Equipment	At technically assessed life.
v. Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalized with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset.
vii. Spares treated as PPE	At technically assessed life.
viii. Asset costing less than ₹ 5,000	Fully depreciated in the year the asset is available for use.

In the case of Assets of Integrated Mines, declared Commercial Operation on or after 1st April, 2019, depreciation is computed as per rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC).

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 recognized from the month of capitalization.

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Depreciation on the following major assets is provided on the technically estimated useful life:

Asset	Useful Life of Asset in years
Specialized Mining Equipment	15
Furniture- Others	5 to 10
Fire Fighting Equipments	10
Photo copier	10
Air Conditioner and Refrigerator	10 to 14
Telecommunication Equipment	10

On transition to Schedule II of Companies Act, 2013, assets partially depreciated has been migrated as per Companies Act, 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of Companies Act, 2013 which has been considered for computation of depreciation and the said derived rate / remaining useful life/period is treated as "Technically Estimated" rate for the purpose of depreciation of those migrated Assets.

Amortization of Mine Development Cost

Overburden removal and related development costs are classified as Mine development cost under Capital Work-In-Progress till achievement of CoD of respective Mines. On achievement of CoD, the mine development cost are capitalized as a 'Mine Development Cost' and the same is amortized over a period of 20 years from the date of CoD of respective mines or life of the mines whichever is lower.

Derecognition

Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of Property, Plant and Equipment and are recognized in the Statement of Profit and Loss.

II. Intangible Assets

Recognition and measurement

The Company recognizes an intangible asset and measures that 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 recognized 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.

Subsequent expenditure

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

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

The estimated useful lives of intangible assets are as follows:

Development Cost (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and subsequent expenditure	Over the residual life of the parent asset
Software costing more than ₹10 lakh	5 years
Mining Rights	20 Years

Gains or losses arising from de-recognition of an intangible asset are recognized in the Statement of Profit and Loss

III. Inventories

Inventories are valued at the lower of Cost or Net Realizable Value.

Stock Items	Basis
Lignite / Coal	At absorption cost excluding allocated administration 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	At Cost

Net realizable 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.

Non – Moving Stores and Spares.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of Stores and Spares (excluding insurance/Mandatory/Critical spares) are ascertained on review and provided for.

Net realizable 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.

Non – Moving Stores and Spares.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of Stores and Spares (excluding insurance/Mandatory/Critical spares) are ascertained on review and provided for.

IV. Mine closure expenditure

Concurrent Mine closure expenses are accounted as and when incurred. The annual cost of 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 initial amounts exceed ₹ 1 Crore in each case.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

VI. Financial Instruments

Non-derivative Financial Assets

Initial recognition and Measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Financial assets measured at amortized cost:

A financial asset is subsequently measured at amortized 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, trade receivables, etc.

Investment in Subsidiaries

A Subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost, if any.

Investment in Joint Ventures and Associates

A joint venture is a type of joint agreement whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint Ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are derecognized 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 recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized 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.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Subsequent measurement

Financial liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss.

Offsetting of Financial Instruments

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

- currently has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

VII. Impairment

Financial Assets (including receivables)

Impairment of financial assets in accordance with Ind AS 109- 'Financial instruments', the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

b. Financial assets that are debt instruments and are measured as at Fair Value Through OCI.

c. Lease receivables under Ind AS 116.

d. Trade receivables, unbilled revenue and contract assets under Ind AS 115.

e. Loan commitments which are not measured as at Fair Value Through P&L.

f. Financial guarantee contracts which are not measured as at Fair Value Through P&L.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

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, when the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses recognized 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 recognized 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 recognized 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 and other studies, development expenditure, expenditure on exploration works, technical know-how etc. The cost of the project is transferred to Capital WIP 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 when there is reasonable assurance that, it will be received and the Company will comply with the conditions associated with the grant. The deferred income is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate or when 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 comprise of wages, salaries, incentives, short term leave salary etc.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as and when the related services are provided.

The Company's liability towards Gratuity, Post-Retirement Medical Facilities, Transport Allowance for settlement at home town, 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 recognized 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 and accounted accordingly.

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

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

Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed when the Company can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Liability towards VRS is booked in the year of exercise of option by the employee upto the date of closure of each offer in accordance with terms and conditions of each offer.

XII. Allocation of common charges/social overhead expenses/interest on working capital

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

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

The effect of change in accounting estimate is recognized prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognized 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 the respective 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 reporting date

Events of material nature occurring after the reporting 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

Revenue from Operation includes (i) sale of Power generated by Thermal Power Stations (ii) sale of power generated from renewable energy sources such as wind and solar (iii) sale of lignite/coal (iv) sale of by products & joint products (v) consultancy & management services relating to mining and power generation and (vi) commission on trading of power.

Revenue is recognized as per Ind AS-115 when the following criteria are met:

a. the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
b. the entity can identify each party's rights regarding the goods or services to be transferred;
c. the entity can identify the payment terms for the goods or services to be transferred;
d. the contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
e. it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sale of power generated by Thermal Power Stations

Sale of power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC) / State Electricity Regulatory Commission (SERC).

The Company adopts the tariff rates as approved by CERC for the sale of power. Such Tariff rates include lignite transfer price which is subject to revision as calculated by the Company from time to time in accordance with guidelines issued by Ministry of Coal (MoC) or as delegated by MoC.

In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of Ministry of Coal guidelines or as delegated by MoC on lignite transfer price for energy charges and other relevant CERC's guidelines, for capacity charges are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue/Expenditure, respectively.

Rebates/discounts allowed to beneficiaries/customers for early payment incentives are netted off with the amount of revenue from operations.

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Sale of Un-Requisitioned Surplus Power

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

Sale of Power through Renewable Energy Sources

Revenue from sale of solar energy and wind energy are recognized in accordance with the price agreed under the Power Purchase Agreement (PPA) and in accordance with the orders passed by the respective State Electricity Regulatory Commission (SERC).

Sale of Lignite/Coal and others

Sale of Lignite/Coal, by e-auction sales has been reckoned to the extent of amount received/ as per sale terms. Sale of Lignite /Coal other than by e-auction is recognized in accordance with the agreement entered into with the respective parties.

Sale of Coal for end use power plant is accounted in accordance with the provisions of tariff regulations issued by Central

Electricity Regulatory Commission (CERC) for integrated mines.

Sale of byproducts/ Fly ash etc. has been reckoned as per sale terms.

Unbilled Revenue

As at each reporting date, revenue from sale of energy includes an accrual for sales made to beneficiaries/Customers but not billed i.e., “Unbilled Revenue” and the same is categorized under Other Financial Assets in the Balance Sheet.

Consultancy, Technical and Management Services

Revenue from consultancy, technical and 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.

Commission on trading of power

Commission on trading of power for third party recognized on receipt of payment.

Other Income

Other income includes interest income, insurance claims, surcharge, dividend income and income from sale of scrap.

Interest income

Interest income with respect to advances provided to employees is recognized 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 amortized 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 recognized in the year of acceptance of the claim.

Insurance claims
Insurance claims are recognized in the period in which there is an acceptance of the claim.

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

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Dividend Income

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

Scrap Sale

Scrap is accounted for as and when sold.

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 recognized in the Statement of Profit and Loss in the period in which they arise.

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

XVII.Income taxes

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

Current tax

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

Deferred tax

Deferred tax is recognized 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 recognized 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 recognized 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.

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

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

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 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 capitalized as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

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

XIX.Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1st April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a Lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recorded in Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities as Financial Liabilities in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract. The Company recognizes lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

XX. Provisions and Contingent Liability

Recognition and measurement

A provision is recognized 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 recognized 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.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

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. Operating segments

Segment reports are prepared in accordance with Ind AS 108. The operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The operating segments have been identified on the basis of the nature of products/services.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and Overheads allocated on a reasonable basis are considered as segment expenses.

XXIV. Dividend

Dividends and interim dividends paid to Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders meeting and the Board of Directors respectively.

XXV. Cash Flow Statement

Cash Flow Statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

XXVI. Regulatory Deferral Accounts

Income/Expense recognized in the Statement of Profit or Loss to the extent recoverable from/payable to the beneficiaries in the subsequent periods as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances. Regulatory Deferral Account Balances are adjusted from the year in which the same become recoverable from/payable to the beneficiaries.

Pending the disposal of review/ appeal petitions filed by the Company against adverse orders before CERC/SERC/ Other Appellate Authorities, the impact of the said orders are considered under Regulatory Deferral Account in the Profit or Loss of the respective financial year. In case of appeal by the beneficiary against the CERC/SERC orders, the impact on the same is not considered as Regulatory Deferral Liability and disclosed under Contingent Liability.

Regulatory Deferral Account Balances are reviewed and evaluated at each balance sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criteria are not met this regulatory deferral account balances are derecognized.

Regulatory Deferral Account Balances are presented as separate line item 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.

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Non- Current Assets

Note 2- Property, Plant and Equipment

(₹ Crore)

Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
	As at 01.04.2022	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2023	As at 01.04.2022	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land										
Freehold Land	335.30	-	-	335.30	-	-	-	-	335.30	335.30
Lease hold Mining Land	260.51	94.44	-	354.95	11.12	-	12.80	23.92	331.03	249.39
Mining Land	720.49	64.86	-	785.35	658.53	-	40.70	699.23	86.12	61.96
Roads	124.91	0.50	-	125.41	84.23	-	2.40	86.63	38.78	40.68
Buildings	522.61	14.04	0.12	536.53	76.85	0.01	13.85	90.69	445.84	445.76
Electrical Installations	219.86	7.96	8.10	219.72	140.45	5.83	10.83	145.45	74.27	79.41
Water Supply & Drainage	119.47	2.80	0.01	122.26	77.35	-	6.99	84.34	37.92	42.12
Plant & Machinery	22,709.63	315.67	6.23	23,019.07	5,480.99	3.68	1,233.89	6,711.20	16,307.87	17,228.64
Furniture & Equipment	118.03	29.77	9.10	138.70	46.32	8.07	16.00	54.25	84.45	71.71
Vehicles	56.90	13.09	0.72	69.27	35.21	0.31	4.81	39.71	29.56	21.69
Assets Costing ₹5000 and below	2.05	0.05	-	2.10	2.05	-	0.05	2.10	-	-
Mine Development										
Mine-I	206.97	-	-	206.97	206.97	-	-	206.97	-	-
Mine-IA	91.74	426.39	-	518.13	91.72	-	21.45	113.17	404.96	-
Mine-II	348.51	-	-	348.51	166.57	-	25.99	192.56	155.95	181.97
Barsingsar Mine	110.85	-	-	110.85	40.77	-	10.01	50.78	60.07	70.08
Talabira Mines	123.10	-	-	123.10	6.16	-	6.16	12.32	110.78	116.94
Total	**26,070.93**	**969.57**	**24.28**	**27,016.22**	**7,125.28**	**17.90**	**1,405.93**	**8,513.32**	**18,502.90**	**18,945.65**
Previous Year	**25,644.52**	**430.12**	**3.71**	**26,070.93**	**5,626.94**	**1.37**	**1,499.71**	**7,125.28**	**18,945.65**	**-**

a) 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.

b) PPE Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects. This also includes residual value of assets considered as addition to the assets under Life extension programme.

c) Free hold Land includes acquisition of land relating to Barsingsar extension and Bithnok Power and its related Mining projects amounting to ₹ 194.75 Crore.

d) All units of Thermal Power Station -I has been retired from operation subsequent to 30th September, 2020. The net block of TPS-I assets as on 31st March, 2023 are included in the above Schedule. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

e) Spares meeting the criteria of PPE and having a value of more than ₹ 5 Lakh have been considered for capitalisation .

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 2- Property, Plant and Equipment (Contd.)

f) Depreciation on Specialised Mining Equipment(SME) has been considered based on technical estimate of specific assets.

g) Depreciation on Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/SERC.

h) There is no impairment loss identified for the tangible fixed assets during the year.

i) The Company has identified land with limited life and classified the same under the head mining land.

j) In terms of Notification issued by CERC on 13th September, 2021 and as per the accounting policy of the Company, 1st April, 2022 has been reckoned as date of commencement of commercial operation in respect of MINE IA Expansion. Accordingly, the capitalization of the amount carried under CWIP as on 31st March,2022 has been reckoned as 1st April, 2022.

k) Based on physical verification of assets FY 2020-21 (including conveyor belts and pipes) the net block of ₹ 13.47 Crore which are not available for use are included in the above schedule pending write off from Asset register.

l) Based on physical verification of assets conducted during the year and pertaining to the previous year, the net book value of assets which are not available has been provided and the same are included as part of asset register.

m) Refer Note no. 16(a) for the property, plant and equipment pledged as security by the Company

Note 3- Right-of-Use Assets

(₹ Crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2022	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2023	As at 01.04.2022	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land	38.08	-	-	38.08	0.36	-	0.39	0.75	37.33	37.72
Building	1.70	0.23	0.14	1.79	0.80	0.14	0.41	1.07	0.72	0.90
Vehicle	3.26	-	-	3.26	1.32	-	0.60	1.92	1.34	1.94
Plant and Machinery	15.53	0.91	-	16.44	1.50	-	0.74	2.24	14.20	14.03
Total	**58.57**	**1.14**	**0.14**	**59.57**	**3.98**	**0.14**	**2.14**	**5.98**	**53.59**	**54.59**
Previous Year	**5.43**	**53.94**	**0.80**	**58.57**	**1.77**	**0.71**	**2.92**	**3.98**	**54.59**	-

Note 4- Intangible Assets

(₹ Crore)

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 01.04.2022	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2023	As at 01.04.2022	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Software	36.27	1.01	-	37.28	21.12	-	5.75	26.87	10.41	15.15
Mining Rights	195.75	1.81	-	197.56	26.19	-	6.36	32.55	165.01	169.56
Total	**232.02**	**2.82**	-	**234.84**	**47.31**	-	**12.11**	**59.42**	**175.42**	**184.71**
Previous Year	**152.91**	**79.11**	-	**232.02**	**12.16**	-	**35.15**	**47.31**	**184.71**	-

a) There is no impairment loss identified for the assets during the year.

b) Mining Rights represents license obtained to operate coal , lignite mines and minor minerals, which is capitalized in lines with the CERC regulations of tariff period 2019-24.

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 5- Capital Work-in-Progress

(₹ Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Plan Expenditure				
i) Neyveli New Thermal Plant				
Supply and Erection	175.51		35.43	
Expenditure during Construction	-	175.51	0.09	35.52
ii) Bithnok Project *				
Supply and Erection	11.85		11.85	
Expenditure during Construction	12.51	24.36	12.51	24.36
iii) Barsingsar Extension & Hadla Mines *				
Supply and Erection	9.11		9.11	
Expenditure during Construction	17.19	26.30	17.19	26.30
iv) Mine-IA Expansion				
Supply and Erection	-		50.54	
Expenditure during Development	1.91	1.91	394.40	444.94
v)Talabira II & III Mine				
Expenditure on Land Acquisition	248.60		280.69	
Expenditure during Development	0.01	248.61	-	280.69
vi) Odisha Thermal Power Project				
Expenditure on Land Acquisition	57.79		48.43	
Expenditure during Construction	15.16	72.95	6.71	55.14
vii) TPS II - 2nd Expansion				
Supply and Erection	-		-	
Expenditure during Construction	62.06	62.06	-	-
viii) 10 MW Solar Smart City				
Supply and Erection	37.14		-	
Expenditure during Construction	-	37.14	-	-
ix) Solar 100 MW - Hybrid				
Supply and Erection	-		-	
Expenditure during Construction	2.04	2.04	-	-
x) Solar 300 MW - Barsingsar				
Supply and Erection	-		-	
Expenditure during Construction	6.14	6.14	-	-
xi) MINE III				
Supply and Erection	-		-	
Expenditure during Development	42.64	42.64	-	-
Non- Plan Expenditure				
Supply and Erection	156.39		142.70	
Land Acquisition	122.71		-	
Capital Goods in Stock & Transit	32.83	311.93	2.76	145.46
TOTAL		**1,011.59**		**1,012.41**

* Project on Hold. Discussions are underway with various stakeholders for revival of the project. Refer Note No. 21

CWIP Ageing Schedule (FY 2022-23)

(₹ Crore)

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
A) Plan Projects Expenditure					
1) Projects in Progress	319.38	4.91	85.76	238.95	649.00
2) Projects that are temporarily suspended	-	-	-	50.66	50.66
B) Non Plan Project Expenditure	186.54	66.29	52.15	6.95	311.93
Total	**505.92**	**71.20**	**137.91**	**296.56**	**1,011.59**

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Notes to STANDALONE FINANCIAL STATEMENTS

Note 5- Capital Work-in-Progress (contd.)

CWIP Ageing Schedule (FY 2021-22)

(₹ Crore)

CWIP Ageing Schedule (FY 2021-22)	Amount in CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
A) Plan Projects Expenditure					
1) Projects in Progress	155.37	214.76	55.50	390.66	816.29
2) Projects that are temporarily suspended	-	-	-	50.66	50.66
B) Non Plan Project Expenditure	116.55	14.59	7.93	6.39	145.46
Total	**271.92**	**229.35**	**63.43**	**447.71**	**1,012.41**

Note 6- Assets Under Development

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Preliminary project expenditure	21.82	135.40
Less: Provisions	21.82	21.82
Total	**-**	**113.58**

Provisions includes the expenditure incurred for various projects which has not been taken up for further development, pending formalities for write off.

Note 7- Non Current Financial Assets

A. Investments

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in Equity Instruments		
Non-Trade Un Quoted Investments		
(i) Subsidiaries		
- NLC Tamilnadu Power Limited (NTPL) - 89% stake fully paid up 194,73,57,380 (31.03.2022- 194,73,57,380) no. of equity shares @ ₹10 per share	1,947.36	1,947.36
- Neyveli Uttar Pradesh Power Limited (NUPPL) - 51% stake fully paid up 224,36,75,946 (31.03.2022- 198,00,26,856) no. of equity shares @ ₹10 per share	2,243.68	1,980.03
(ii) Joint Venture		
- Coal Lignite Urja Vikas Private Limited (CLUVPL) - 50% Stake fully paid up 10,000 (31.03.2022- 10,000)no. of equity shares @ ₹10 per share	0.01	0.01
(iii) Associates		
- MNH Shakti Limited - 15% Stake fully paid up 52,65,000 (31.03.2022 - 52,65,000) no. of equity shares @ ₹10 per share	5.27	5.27
Total	**4,196.32**	**3,932.67**

a) In respect of investment in NLC Tamilnadu Power Limited (NTPL) the fully paid up share capital includes 400 shares @ ₹10 each held in the name of full time directors in their capacity as nominees of NLC India Limited.

b) During the FY 2022-23 NLCIL has subscribed to additional equity shares of 26,36,49,090 nos. @ ₹ 10/- each of NUPPL (PY 31,81,75,128 nos. @ ₹ 10/- each) through rights issue.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 7- Non Current Financial Assets (contd.)

B. Trade Receivables

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
considered good	377.15	-
Total	**377.15**	**-**

As per the Late payment surcharge rules notified by Ministry of Power on 3rd June, 2022, one DISCOM has opted ₹734.56 Crore under interest free installment scheme within the given cut off date. The dues of such beneficiary has been presented at fair value as per the requirements of IND AS 109 .

C. Loans

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans to related parties		
Considered good -Secured	0.02	0.02
Considered good -Unsecured	0.02	0.01
Other Loans : loans to employees		
Considered good -Secured	22.09	17.34
Considered good -Unsecured	11.84	4.53
Total	**33.97**	**21.90**

a) The secured loans and unsecured loans to Employees include House Building Loan, Vehicle Loan, Multipurpose Loan, etc. and 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.

b) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Company.

c) The details of transactions with Key Management Personnel's are mentioned in note no 38.

D. Other Non - Current Financial Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mine Closure Deposit	497.48	425.11
Total	**497.48**	**425.11**

As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of "Coal Controller Escrow Account NLC India Limited" for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'. Up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan as per the Guidelines. Interest earned on the escrow account is added to mine closure deposit account. All the deposits are renewed every year. Deposits made during the year FY 2022-23 amounting to ₹ 52.60 Crore.

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 8- Other Non-Current Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured Considered Good		
i) Capital Advances	1,041.26	395.47
ii) Advances Other than Capital advances		
- Advances given to Contractors/Suppliers	123.50	123.50
Total	**1,164.76**	**518.97**

a) Capital Advances includes ₹ 121.62 Crore paid against bank guarantee to an EPC contractor with respect to Barsingsar extension & Bithnok Project. On invocation of the BG, the EPC contractor initially opted for judicial intervention. However subsequently the contractor agreed for arbitration, keeping the BG valid till arbitral award.

b) Advances other than capital advances include amount paid to vendors on receipt of LD Bank guarantee, which will be adjusted along with retention money upon finalisation of contract.

Current Assets

Note 9- Inventories

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials- Lignite	201.78	480.99
Raw Materials- Coal	30.03	19.24
Solid/Hollow/Fly Ash Bricks	0.99	1.54
Goods-in-transit (Stores and Spares)	19.68	17.62
Stores and Spares	620.39	537.99
Less: Provision for obsolete/unserviceable stores and spares	38.95	32.08
Total	**833.92**	**1,025.30**

a) Inventory valuation - Inventories are valued at the lower of cost or net realisable value. Cost for this purpose is as follows:

(i) Extracted Lignite & Coal - At absorption cost excluding allocated 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 products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.

b) Refer Note No. 19 (a) for information on inventory pledged as security by the Company.

Click for Balance Sheet

Notes to STANDALONE FINANCIAL STATEMENTS

Note 10- Financial Assets

A. Trade Receivables

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Secured	638.80	604.04
b) Unsecured		
i. considered good	3,152.64	2,524.61
ii. credit impaired	196.55	501.51
	3,987.99	**3,630.16**
Less: Loss allowances on debtors	196.55	501.51
Total	**3,791.44**	**3,128.65**

a) Based on arrangements among NLCIL, Banks and DISCOMs' certain bills which are due from DISCOMs' have been discounted during FY 2022-23 . Accordingly, trade receivables as on 31st March, 2023 have been disclosed net of outstanding bills discounted amounting to ₹ 3,316.81 Crore (31st March, 2022 ₹ 4,027.58 Crore) and NLCIL is bound to repay the same to the banks in the event of default by beneficiaries.

b) Trade receivables for FY 2022-23 includes ₹ 126.62 Crore (previous year ₹ 46.21 Crore) and ₹ 22.46 Crore (previous year ₹ 15.71 Crore) receivable from NTPL and NUPPL respectively.

c) The Company has reviewed its outstanding debtors balance as at 31st March, 2023. Taking into account, period of outstanding, collections and the trend of realization subsequent to intervention of Ministry of Power and Ministry of Coal and pending completion of the reconciliation of balances and resolving various issues, in respect of which action have been initiated, on estimated basis, a cumulative provision of ₹ 196.55 Crore (PY ₹ 501.51 Crore) has been considered towards loss allowances on outstanding debtors balance as at 31st March, 2023.

d) Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28th June, 2019 w.e.f. 1st August, 2019 as Payment Security Mechanism under Power Purchase Agreements.

e) The Company has billed various DISCOMs an amount of ₹ 386.51 Crore during the year under report being income tax recoverable as per the CERC tariff Regulations, for different Tariff periods on account of payments made relating to earlier periods arising out of settlement of disputed cases pursuant to 'Vivad Se Vishwas Scheme' (VSVS). While the Company has recovered a sum of ₹ 58.07 Crore from a few DISCOMs during the year, others have disputed the validity of this Claim and opted for Judicial intervention and initiated legal proceedings. The Company is of the considered opinion that:

(i) the claiming of taxes paid under VSVS is in line with the CERC Regulations for all the tariff periods;

(ii) the sum paid under the dispute resolution scheme viz.VSVS has accrued due to settlement of disputed liabilities, which in any case the Company is entitled to claim in the normal course had the same been paid in the respective years; Further, the Company's petition filed before CERC on 11th April, 2023 seeking their direction on this issue is pending for a decision. However, the Company is of the view that the balance amount is recoverable based on a reasonable assessment of various facts.

f) A detailed ageing analysis of trade receivable has been provided in Note No. 46.

B. Cash and Cash Equivalents

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Bank Balance		
- Current Account	71.18	73.51
- Short Term Deposits	-	50.00
ii) Cash and Stamps on hand	0.00	0.01
Total	**71.18**	**123.52**

Stamps on hand as on 31.03.2023 - ₹ 43,210 /- (31.03.2022 - ₹ 50,800/-)

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 10- Financial Assets (contd.)

C. Bank Balances other than Cash and Cash Equivalents

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend Account Balance	2.23	2.54
Earmarked deposits with Banks :-		
i. Staff Security Deposit	-	0.01
ii. Endowment fund in the name of NLC Schools	0.51	0.46
iii. PRMA Deposit	123.60	107.81
iv. Security for Bank Guarantee	2.67	2.55
Total	**129.01**	**113.37**

In order to meet the post retirement medical expenditure of employees retired on or before 1st January, 2007 , the Company deposits 1.5% of its profit before tax after deducting actual expenditure towards PRMA in a separate deposit for this purpose termed as PRMA deposit. The above amount will be utilised in future years towards the purpose for which it has been created. The interest accrued in this fund is added to the fund. The deposit matured and renewed on 24th March, 2023.

D. Loans

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Loans : Loans to employees		
Considered good -Secured	0.96	12.96
Considered good -Unsecured	3.87	12.60
Total	**4.83**	**25.56**

i) The secured loans and unsecured loans to Employees include house building loan, Vehicle loan, multipurpose loan, etc. and 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.

ii) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Company.

iii) The Company, In order to meet the certain emergency financial needs of its two subsidiaries has entered into a interest bearing short term financial arrangements of ₹ 1000 Crore with each of its subsidiaries. Out of this arrangement one subsidiary namely Neyveli Uttar Pradesh Power Limited has availed ₹ 100 Crore at various dates during the financial year and the repayment of the same is also completed during the year. The details has been provided in table below.

iv) The Company has a policy of extending loans and advances to its employees including Directors, KMPs and the related parties. All these loans are paid in accordance with the Policy adopted by the Company and Repayments and interests are charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence separate disclosure as mentioned in revised schedule -III of Companies Act 2013 is not applicable .

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Due by Officers (including interest)	0.04	0.02
(ii) Maximum amount due at any time during the year (including interest)	0.04	0.02
(i) Due by Directors (including interest)	0.01	-
(ii) Maximum amount due at any time during the year (including interest)	0.01	0.02
(i) Due from Subsidiary Companies - (a) NTPL Loan Nil (previous year : Nil) (b) NUPPL Loan Nil (previous year : Nil)	-	-
(ii) Maximum amount due at any time during the year	100.00	375.00

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Notes to STANDALONE FINANCIAL STATEMENTS

Note 10- Financial Assets (contd.)

E. Other Financial Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposits	5.00	-
Interest Accrued	30.37	36.02
Unbilled Revenue	2,674.99	1,114.23
Insurance Claim receivable	50.00	-
Total	**2,760.36**	**1,150.25**

a) Interest Accrued includes interest due on loans givens to employees, interest on advances given to suppliers and interest on various deposits towards PRMA and Mine closure etc.

b) Unbilled Revenue includes ₹ 696.01 Crore (PY - ₹ 704.13 Crore) of billing done after 31st March, for Sale of Power related to March 2023. In addition to that on receipt of provisional order from CERC with respect to lignite transfer price for the period 2019-24 , the differential impact has been recognised as unbilled revenue.

c) Further insurance claim in respect of TPS-II fire incident has been lodged with the Insurance Company for recovery of damage including loss of profit. Based on confirmation from insurance Company ₹ 50 Crore was recognized in the current financial year.

Note 11- Current Tax Assets (Net)

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax	474.13	1,489.95
Less : Provision for Tax	227.65	1,021.39
Total	**246.48**	**468.56**

NLCIL has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and Form-5 has been issued by Income Tax department on acceptance of the forms filed by NLCIL. The tax liability on this account is ₹ 730.91 Crore which has been considered as Tax expenses in the FY 2021-22. Further consequent to issuance of Form 3 by the department and filing of Form-4 by NLCIL for all years for which it has opted for VSVS, reduction in Tax expenses amounting to ₹ 129.80 Crore arising out of orders of AY 2014-15 and AY 2015-16 have also been accounted in the previous financial year.

Note 12- Other Current Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Disposable / Dismantled Assets & Spares	5.73	3.15
Prepaid Expenses	86.91	95.03
Advances other than capital advances (unsecured)		
i. Considered good		
- Related Party	66.08	10.48
- Staff Advances	55.10	50.90
- Others	195.33	108.80
ii. Considered doubtful	2.11	2.11
Less: Provision for doubtful advances	2.11	2.11
Deposits with Govt. Authorities		
- Towards Royalty	8.84	8.91
- Towards Advance TDS	0.23	0.61
- Port Trust and Customs authorities	10.70	10.72
- VAT Appeal	112.43	112.43
GST Receivable (Input Tax Credit)	41.72	29.90
TCS Receivable	0.35	0.31
Others	0.62	0.79
Total	**584.04**	**432.03**

a) Under advances other than capital advances-Staff advance includes advances paid towards Performance related pay (PRP & UIS).

b) Advances other than capital advances -Others - represents advances given to contractors and suppliers in the ordinary course of supply of goods and services.

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 13- Regulatory Deferral Account Debit Balances

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Foreign Currency Fluctuation	134.24	117.85
Gratuity	-	170.98
Wage Revision	-	612.67
Other items recoverable as per CERC Order/Regulations	426.69	874.85
Others	216.69	188.00
Total	**777.62**	**1,964.35**

(a) The regulatory deferral account balances has been accounted in line with the Company's accounting policy. Refer Note no: 44 for detailed disclosures.

(b) Based on petition filed with CERC for NNTPP (2 X 500 MW), the differential amount (as against provisional tariff order) of ₹ 360.27 Crore (PY ₹ 114.36 Crore) considered under regulatory deferral account debit balance.

(c) The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May, 2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Accordingly, for the 5 year period from 2016-17 to 2020-21, an amount of ₹ 171.15 Crore has been considered on provisional basis under regulatory income, pending filing of the claim with "Coal Controller". Pending approval the said amount is being carried forward. An amount of ₹ 23.33 Crore(PY : ₹ 22.22 Crore) has been considered as regulatory income based on the existing mine plan, Pending execution of Escrow agreement as per the revised mining plan with Coal controller during the current Financial year

d) During the year, the Company has received the provisional tariff order for the period 2019-24 of its thermal power stations(except NNTPS and BTPS) and truing up orders for the period 2014-19 of its thermal power stations (except BTPS).Consequent to allowance of water charges, security expenses and consumption of capital spares as part of O&M, regulatory assets created has been reversed in the current year.

e) During the year the CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the Company to raise the invoice to the beneficiaries. Accordingly, the total claim of ₹ 783.64 Crore which was earlier recognized under regulatory asset has been withdrawn and an amount of ₹ 670.87 Crore has been billed to beneficiaries

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Notes to STANDALONE FINANCIAL STATEMENTS

Note 14- Equity Share Capital

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised, Issued, Subscribed and Paid-Up Share Capital :		
Authorised		
2,00,00,00,000 Equity Shares of par value ₹10 each (2,00,00,00,000 Equity Shares of par value ₹10 each as at 31st March 2022)	2,000.00	2,000.00
Issued, subscribed and fully paid-up :		
1,38,66,36,609 Equity Shares of par value ₹10 each fully paid (1,38,66,36,609 Equity Shares of par value ₹10 each as at 31st March 2022)	1,386.64	1,386.64
(1,09,82,21,224 Equity Shares being 79.20 % (previous year 1,09,82,21,224 shares being 79.20%) are held by the President of India.)		
	1,386.64	1,386.64
A. Movement in Share Capital during the Year	**As at 31st March, 2023**	**As at 31st March, 2022**
No. of shares outstanding at 1st April	1,38,66,36,609	1,38,66,36,609
Shares issued during the year	-	-
Shares bought back during the year	-	-
No. of Shares outstanding at 31st March	1,38,66,36,609	1,38,66,36,609
B. Rights attached to each class of Shares		
The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.		
C. Shareholders holding more than 5% of shares	**As at 31st March, 2023**	**As at 31st March, 2022**
	No. of Shares (face value @ 10)	**% of holding**
President of India	1,09,82,21,224	79.20%
D. Shares held by Promoters at the end of the year	**No. of Share**	**% of holding**
President of India	1,09,82,21,224	79.20%
There were no change in number of shares and percentage of holding during the FY 2022-23.		
E. Dividends	**As at 31st March, 2023**	**As at 31st March, 2022**
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31st March 2022 of ₹ 1.5 (31st March 2021 ₹ 1.5) per fully paid equity share	208.00	208.00
- Interim dividend for the year ended 31st March 2023 of ₹ 1.5 (31st March 2022 ₹ 1.5) per fully paid equity share	208.00	208.00
ii) Dividends not recognised during the year		
Since year end, the BOD of NLCIL have recommended the payment of final dividend @20% amounting to ₹ 2 per share for FY 2022-23 (31 March 2022:₹ 1.5 per share).	277.33	208.00
F. Movement in Equity Shares Last Five Years preceding 01.04.2022		
Number of Shares as on 01.04.2017		1,52,85,68,427
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22		
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22		
Aggregate number and class of shares bought back FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22.		14,19,31,818
Number of Shares as on 31.03.2022		1,38,66,36,609
Shares bought back 14,19,31,818 no's. during the FY 2018-19 .		

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 15- Other Equity

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Retained Earnings	10,927.08	10,123.46
ii) Other Comprehensive Income		
Remeasurement of actuarial gains/ (losses) and interest cost	(53.74)	(53.72)
a) Total Retained Earnings (i + ii)	**10,873.34**	**10,069.74**
b) Other Reserves		
KfW Interest Differential Reserve	367.23	362.90
General Reserve	1,457.00	1,457.00
Contingency Reserve	140.00	130.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	123.58	109.29
Total other reserves (b)	**2,378.88**	**2,350.26**
Total Other Equity (a+b)	**13,252.22**	**12,420.00**

(₹ Crore)

a) Retained Earnings	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	**10,123.46**	**9,319.08**
Addition during the year	1,248.22	1,263.54
i) Retained Earning available for Appropriation	**11,371.68**	**10,582.62**
Less: Appropriations		
Transfer to / (from) Interest Differential Fund Reserve	4.33	4.90
Transfer to General Reserve	-	-
Transfer to Contingency Reserve	10.00	10.00
Transfer to PRMA Reserve Fund	14.29	1.50
Interim Dividend	208.00	208.00
Final Dividend	208.00	208.00
ii) Other Comprehensive Income		
Remeasurement of Actuarial Gain/(loss)	(0.02)	26.76
Closing Balance	**10,927.08**	**10,123.46**

(₹ Crore)

b) Other Reserves	As at 31st March, 2023	As at 31st March, 2022
KfW Interest Differential Reserve		
Opening Balance	362.90	358.00
Transfer from Retained Earnings	25.13	26.66
Less : Withdrawal / Adjustment during the year	20.80	21.76
Closing Balance	**367.23**	**362.90**
The Company sets aside a reserve equivalent to the amount in rupees of 6% p.a. of the soft loan amount outstanding annually, to be utilised for covering the exchange rate risk under this loan and for any charges imposed by the guarantor in line with the agreement entered into with KfW, Germany.		
General Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	1,457.00	1,457.00
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**1,457.00**	**1,457.00**

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 15- Other Equity (Contd.)

(₹ Crore)

Contingency Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	130.00	120.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**140.00**	**130.00**
₹ 10 Crore is apportioned from profit every year to secure the contingency payments in the future periods.		
Capital Redemption Reserve	**As at 31st March, 2023**	**As at 31st March, 2022**
Opening Balance	291.07	291.07
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	291.07	291.07
In accordance with the applicable provisions of the Companies Act, 2013 read with Rules where a Company buyback its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares bought back shall be transferred to the capital redemption reserve account. During the previous financial years (i.e., FY 2016-17 & FY 2018-19) 29,10,72,991 number of shares have been bought back and the total amount in capital redemption reserve represents the nominal value of the shares bought back.		
PRMA Reserve Fund	**As at 31st March, 2023**	**As at 31st March, 2022**
Opening Balance	109.29	107.79
Transfer from Retained Earnings	14.29	1.50
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**123.58**	**109.29**
Represents reserve towards Post Retirement Medical Assistance (PRMA) benefits provided to retired employees and their spouse.		

NON-CURRENT LIABILITIES
Note 16- Financial Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Borrowings		
a) Secured Loans		
(i) NLCIL Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
(ii) Term Loans		
- From Banks	1,604.42	2,308.91
- Power Finance Corporation Ltd	1,650.00	1,950.00
b) Unsecured Loans		
(i) NLCIL Bonds		
- Series-II-2020	500.00	500.00
- Series-I-2021	1,175.00	1,175.00
- Series-II-2021	500.00	500.00
(ii) Foreign Currency loan from KfW-Germany #		
- 5.93 Million Euro (6.36 Million Euro) - I	49.09	49.91
- 40.64 Million Euro (43.44 Million Euro)-II	338.40	342.24
# Guaranteed by the Government of India.		
Total	**7,816.91**	**8,826.06**

Notes to STANDALONE FINANCIAL STATEMENTS

Note 16- Financial Liabilities (Contd.)

Details of Terms of Repayment, Rate of Interest and Security :

a. To meet the fund requirement of Neyveli New Thermal Power Project (NNTPP 2x500 MW) borrowing arrangement has been done with:

i) Loan of ₹ 3000 Crore was availed from M/s. Power Finance Corporation Ltd. and outstanding amount as at 31.03.2023 is ₹ 1950 Crore. The Loan is secured by pari passu charge on project lands & fixed assets of NNTPP , repayable in 20 equal bi-annual instalments commencing from 31st March, 2020. The interest rate as on 31st March, 2023 is @ 8.51% p.a. (on the basis of 3 year AAA Reuter rate i.e., 7.66% p.a. plus fixed spread 0.85%)

ii) NLCIL Bonds 2021 Series-I was issued on 12th February, 2021 for an amount of ₹ 1175 Crore @ 6.05% p.a. The Bond is unsecured and will be repayable by bullet payment on 12th February, 2026.

iii) NLCIL Bonds 2021 Series-II was issued on 20th December, 2021 for an amount of ₹ 500 Crore @ 6.85% p.a., Out of which ₹ 295.60 Crore was utilised towards NNTPP and balance ₹ 204.40 Crore was utilised towards General Business Purpose. This Bond is unsecured and will be repayable by bullet payment on 13.04.2032.

b. 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. Repayment for the same started from October 2018, amount drawn is ₹ 481 Crore and the loan was fully repaid by March, 2023. Interest rate on closure of loan is 8.028% p.a. (on the basis of 5 year G-Sec Rate i.e., 7.398% plus 0.63% fixed spread).

c. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with the following banks:

i. Axis Bank sanctioned a loan of ₹ 500 Crore and drawn ₹ 500 Crore. The outstanding amount as on 31st March, 2023 is ₹ 99.97 Crore. The interest rate as on 31st March, 2023 is 8.61% p.a. (on the basis of 5 Year G-Sec rate i.e., 7.39% plus 1.22% fixed spread). Repayment for the loan started from September'2019 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

ii. Axis Bank sanctioned a loan of ₹ 450 Crore and drawn ₹ 450 Crore. The outstanding balance as on 31st March, 2023 is ₹ 134.97 Crore. The interest rate as on 31st March, 2023 is 8.59% p.a. (On the basis of 5 Year G-Sec Rate i.e., 7.39% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

iii. Federal bank sanctioned a loan of ₹ 456 Crore and drawn ₹ 456 Crore. The outstanding as on 31st March, 2023 is ₹ 136.77 Crore. The interest rate as on 31st March, 2023 is 8.78% p.a. (on the basis of 5 Year G-Sec rate i.e., 7.58% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly instalments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

d. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with SBI for an amount of ₹ 2552 Crore. Out of the facility, ₹ 2319 Crore was drawn & outstanding amount as on 31st March, 2023 is ₹ 1680.44 Crore. The Interest rate as on 31st March, 2023 is 8.40% p.a. (on the basis of 6 Month MCLR rate @ 8.40%). This loan is repayable in 20 equal half- yearly instalments of ₹ 127.60 Crore each, first repayment started on 31st December, 2020. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

e. To meet the fund requirement of Talabira Coal Mine II & III, borrowing arrangement has been done with SBI for an amount of ₹ 1680.75 Crore. Out of the facility, ₹ 593 Crore was drawn & outstanding as on 31st March,2023 is ₹ 256.73 Crore. The interest rate as on 31st March, 2023 is 8.40% p.a. (on the basis of 6 Months SBI MCLR) repayable in 20 equal half- yearly instalments of ₹ 84.04 Crore starting from 30th September, 2021. The loan is secured by pari-passu charge on the project assets to the extent of the facility.

f. To meet the General Funding arrangement, NLCIL BONDS 2019 SERIES I was Issued on 29th May, 2019 for ₹ 1475 Crore and NLCIL BONDS 2020 SERIES I was issued on 27th January, 2020 for an amount of ₹ 525 Crore and which carries interest rate @ 8.09% p.a. & 7.36% p.a. respectively. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) (including Land) to the extent of the facility and subsequently to have sufficient asset cover another security has been created by pari-passu 1st charge on the project assets of 1000 MW (2 X 500 MW) NNTPP, Neyveli project to the extent of ₹ 450 Crore with the consent of lender of NNTPP i.e., PFC. These Bonds are repayable on 29th May, 2029 & 25th January, 2030 respectively. Out of ₹ 1475 Crore, ₹ 749.22 Crore and ₹ 234.98 Crore has been used towards unlocking of Equity of TPS II Expansion Project (2 X 250 MW) & Wind 51 MW respectively and balance were used for operational requirement.

Click for Balance Sheet

Notes to STANDALONE FINANCIAL STATEMENTS

Note 16- Financial Liabilities (Contd.)

g. To meet the General Funding arrangement, an unsecured Bonds i.e., NLCIL Bond 2020 Series-II was issued on 31st July, 2020 for ₹ 500 Crore carrying an interest rate of 5.34% p.a. which is repayable through bullet payment on 11th April, 2025

h. Bi- annual equal repayment (€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany, commenced from 30th December, 2001, ending on 30th June, 2036. This loan is unsecured and guaranteed by GOI @ guarantee fee of 1.20%. The outstanding loan, Euro 5.93 million carries interest rate @ 0.75% p.a.

i. Bi-annual equal repayment (€ 1.401 Million each) of Foreign Currency loan -II from KfW Germany, commenced from 30th June, 2002, ending on 30th June, 2037. This loan is unsecured but guaranteed by GOI @ guarantee fee of 1.20%. The outstanding soft loan, Euro 40.64 million carries interest rate @ 0.75% p.a.

j. The Company has maintained required asset cover as per the terms of offer document/information memorandum and/or Debenture trust deed, including compliance with all the covenants, in respect of the listed non-convertible debt securities.

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
B. Lease Liability		
Lease Liability on		
- Land	6.96	6.96
- Building	0.82	0.98
- Vehicle	1.60	2.18
- P&M	17.80	17.28
Total	**27.18**	**27.40**

Due to variable nature of payment for overburden removal, the right to use asset and lease liability under Ind AS 116 is not ascertainable.

The detailed disclosure has been provided in Note No 42

(₹ Crore)

C. Other Financial Liability	As at 31st March, 2023	As at 31st March, 2022
Capital purchase, Capital works-in-progress and other liabilities	648.06	937.27
Total	**648.06**	**937.27**

Note 17- Deferred Tax Liabilities (Net)

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities		
on Depreciation	4,169.80	4,227.66
Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	141.88	310.34
MAT Credit entitlement	950.67	1,088.68
Deferred Tax Liabilities (Net)	**3,077.25**	**2,828.64**

The tax holiday period as per section 80IA of income tax act 1961 for NLCIL Barsingsar project is upto the FY 2025-26. The estimated deferred tax in respect of temporary differences which reverse during this tax holiday period have been derecognized to the extent of ₹96.64 Crore.

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 18- Other Non-Current Tax Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mine Closure Liability	502.00	428.17
Deferred Income	117.99	123.73
Total	**619.99**	**551.90**

a. Deferred income includes capital grant of ₹ 75.97 Crore and ₹ 39.38 Crore (Unamortised value of Grant) received from Ministry of New and Renewable Energy (MNRE) in respect of installation of 130 MW solar at various locations in Neyveli and 20 MW of Solar Plant at various location of Andaman and Nicobar in their respective year of commissioning. In proportion to the depreciation of the respective solar asset , the grant is amortised to profit and loss account each year.

b. In respect of Mine Closure 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

Note 19- Financial Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Borrowings		
Loans Repayable on Demand (Secured):		
- Treasury Bill linked WCDL	498.00	285.00
Current Maturities of long term borrowings (Secured):		
i. Term Loans - Banks	704.45	800.68
ii. Term Loans -Power Finance Corporation Ltd.	300.00	300.00
Unsecured:		
Foreign Currency loans from KfW Germany	28.98	27.29
Total	**1,531.43**	**1,412.97**

The working capital facility agreed with SBI and is secured by Hypothecation of entire current assets of the Company i.e raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. This outstanding loan carries interest rate of 7.60% p.a.

(₹ Crore)

B. Trade Payables	As at 31st March, 2023	As at 31st March, 2022
Trade Payables :		
- Towards Micro and Small Enterprises	43.68	18.53
- Others than Micro and Small Enterprises	1,591.85	1,057.98
Total	**1,635.53**	**1,076.51**

Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at 31st March, 2023,₹49.50 Crore (previous year ₹23.76 Crore).Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note 51.

(₹ Crore)

C. Other Financial Liabilities	As at 31st March, 2023	As at 31st March, 2022
a) Unclaimed Dividend	2.23	2.52
b) Interest Accrued :		
i. NLCIL Bonds	143.91	143.91
ii. KfW-Germany	0.78	0.79
iii. Term Loans from Banks.	14.52	14.80
iv. Treasury Bill linked WCDL	0.25	0.08
Total	**161.69**	**162.10**

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for Balance Sheet

Note 20- Other Current Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unutilised Revenue Grant	3.78	4.62
Staff Security Deposit	-	0.01
Other liabilities		
- Employees	276.80	340.90
- Statutory	272.77	192.86
- Others	236.90	182.67
Total	**790.25**	**721.06**

a) Employee liabilities includes liability towards PF/PRP & UIS liabilities which will be settled in future periods .

b) Other liabilities include Liquidated Damages, credit balance from vendors, EMD for lignite supply, caution deposits etc. which are to be settled / Adjustment against services / goods received from/to the vendors/Customers

Note 21- Provisions

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Short-term Benefit of Leave Salary	49.87	81.09
Post Retirement Medical Benefit	18.63	15.26
Provision for Gratuity & Others	288.02	275.21
Provision for Loss on Assets	76.80	61.61
Provision for Contingencies	0.97	139.51
Total	**434.29**	**572.68**

Provision for loss on assets includes provision created on CWIP relating to Bithnok and Barsingsar expansion project amounting to ₹ 40.64 Crore.

Note 22- Regulatory Deferral Account Credit Balances

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Foreign Currency Fluctuation	22.61	26.26
CERC Order/Petition filed with APTEL/Others	3,808.01	2,691.69
Total	**3,830.62**	**2,717.95**

a) Amounts under regulatory deferral liabilities as at 31st March, 2023 relates to the impact arises out of various regulatory orders for the previous tariff periods.

b) The Company has filed appeals before the Appellate Authority of Electricity (APTEL) against the following CERC orders / filed review petition before CERC which are pending for disposal:

1) Thermal Power Station II (Neyveli) – Rejection of substitution of actual secondary fuel consumption (SFC) in place of normative SFC in computing energy charge rate, disallowance of de-capitalization of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14

2) Lignite Truing up – Disallowance of O &M escalation at 11.50% p.a. as per MOC Guidelines considering FY 2008-09 as the base year

3) Sharing of profits and incentives on additional generation in TS -II on adoption of pooled lignite price considering the cost of Mines – II Expansion. The impact on the above mentioned orders have been considered appropriately under Regulatory Deferral Account Balances / Net Movement in Regulatory Deferral Balances in accordance with Ind AS 114, in the respective previous financial period’s.

Notes to STANDALONE FINANCIAL STATEMENTS

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Note 22- Regulatory Deferral Account Credit Balances (Contd.)

4) The Company has filed review petition before CERC on the true up order for determination of Lignite Transfer Price for the Tariff Period 2014-19. During the year CERC has admitted the review petition for disallowance of additional capitalization w.r.t. new assets and disallowances of stores for the purpose of interest on working capital and has set aside to review of O&M Expenses as the similar issue for the period 2009-14 is sub-judice before APTEL and O&M Expense for the period 2014-19 is subject to the final decision of the APTEL case. In view of the order, the Company has considered in Regulatory Expenses of ₹ 783.79 Crore (including interest) in addition to the existing amount already provided in different periods under Regulatory Deferral Account Balances towards O&M Expenses for the period 2014-19.

All the regulatory deferral liability is being reviewed on periodic basis. Based on subsequent information/ details/orders the same shall be reviewed and considered accordingly.

c) CERC has issued trued up order in respect of TPS-II expansion for the tariff period 2014-19 on 09th June, 2022. The Company has filed a review petition on 20th July, 2022 and pending disposal of the review petition, the Company has accounted an amount of ₹ 48.03 Crore arising out of the difference between billed rate and trued up order rate under regulatory deferral liabilities.

d) The Company has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on 26th July, 2022 and for Barsingsar mines on 26th December, 2022. Refer Note no 23 (d) for neyveli mines. Pending disposal of the said Petition, the Company has billed energy charges based on provisionally approved Lignite transfer rate by CERC for NNTPS tariff petition for tariff period 2019-24 for Neyveli mines and provisionally approved rate by CERC for the tariff period 2014-19 for Barsingsar mines. Pending receipt of tariff order with respect to Barsingsar Mines for Tariff period 2019-24, an amount of ₹ 40.90 Crore (including interest) representing the difference between billed rate and petition rate has been accounted under regulatory account balances.

e) AS per CERC regulations (second amendment) 2019-24, it is required to share the Non tariff income arising from sale of coal (Talabira Mines) to the beneficiary. Accordingly amount of ₹ 143.54 Crore has been recognised as regulatory liabilities.

Note 23- Revenue from Operations

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Revenue from Operations		
Sale of :		
- Power	10,283.23	8,147.44
- Lignite	791.70	829.91
- Coal	1,773.50	919.97
- Fly Ash & Other By-products	88.81	59.08
Other Operating Revenue :		
- Consultancy and Technical Fees	38.79	37.43
	12,976.03	**9,993.83**
Less: Transfer to Capital Work in Progress	-	122.43
Less: Rebate on sale of Power	21.03	14.92
Total	**12,955.00**	**9,856.48**

a) Power Sale includes Sale of Power through Trading for FY 22-23 ₹ 94.64 Crore. (FY 21-22 ₹ 340.45 Crore).

b) Sale of Lignite to related party during the current year is NIL (PY ₹ 5.70 Crore).

c) Pending disposal of tariff petition for BTPS and approval of CERC tariff for NNTPS for the tariff period 2019-24 , beneficiaries are being billed in accordance with the tariff order for the period 2014-19/interim order issued by CERC for control period 2019-24 respectively. However, recovery on account of O&M component for tariff period 2019-24 has been recognized based on CERC tariff regulations and differential revenue between tariff periods 2019-24 and 2014-19 is recognized under Regulatory Deferral Account. The accrual for the remaining 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the tariff order.

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Notes to STANDALONE FINANCIAL STATEMENTS

Note 23- Revenue from Operations (Contd.)

d) The Company has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on 26th July, 2022 and for Barsingsar mines on 26th December, 2022. Pending disposal of the said Petition, the Company has filed interlocutory application seeking approval of provisional Lignite transfer price for the neyveli mines. Subsequently CERC has issued provisional lignite transfer price order for the control period 2019-24 and the differential impact on such order (Amount in ₹ 1,389.87 Crore) is recognised under power sales.

e) The Company has commissioned Talabira Coal mines on 01st April, 2021. The Company has filed Tariff petition for the tariff period 2019-24 (effective period 2021-24) before CERC on 25th July, 2022. Pending disposal of the said petition, the Company has adopted petition rate for billing for the linked thermal plant.

f) Coal sales includes sales to NTPL (subsidiary of NLCIL) - amounting to ₹ 257.53 Crore (FY 21-22 ₹ 101.74 Crore).

g) During the year, the CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the Company to raise the invoice to the beneficiaries. Accordingly, the total claim of ₹ 783.64 Crore which was earlier recognized under regulatory asset has been withdrawn and an amount of ₹ 670.87 Crore has been billed to beneficiaries.

h) Power sales include ₹ 212.84 Crore on account of CERC truing up order and wage revision order for the tariff period 2014-19 with respect to TPS-I for FY 22-23 which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-53

Notes to
STANDALONE FINANCIAL STATEMENTS

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Note 24- Other Income

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
(a) Interest on		
(i) Bank Deposits	17.60	10.77
(ii) Employees Loans	3.07	3.81
(iii) Mine Closure Deposits	23.43	18.25
(iv) Loans to Subsidiary companies	0.89	7.08
(v) Others	343.69	4.33
(b) Unwinding of Interest Income	27.84	
(c) Recoveries Towards Rent and Others	25.66	23.25
(d) Profit on Sale of Assets	7.49	2.29
(e) Provision Written Back	446.40	24.51
(f) Surcharge on sale of Power	86.46	344.80
(g) Dividend from Subsidiary Company		
- NTPL	97.37	331.05
(h) Exchange Fluctuation	0.20	0.97
(i) Deferred Income on Govt. Grant	12.64	11.53
(j) Miscellaneous	169.39	40.00
	1,262.13	**822.64**
(Add) / Less: Transfer to Capital Work in Progress	-	0.24
Less: Transfer to Mine Closure Liability	21.23	16.51
Total	**1,240.90**	**805.89**

a. Consequent to CERC truing up orders received for the tariff period 2014-19 and tariff orders for the period 2019-24 TPS I, TPSI Expn , TPS II and Neyveli Mines, interest income due on the order impact amounting to ₹ 339.57 Crore (Including ₹171.09 Crore for Neyveli Mines for tariff period 2019-24) has been recognised under Interest others.

b. Provision written back includes ₹ 304.96 Crore being reversal of expected credit loss provision recognised towards trade receivable and ₹ 122.12 Crore towards provision created earlier in respect of Bithnok and BTPS expansion project capital advance.

c. Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Company.

d. Under the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, one DISCOM opted for interest free installment scheme within cutoff date i.e., 3rd July, 2022. Accordingly such dues were recognised at fair value as per the requirements of IND AS 109 and the consequent unwinding interest income has been recognised in the current year.

e. The other income include ₹ 31.09 Crore (PY ₹ 3.33 Crore) of TPS-I which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-53.

f. Miscellaneous Income includes

i) Scrap sales amounting to ₹ 36.25 Crore(PY : ₹ 44.66 Crore)

ii) Insurance claim in respect of TPS-II fire incident has been lodged with the Insurance Company for recovery of damage including loss of profit. Based on confirmation from insurance Company ₹50 Crore was recognized in the current financial year.

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for P&L Sheet

Note 25- Changes in Inventories of Raw Material

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
OPENING STOCK		
Raw Material		
- Lignite	480.99	887.60
- Coal	19.24	20.60
CLOSING STOCK		
Raw Material		
- Lignite	201.78	480.99
- Coal	30.03	19.24
Less : Transfer to Capital Work in Progress	-	68.52
Increase (-) / Decrease in Stock	**268.42**	**476.49**

Note 26- Employee Benefits Expense

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Salaries, Wages and Incentives	2,041.98	2,161.24
Contribution to Provident and other funds	357.31	358.84
Gratuity	17.87	27.45
Welfare Expenses	116.22	131.20
	2,533.38	**2,678.73**
Less: Transfer to Capital Work in Progress	7.06	54.25
Total	**2,526.32**	**2,624.48**

a. Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 39.
b. Employee benefit expenses includes ₹ 19.58 Crore (PY ₹ 13.96 Crore) for TPS-I for FY 22-23, which was retired from operation as on 30th September, 2020. Refer Note No. 53

Note 27- Finance Costs

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Interest on :		
(i) KfW - Foreign Currency Loan	1.85	3.33
(ii) NLCIL Bonds	290.01	265.33
(iii) Loan from Banks	215.49	253.08
(iv) Loan from Power Finance Corporation	158.63	158.89
(v) Treasury Bill Linked WCL	5.96	8.42
(vi) Others (interest on Cash Credit & WCDL)	0.11	0.75
(vii) Interest on ROU Liability	2.32	3.18
(viii) Inter Corporate Loan		
- Mahanadi Coal Field Ltd. (MCL)	-	14.70
- NLC Tamilnadu power Limited	-	1.85
(ix) Fair Value changes in Trade receivables	85.19	-
Others :	-	-
(i) Discount on Commercial Paper	-	73.99
(ii) Guarantee Fees on KfW loan	5.03	5.48
	764.59	**789.00**
Less: Transfer to Capital Work in Progress	8.96	5.22
Total	**755.63**	**783.78**

a. Finance cost includes ₹ 0.37 Crore(PY ₹ 0.40 Crore) for TPS-I for FY 22-23,which was retired from operation as on 30th September, 2020. Refer Note No. 53.
b. Under the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, one DISCOM opted for ₹ 734.56 Crore under interest free installment scheme within cutoff date i.e., 03rd July 2022. Accordingly such dues were recognised at fair value as per the requirements of IND AS 109 and ₹ 85.19 Crore on account of fair value measurement has been accounted as finance cost in the current year.

Notes to STANDALONE FINANCIAL STATEMENTS

Click for P&L Sheet

Note 28- Depreciation and Amortization Expenses

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Property, Plant and Equipment	1,354.43	1,351.03
Mine Development and other Amortisations	63.61	183.83
Depreciation on ROU Assets	2.14	2.92
	1,420.18	**1,537.78**
Less: Transfer to Capital Work in Progress	0.49	9.65
Total	**1,419.69**	**1,528.13**

Depreciation includes ₹ 0.43 Crore(PY ₹ 0.51 Crore) of TPS-I for FY 22-23, which was retired from operation as on 30th September, 2020. Refer Note No. 53.

Note 29- Other Expenses

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Consumption of Stores and Spares	811.63	504.97
Fuel	128.24	112.89
Mine Closure	46.66	44.43
Rent	1.31	1.39
Rates and Taxes		
- Electricity Tax	0.64	1.12
- Others	108.93	108.30
Repairs and Maintenance		
- Plant and Machinery	400.24	408.32
- Buildings	29.61	28.09
- Others	442.59	360.97
Overburden Removal Expenditure	551.74	374.23
Insurance	88.81	101.45
Payments to Auditors		
- Audit fees	0.96	0.70
- Tax Audit fees	0.09	0.05
- Other Certification Fees	0.28	0.05
- Reimbursement of expenses	0.13	0.10
Other professional fees	1.46	0.84
Travelling Expenses	33.46	24.83
Training Expenses	25.81	21.25
Family Welfare Expenses	38.97	24.05
Selling Expenses - Commissions	10.16	51.99
Afforestation Expenses	15.63	26.13
Royalty	914.76	706.72
Security Expenses (CISF)	196.03	170.22
Corporate Social Responsibility	43.07	41.03
Miscellaneous Expenses	117.41	60.21
Loss on assets disposed/written off/discarded	0.31	0.01
Provision for Stores & Materials	7.04	10.98
Provision for Fixed Assets/CWIP	15.29	44.50
Loss allowances on Debtors	2.92	134.99
Provision for contingency	-	114.79
Trade Receivable written off	1,179.88	-
	5,214.06	**3,479.60**
Less: Transfer to Capital Work in Progress (CWIP)	17.35	173.17
Total	**5,196.71**	**3,306.43**

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for P&L Sheet

Note 29- Other Expenses (Contd.)

a) Other Expenses includes ₹ 17.23 Crore(PY ₹ 22.42 Crore) of TPS-I for FY 22-23,which was retired from operation as on 30th September, 2020. Refer Note No. 53

b) The Company has filed a petition against the ABT implementation order passed for claim of surcharge on the order amount. However CERC has not admitted the petition and consequently the Company has written off debts amounting to ₹ 93.72 Crore.

c) Consequent to the interim order issued by CERC for the control period 2019-24, water charges, security expenses and power surrender sales and surcharge on these items already recognized earlier were written off in the current year amounting to ₹ 1,087.57 Crore.

d) Upon physical verification of fixed assets conducted during the year , provision has been recognised under provision for fixed assets.

Note 30- Net Movement in Regulatory Deferral Account Balances Income/ (Expenses) - Net

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Income		
a) CERC Regulations	19.06	242.29
b) Deferred Foreign Currency	26.79	13.34
c) Mine Closure	28.70	22.22
d) CERC Orders	(1,250.88)	114.36
Expenses		
a) Deferred Foreign Currency	-	18.04
b) CERC/SERC Orders	1,116.33	100.64
Net Movement	**(2,292.66)**	**273.53**

a) Pending disposal of tariff petition for BTPS and approval of CERC tariff for NNTPS for the tariff period 2019-24 , beneficiaries are being billed in accordance with the tariff order for the period 2014-19/interim order issued by CERC for control period 2019-24 respectively. However, recovery on account of O&M component for tariff period 2019-24 has been recognized based on CERC tariff regulations and differential revenue/expense between tariff periods 2019-24 and 2014-19 is recognized under Regulatory Deferral Account. The accrual for the remaining 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the tariff order.

b) The Company undertakes concurrent Mine Closure activity. Based on expenses incurred on actual mine closure for the 5 years' period from 2016-17 to 2020-21 the Company has submitted a claim for ₹ 171.15 Crore to Coal Controller based on the certification by third party. An amount of ₹ 171.15 Crore (Including ₹ 5.37 Crore recognized in current year) has been recognized under Regulatory Deferral asset. The same is pending for approval as of date.

On similar basis mine closure expenses amounting to ₹ 23.33 Crore (PY : ₹ 22.22 Crore) for the financial year 2022-23 are considered under Regulatory Income. The regulatory income has been recognized based on the existing mine plan, Pending execution of Escrow agreement as per the revised mining plan with Coal controller.

c) As per CERC regulations (second amendment) 2019-24, it is required to share the Non tariff income arising from sale of coal to the beneficiary. Accordingly amount of ₹ 143.54 Crore has been recognised as regulatory liabilities.

d) During the year the CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the Company to raise the invoice to the beneficiaries. Accordingly, the total claim of ₹ 783.64 Crore which was earlier recognized under regulatory asset has been withdrawn and an amount of ₹ 670.87 Crore has been billed to beneficiaries

Notes to
STANDALONE FINANCIAL STATEMENTS

Click for P&L Sheet

Note 30- Net Movement in Regulatory Deferral Account Balances Income/ (Expenses) - Net (Contd.)

e) During the year , the Company has received the provisional tariff order for the period 2019-24 of its thermal power stations(except NNTPS and BTPS) and truing up orders for the period 2014-19 of its thermal power stations (except BTPS).Consequent to allowance of water charges, security expenses and consumption of capital spares as part of O&M, regulatory assets created has been reversed in the current year.

f) The Company undertakes review of regulatory assets and liabilities at the end of each year and based on reassessment of recoverability/refund of such assets/liabilities necessary accounting adjustments are carried out and in addition to that period cost on regulatory liability has also been considered subject to approval of Regulatory Authority.

Note 31- Exceptional Items

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
VRS Compensation	0.11	0.14
Power Sales- VSVS	12.21	(389.97)
Total	**12.32**	**(389.83)**

a) Power sales - VSVS in FY 2022-23 pertains to the reversal of unbilled sales upon billing the actual.

b) NLCIL has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and Form-5 has been issued by Income Tax department on acceptance of the forms filed by NLCIL. The tax liability on this account is ₹ 730.91 Crore which has been considered as Tax expenses in the FY 2021-22. Further consequent to issuance of Form 3 by the department and filing of Form-4 by NLCIL for all years for which it has opted for VSVS, reduction in Tax expenses amounting to ₹ 129.80 Crore arising out of orders of AY 2014-15 and AY 2015-16 have also been accounted in the previous financial year.

Note 32- Other Comprehensive Income

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
a) Remeasurement of Actuarial (Losses)/Gains	(0.03)	32.44
b) Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains	(0.01)	5.68
Total (a-b)	**(0.02)**	**26.76**

Note 33- Earning Per Share from continuing operations

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Basic and Diluted (Before Net Regulatory Deferral Adjustments)		
Profit after Tax (₹ in Crore)	2,983.00	1,011.15
Weighted Avg. Number of Shares	1,38,66,36,609	1,38,66,36,609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	21.51	7.29
Earning Per Share from continuing operations - Basic and Diluted (After Net Regulatory Deferral Adjustments-Net of Tax)	**Year Ended 31st March, 2023**	**Year Ended 31st March, 2022**
Profit after Tax (₹ in Crore)	1,248.24	1,236.78
Weighted Avg. Number of Shares	1,38,66,36,609	1,38,66,36,609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	9.00	8.92

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

Notes to STANDALONE FINANCIAL STATEMENTS

Note 34- Disclosure as per IND AS 1 'Presentation of Financial Statements'

Reclassification of comparative figures
The Company has made certain reclassifications to the comparative period's financial statements mainly to enhance comparability with the current year's financial statements.

(₹ Crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
1. Other Financial Assets (Note no. 10 e)	36.02	1,114.23	1,150.25
2. Other Current Assets (Note no. 12)	1,546.26	(1,114.23)	432.03
3. Other Non-Current Liabilities (Note No.18)	1,489.17	(937.27)	551.90
4. Other Non-current Financial Liabilities (Note No.16 c)	-	937.27	937.27
5. Other Current Financial Liabilities (Note No.19 c)	159.58	2.52	162.10
6.Other Current Liabilities (Note No.20)	723.58	(2.52)	721.06
7. Other Non - Current Financial Assets (Note no 7d)	-	425.11	425.11
8. Bank balances other than cash and cash equivalents ((Note no 10 c)	538.48	(425.11)	113.37

Note 35- Disclosure as per IND AS 21 'The Effects of changes in Foreign Exchange Rates'

(₹ Crore)

Particulars	For the Year Ended March 31st, 2023	For the Year Ended March 31st, 2022
a. The amount of exchange rate difference debited/(credited) to the Statement of Profit & Loss Account	2.01	(1.45)
b. The amount of exchange rate difference Adjustment and debited / (credited) to the carrying amount of fixed assets & WIP	22.56	(8.35)
Total	**24.57**	**(9.80)**

As per the Guidance Note on Rate Regulated Activity issued by ICAI , exchange rate difference (on account of repayment of foreign currency borrowing) which are recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations on Lignite Transfer price are accounted as Deferred foreign currency fluctuation asset / liability. Accordingly necessary adjustment has been made.

Note 36- Disclosure as per IND AS 27 'Provisions, Contingent Liabilities and Contingent Assets'

(₹ Crore)

Particulars	As at 1st April 2022	Additions	Withdrawals	As at 31st March 2023
Movement in Provisions				
(i) Provision for loss on Assets	61.61	24.33	9.14	76.80
(ii) Provision for contingencies	139.51	43.86	182.40	0.97
Total	**201.12**	**68.19**	**191.54**	**77.77**

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 STANDALONE FINANCIAL STATEMENTS

Note 37- Corporate Social Responsibilities

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises and Ministry of corporate Affairs of Govt of India from time to time, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A.) Amount Required to be spent during the year :		
i) Gross Amount (2% of average net profit of immediately preceding three financial years as per the Companies Act 2013 and amendments thereto)	39.65	40.80
ii) Surplus arising out of CSR Projects	-	-
iii) Set off available from previous years	-	-
iv) Total CSR Obligation for year (i+ii-iii)	39.65	40.80
B.) Gross amount approved by the Board of Directors for the year	82.13	64.29
C.) Amount spent during the year on		
i) construction and acquisition of any asset	9.68	-
ii) on purposes other than (i) above	33.39	41.03
D.) Set off available for succeeding year	3.42	-
E.) Amount unspent during the year	-	-

i. Amount Spent during the year ended 31st March, 2023

Particulars	In cash	Yet to be paid in Cash	Total
a) for construction or acquisition of any asset	8.63	1.05	9.68
b) on purposes other than (a) above	32.47	0.92	33.39
Amount spent during the year ended 31st March, 2022:			
a) for construction or acquisition of any asset	-	-	-
b) on purposes other than (a) above	39.62	1.41	41.03

ii. Details of Short fall

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) out of amounts required to be spend during the year	-	-
b) previous years Shortfall	-	-
Reason for Shortfall :		
iii. Details of unspent amount	**As at 31st March, 2023**	**As at 31st March, 2022**
opening balance	-	-
Amount deposited in funds specified in Sch-VII within 6 months	-	-
Amount required to be spend during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-

Notes to STANDALONE FINANCIAL STATEMENTS

Note 37- Corporate Social Responsibilities (Contd.)

(₹ Crore)

iv. Details of excess amount spents	As at 31st March, 2023	As at 31st March, 2022
opening balance	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-
v. Details of on going project (to be given year wise)	**As at 31st March, 2023**	**As at 31st March, 2022**
Opening balance		
- with Company	-	-
- in separate unspent account	-	-
amount required to be spent	-	-
amount spent during the year		
- from Company	-	-
- from separate unspent account	-	-
closing balance		
- with Company	-	-
- in separate unspent account	-	-
vi. Nature wise expenses on CSR activities	**Year Ended 31st March, 2023**	**Year Ended 31st March, 2022**
Medical-health & family welfare	13.48	6.95
Education & scholarship	24.87	14.68
Promotion of sports	0.53	0.26
Community development centre	2.06	0.69
Sanitation & other Basic Amenities	-	17.24
Vocational Skill Centre development	-	0.01
Others	2.13	1.20
Total	**43.07**	**41.03**

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 38- 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):		
Whole Time Directors		
Shri.Prasanna Kumar Motupalli	Chairman and Managing Director	Appointed w.e.f. 12.01.2023
Shri. Rakesh Kumar	Chairman and Managing Director	Relinquished w.e.f 01.01.2023
Shri. Shaji John	Director (Power)	Relinquished w.e.f 01.02.2023
Shri. Jaikumar Srinivasan	Director (Finance)	Relinquished w.e.f 21.07.2022
Shri. K Mohan Reddy	Director (Planning and Projects) and Director (Power) Addnl Charge	
Shri Suresh Chandra Suman	Director (Mines) and Director (Finance - Addnl charge)	Appointed w.e.f. 11.05.2022
Shri. Samir Swarup	Director (Human Resource)	Appointed w.e.f. 27.02.2023
Independent Directors		
Shri. Dr. V Muralidhar Goud	Non Executive Director	Relinquished w.e.f. 10.07.2022
Shri. N K Narayanan Namboothiri	Non Executive Director	Relinquished w.e.f. 10.07.2022
Shri. Subrata Chaudhuri	Non Executive Director	
Shri. Prakash Mishra	Non Executive Director	
Prof. Nivedita Srivastava	Non Executive Director	
Shri. MT Ramesh	Non Executive Director	Appointed w.e.f. 06.04.2022
Nominee Directors		
Shri. Nagaraju Maddirala	Non Executive Director	Relinquished w.e.f. 22.02.2023
Smt. Vismita Tej	Non Executive Director	Appointed w.e.f 22.02.2023
Shri. Ramesh Chand Meena	Non Executive Director	
Chief Financial officer and Company Secretary		
Shri. Jaikumar Srinivasan	Chief Financial Officer	Relinquished w.e.f. 21.07.2022
Shri. Suresh Chandra Suman	Chief Financial Officer (Addnl Charge)	Appointed w.e.f. 01.01.2023
Shri. K. Viswanath	Company Secretary	Relinquished w.e.f. 01.12.2022
Shri.R.Udhayashankar	Company Secretary	Appointed w.e.f. 01.12.2022
ii) Subsidiaries, Joint Ventures and Associates		
- NLC Tamilnadu Power Limited (NTPL)		Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL)		Subsidiary
- MNH Shakti Limited (MNH)		Associate
- Coal Lignite Urja Vikas Private Limited (CLUVPL)		Joint Venture
iii) Post Employment Benefit Plans:		
- NLC Employees PF Trust		
- NLC Employees Pension Fund		
- NLC Post Retirement Medical Assistance Fund		
- NLC Employee Gratuity Fund		
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.		

Notes to STANDALONE FINANCIAL STATEMENTS

Note 38- Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below (Contd.)

(₹ Crore)

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:

i) Key management personnel compensation	As on 31st March, 2023	As on 31st March, 2022
Short Term Employee Benefits	2.96	3.19
Post-employment benefits	0.24	0.25
Other long-term benefits	0.51	0.57
Sitting fees	0.42	0.27
Total	**4.13**	**4.27**

ii) Transactions with Subsidiaries

Particulars	Neyveli Tamilnadu Power Limited (NTPL)		Neyveli Uttar Pradesh Power Limited (NUPPL)	
	2022-23	2021-22	2022-23	2021-22
i) Sales/purchase of goods and services				
- Goods (excluding GST)/advance	256.50	156.04	-	-
- Services (excluding GST)	19.72	19.65	15.29	15.12
ii) Sales/purchase of Assets	0.04	0.02	-	0.15
ii) Loans issued	-	-	100.00	375.00
iii) Loans repaid	-	-	100.00	375.00
iv) Equity contributions	-	-	263.65	318.18
v) Other dues	0.44	0.57	-	-
vi) Dividend Received	97.37	331.05	-	-
vii) Interest Payable	-	1.85	-	-
viii) Interest receivable	-	-	0.89	7.08

iii) Transactions with Joint Venture & Associate:

Particulars	Coal Lignite Urja Vikash Private Limited		MNH Shakti Limited	
	2022-23	2021-22	2022-23	2021-22
i) Reimbursement of employee cost	-	-	-	-
ii) Loans issued	-	-	-	-
iii) Loans repaid	-	-	-	-
iv) Consultancy Service		0.02	-	-
v) Equity contributions	-	-	-	-
vi) Equity Reduction (receipts)	-	-	-	7.50

iv) Transactions with Post employment benefit plans:

Particulars	2022-23	2021-22
Contributions made during the year	330.73	304.37

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 38- Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below (Contd.)

(₹ Crore)

v) Transactions with the related parties under the control of the same government:			
Name of the Company	**Nature of transaction**	**2022-23**	**2021-22**
Bharat Heavy Electricals Limited	Purchase of Goods and Services	248.32	64.80
BEML Limited	Purchase of Goods and Services	92.01	68.17
Hindustan Petroleum Corporation Limited	Purchase of Fuel and Stores	155.48	71.88
Bharat Petroleum Corporation Limited	Purchase of Fuel and Stores	226.23	120.67
Indian Oil Corporation Limited	Purchase of Fuel and Stores	242.66	126.66
Steel Authority Of India Limited	Purchase of Steel	25.10	20.81
Balmer Lawrie & Co Limited	Purchase of Air Ticket & Lubricants	18.26	11.34
MSTC Limited	Commission on e-auction	0.75	1.48
Mecon Limited	Consultancy Services-MOEF norms	0.09	0.30
Instrumentation Limited	Supply of spares	0.74	0.47
Mahanadi Coal Fields Limited (MCL)	Loan repayment	-	625.00
Power Grid Corporation Of India Limited	Maintenance Contract	0.22	3.36
Central Mine Planning & Design Institute	Testing/consultancy	-	0.09
Central Power Research Institute (CPRI)	Consultancy and Testing Fee	0.53	0.54
Projects Development India Limited	Consultancy Services-Methanol Project	0.37	0.38
LIC India Limited	Risk Insurance Policy Premium	0.42	-
National Insurance Company Limited	PRMI Insurance/Mega Insurance	89.82	97.26
New India Assurance Company Limited	Insurance Premium (group insurance)	2.81	2.77
United India Insurance Company Limited	Insurance Premium	0.08	0.06
Railtel Corporation of India Limited	Internet Services	0.10	0.13
Rites Limited	Consultancy for Railway siding	-	0.15
Mahanadi Coal Fields Limited (MCL)	Sale of Coal	-	3.07
NTPC limited	Sale of Coal	1,481.98	360.01
NALCO	Sale of Coal	24.69	-
BSNL	Land Line and Internet Services	2.47	0.16
Grid Controller of India Limited	Transmission Charges	32.28	27.95
National Informatics Centre Services	E mail Service	-	0.13
MMTC Limited	Purchase of gold coins	0.09	0.60
Certification Engineers International	TPI Charges	0.23	-
Central Transmission Utility of India	Transmission Charges	0.65	-
NATIONAL POWER TRAINING INSTITUTE	Seminar/ Conference Participation Fee	0.12	-
ENGINEERS INDIA LIMITED	Project consultancy works	7.16	-
HINDUSTAN COPPER LIMITED	Seminar/Conference Participation Fee	0.10	-
NATIONAL SECURITIES DEPOSITORY LIMITED	Annual Custodial Charges	0.13	-
CENTRAL DEPOSITORY SERVICES (I) LIMITED	Annual Custodial Charges	0.15	-

Notes to STANDALONE FINANCIAL STATEMENTS

Note 38- Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below (Contd.)

(₹ Crore)

c) Outstanding balances with related parties are as follows:				
Particulars	Transactions value for the year ended 31st March,		Balance outstanding as at 31st March,	
	2023	2022	2023	2022
i) Key Managerial Personnel				
Shri.Shaji John/Director(Power)				
-towards CAR Loan	0.00	0.02	-	0.00
Shri. K Mohan Reddy/ Director(Planning and Projects)				
- towards Multi purpose loan	0.01	0.01	0.01	0.01
Shri.Viswanath K/Company Secretary				
- CAR Loan	0.01	0.01	-	0.01
- Festival Advance	-	0.00	-	-
Shri R. Udhayashankar/Company Secretary				
- CAR Loan	0.01	-	0.02	-
- Multipurpose Loan	0.01	-	0.01	-

ii) Subsidiaries , Joint Ventures & Associates		
Particulars	As at 31st March, 2023	As at 31st March, 2022
1) Neyveli Tamilnadu Power Limited (NTPL)		
- Receivable	-	-
- towards Other Loan & Advances	-	-
- Others	126.62	53.36
- Payable	-	-
2) Neyveli Uttar Pradesh Power Limited (NUPPL)		
- Receivable	-	-
- towards Loan & Advances	-	-
- Others	22.47	19.04
- Payable	-	-
3) MNH Shakti Limited		
There were no Receivables/payables as at the end of Financial Year with MNH Shakti Limited	-	-
4) Coal Lignite Urja Vikash Pvt Ltd (CLUVPL)		
There were no Receivables/payables as at the end of Financial Year with CLUVPL.	-	-

iii) Post Employment Benefit Plan:		
Particulars	As at 31st March, 2023	As at 31st March, 2022
- Receivable	-	-
- Payable	27.64	28.04

Notes to STANDALONE FINANCIAL STATEMENTS

Note 38- Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below (Contd.)

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 subsidiary and joint venture companies at the year-end are unsecured and settlement occurs through banking transaction. These balances other than loans are interest free.
(4) For the year ended 31st March, 2023 and 31st March, 2022 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.

Note 39- Employment 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 interest of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund. Their defined benefit plans expose the group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

Defined benefit plan is fully funded by the group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The 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 ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death considering the provisions of the Payment of Gratuity Act, 1972, as amended. The gratuity scheme is funded by the Company and is managed by separate trust. The liability for gratuity scheme is recognised on the basis of actuarial valuation.

The Company provides 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. However total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for the same is recognized on the basis of actuarial valuation.

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 39- Employment Benefits (Contd.)

(₹ Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability
Balance as at 1st April, 2022	1,131.71	1,148.83	(17.12)	604.05	595.48	8.57
Included in profit and loss						
Current Service Cost	18.69	-	18.69	27.16	-	27.16
Past service cost and gain or loss on settlement	-	-	-		-	-
Interest cost/(income)	72.06	73.24	(1.18)	39.36	39.07	0.29
Included in OCI/Profit and Loss account	-	-	-	-	-	-
Remeasurement of loss (gain) :	-	-	-	-	-	-
Actuarial loss (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(10.76)	-	(10.76)	(6.87)	-	(6.87)
Experience adjustment	19.24	8.45	10.79	(8.97)	4.01	(12.98)
Return on plan asset excluding interest income	-	-	-	-	-	-
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	0.20	-	0.20	0.19	-	0.19
Other	-	-	-	-	-	-
Contributions Paid by the employer	-	0.59	(0.59)	-	8.57	(8.57)
Benefits paid	(172.11)	(172.11)	-	(67.15)	(67.15)	-
Balance as at 31st March, 2023	**1,059.04**	**1,059.01**	**0.03**	**587.78**	**579.97**	**7.81**

(₹ Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability
Balance as at 1st April, 2021	1,237.32	1,240.53	(3.21)	618.57	576.54	42.03
Included in profit and loss						-
Current Service Cost	20.22	-	20.22	27.99	-	27.99
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost/(income)	74.04	74.25	(0.21)	38.10	36.74	1.36
Included in OCI	-	-	-	-	-	-
Remeasurement of loss (gain) :	-	-	-	-	-	-
Actuarial loss (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(19.58)	-	(19.58)	(11.84)	4.70	(16.54)
Experience adjustment	(1.40)	12.94	(14.34)	(4.24)	-	(4.24)
Return on plan asset excluding interest income	-	-	-	-	-	-
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	0.13	0.13	-	0.03	0.03	-
Other	-	-	-	-	-	-
Contributions Paid by the employer	-	-	-	-	42.03	(42.03)
Benefits paid	(179.02)	(179.02)	-	(64.56)	(64.56)	-
Balance as at 31st March, 2022	**1,131.71**	**1,148.83**	**(17.12)**	**604.05**	**595.48**	**8.57**

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 39- Employment Benefits (Contd.)

(₹ Crore)

Particulars	Gratuity		Leave Benefit	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Represented by :				
Net defined benefit asset	1,059.01	1,148.83	579.97	595.48
Net defined benefit liability	1,059.04	1,131.71	587.78	604.05
I) Plan Asset				
Plan Assets comprises the following:				
Equity Securities	7.70%	5.85%	4.08%	5.71%
Govt & Other Debt Securities	92.30%	94.15%	95.92%	94.29%
Details of the employee benefits and plan assets are provided below :				
Present value of funded obligation	1,059.04	1,131.71	587.78	604.05
Fair value of plan assets	1,059.01	1,148.83	579.97	595.48
Present value of net obligations	0.03	(17.12)	7.81	8.57
Unrecognised past service cost	-	-	-	-
II) Actuarial Assumptions				
The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages)				
Discount rate per annum	7.15%	6.90%	7.15%	6.90%
Expected return per annum on plan asset	7.15%	6.90%	7.15%	6.90%
Salary escalation per annum	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT
Attrition rate	1%	1%	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.				

(₹ Crore)

Particulars	Gratuity				Leave Benefit			
	31st March, 2023		31st March, 2022		31st March, 2023		31st March, 2022	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	1,038.17	1,080.79	1,108.13	1,156.29	574.56	601.70	589.92	618.93
Salary escalation per annum (+/- 50 BP)	1,062.99	1,054.93	1,136.97	1,125.53	601.93	574.24	619.13	589.60

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 39- Employment Benefits (Contd.)

(₹ 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
31st March 2023					
Gratuity	161.86	182.60	492.09	467.19	1,303.74
Leave Benefit	84.55	103.90	262.08	239.65	690.18
Total	**246.41**	**286.50**	**754.17**	**706.84**	**1,993.92**
31st March 2022					
Gratuity	174.65	159.00	508.26	543.64	1,385.55
Leave Benefit	86.20	83.34	269.69	273.18	712.41
Total	260.85	242.34	777.95	816.82	2,097.96

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:

(₹ Crore)

Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2023	2022	2023	2022	2023	2022
Balance as at 1st April	3,110.65	3,206.91	3,120.68	3,217.46	(10.03)	(10.55)
Current Service Cost	164.60	162.48	164.60	162.47	(0.00)	0.01
Interest cost (income)	218.92	221.33	-	-	218.92	221.33
Actuarial loss (gain)	12.68	(22.96)	(0.05)	(47.01)	12.73	24.05
Expected return on plan assets	(9.00)	(10.04)	221.62	234.83	(230.62)	(244.87)
Contributions Paid by the employer	325.40	371.17	325.40	371.17	-	-
Benefits paid	(869.91)	(818.24)	(869.91)	(818.24)	-	-
Balance as at 31st March	**2,953.34**	**3,110.65**	**2,962.34**	**3,120.68**	**(9.00)**	**(10.03)**

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 Adjustment 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 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 ₹9.01 Crore (Previous year ₹ 10.03 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.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 39- Employment Benefits (Contd.)

Plan assets comprises the following:

(₹ Crore)

Particulars	31st March, 2023		31st March, 2022	
	(₹ in Crore)	% of total assets	(₹ in Crore)	% of total assets
I) Plan Asset				
Equity Securities/Exchange Traded funds	19.90	0.67%	34.97	1.12%
Fixed Income/Debt Securities/Others	2,942.44	99.33%	3,085.71	98.88%
Total	**2,962.34**	**100.00%**	**3,120.68**	**100.00%**
II) Actuarial Assumptions	**31st March, 2023**		**31st March, 2022**	
The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages)				
Discount rate per annum	7.17%		6.94%	
Expected return per annum on plan asset	8.15%		8.10%	
Super-annuation age	60 Years		60 Years	
Remaining work life	Average of 8.77 years		Average of 8.52 years	
Mortality	IALM 2012-14 ULT		IALM 2012-14 ULT	

Pending notification from EPFO , interest on Provident fund has been considered on a provisional basis based on recommendation of Central Board of Provident Fund.

C. Defined Contribution Plan:

Post Retirement Medical Assistance (PRMA)

The Company has a Post Retirement Medical Assistance scheme, under which annual cash assistance is provided to retired employees and their spouses for both inpatient and outpatient medical treatment availed in subject to Company's grade wise policy applicable for employees.

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. For the employees retired on or before 31st December, 2006 , the Company has extended the post retirement medical assistance in form of cash reimbursements and mediclaim insurance. A separate fund is maintained by the Company and necessary contributions are made every year for this purpose.

Disclosure in respect of Defined contribution plan in respect of PRMA :

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
i. Amount recognised in the profit and loss account as premium paid to the Insurance Company	15.57	15.49
ii. Liability provided for the fixed Medical Assistance	18.63	15.26

Notes to STANDALONE FINANCIAL STATEMENTS

Note 40- Financial Instruments - Fair Value Disclosures

31st March, 2023

(₹ Crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
A. Financial Assets				
Investments	4,196.32	-	-	4,196.32
Loans	38.80	-	-	38.80
Trade Receivables	4,168.59	-	-	4,168.59
Cash and Cash equivalents	71.18	-	-	71.18
Other Bank balances	129.01	-	-	129.01
Other financial assets	3,257.84	-	-	3,257.84
B. Financial Liabilities				
Borrowings	9,348.34	-	-	9,348.34
Trade Payable	1,635.53	-	-	1,635.53
Lease Liability	27.18	-	-	27.18
Other financial liabilities	809.75	-	-	809.75

31st March, 2022

(₹ Crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
A. Financial Assets				
Investments	3,932.67	-	-	3,932.67
Loans	47.46	-	-	47.46
Trade Receivables	3,128.65	-	-	3,128.65
Cash and Cash equivalents	123.52	-	-	123.52
Other Bank balances	113.37	-	-	113.37
Other financial assets	1,575.36	-	-	1,575.36
B. Financial Liabilities				
Borrowings	10,239.03	-	-	10,239.03
Trade Payable	1,076.51	-	-	1,076.51
Lease Liability	27.40	-	-	27.40
Other financial liabilities	1,099.37	-	-	1,099.37

The fair valuation of employees loans have been carried out and accounted appropriately through profit and loss account, however the amount is immaterial. Hence the same has not been disclosed separately.

Note 41- Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 8.96 Crore (previous year ₹ 5.22 Crore). Interest rate adopted for capitalisation is 7.42%

Notes to STANDALONE FINANCIAL STATEMENTS

Note 42- Disclosure as per Ind AS 116 'Leases'

The Company has adopted Ind AS 116 "Leases" with effect from 1st April 2019 and has applied the standard to all lease contracts that are existing as at 1st April 2019. The Company has chosen the modified retrospective approach for valuation of its right of use assets and lease liability.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability Adjustment for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and Adjustment for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-to-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets, when it is new. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

The companies significant leasing arrangements are in respect of various assets are as follows :

a) **Land :** The Company has lease arrangement with respect to its office and township requirements at various locations (i.e., HUDCO land at Delhi and office & township land in Talabira project, Odisha) for 99 years. The lease rental are fixed for entire lease term, which has been arrived based on lease agreement. The lease can be extended for similar periods on mutually agreed terms after the completion of the current lease period. The Company does not have option to buy.

b) **Vehicles :** The Company has taken certain vehicles (including e-vehicles) on lease for a period extending up to 5 years, which can be further extended at mutually agreed terms. All the lease rental of vehicles are fixed in nature except for e-vehicles Lease rental for which are escalated @10% each year.

c) **Plant and Machinery :** An agreement has been arrived between NLCIL (the Company) and Solar Development Operator (SDO) to use power evacuation facility for a period of 25 years. The lease rental are fixed in nature.

d) **Buildings :** Premises for use of offices and guest houses on lease are usually renewable on mutually agreeable terms. The lease rental are fixed in nature for one property and escalated by 10% each year for other properties.

When measuring lease liabilities, the Company discounted lease payments using its weighted average borrowing rate of long term loans.

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 42- Disclosure as per Ind AS 116 'Leases'

i. As a lessee

Following are the changes in the carrying value of right of use assets and Lease liability for the year ended 31st March 2023:

(₹ Crore)

Particulars	Plant & Machinery	Property	Vehicles	Land	Total
A) Right-of-use assets					
Balance at 1st April 2022	14.03	0.90	1.94	37.72	54.59
Additions	0.90	0.23	-	-	1.13
Deductions :					
Depreciation charge	0.73	0.41	0.60	0.39	2.13
Short closure	-	-	-	-	-
Balance at 31 March 2023	14.20	0.72	1.34	37.33	53.59
B) Lease Liability		**For the year ended 31st March, 2023**		**For the year ended 31st March, 2022**	
Opening balance		27.40		4.02	
Additions :					
- Addition to lease liability		1.13		22.75	
- Interest towards lease liability		2.32		3.20	
Deductions :					
- Payment of lease liability		3.67		2.47	
- Short closure		-		0.10	
Closing Balance		27.18		27.40	
C) Maturity analysis – contractual undiscounted cash flows		**2022-23**		**2021-22**	
Less than one year		3.75		3.52	
One to five years		11.46		12.03	
More than five years		61.13		62.46	
Total undiscounted lease liabilities as at 31st March		**76.34**		**78.01**	
Lease liabilities included in the balance sheet as at 31st March		27.18		27.40	
Current		2.34		1.64	
Non-current		24.84		25.76	
D) Amounts recognised in the profit or loss		**For the year ended 31st March, 2023**		**For the year ended 31st March, 2022**	
Interest on lease liabilities		2.32		3.18	
Expenses relating to leases of low-value assets		-		-	
Total		**2.32**		**3.18**	
E) Amounts recognised in the statement of cash flows		**For the year ended 31st March, 2023**		**For the year ended 31st March, 2022**	
Total cash outflow for leases		3.67		2.47	

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. As a lessor

The Company has not entered any agreement as on date of this financial year as a lessor. Thus the disclosure requirements of Ind AS 116 as lessor does not arise for the Company.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 43- Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

a. Subsidiaries

The Company's subsidiaries as at 31st March 2023 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	
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. Joint Venture

The Company's Joint Venture as at 31st March 2023 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		31st March, 2023	31st March, 2022	
Coal Lignite Urja Vikas Private Limited (CLUVPL)	India	50%	50%	Renewable Energy

c. Associate

The Company's Associate as at 31st March 2023 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		31st March, 2023	31st March, 2022	
MNH Shakti Limited	India	15%	15%	Coal Mining

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

Note 44- Disclosure as per Ind AS 114 'Regulatory Deferral Accounts'

i. Nature of rate regulated Activities

The Company is engaged in the business of mining of lignite/coal 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)/State Electricity Regulatory Commission (SERC)/bidding process. The CERC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of power and transfer of lignite. The CERC has notified its second amendment to its tariff regulation 2019-24, where in transfer price of Coal/Lignite will be determined by CERC effective from 1st April, 2019. The Company has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on 26th July, 2022 and for Barsingsar mines on 26th December, 2022 in line with regulations. Pending disposal of the said Petition, the Company has filed interlocutory application seeking approval of provisional Lignite transfer price for the neyveli mines. Subsequently CERC has issued interim lignite transfer price order for the control period 2019-24 and the differential impact on such order is recognised under power sales.

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 enable the Company to recover its costs of providing the goods or services plus a fair return.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 44- Disclosure as per Ind AS 114 'Regulatory Deferral Accounts' (Contd.)

ii. Recognition and Measurement

As per the CERC/SERC 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 periods 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 adverse items in the order along with period cost if any required is considered under the Regulatory Deferral Account in the Profit or Loss of the respective financial year based on the reliable estimates of the Company on case to case basis.

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 Adjustment from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹134.24 Crore for the year ended 31st March, 2023 has been accounted for as 'Regulatory deferral account debit balance' (31st March, 2022: ₹ 117.85 Crore accounted as 'Regulatory deferral account debit balance'.)

As per the CERC tariff regulation the expenses towards water charges , security expense and capital spares shall be allowed to be claimed from the beneficiaries based on prudence check at the time of truing up. The Company has recognised ₹ 108.78 Crore as on 31st March, 2023 (₹ 484.04 Crore as on 31st March, 2022.) under its regulatory assets subject to petition for truing up for tariff period 19-24.

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 derecognition 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, where the Company has preferred an appeal 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/liabilities recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ Crore)

a) Regulatory deferral account debit balance		
Particulars	**31st March, 2023**	**31st March, 2022**
A. Opening balance	1,964.35	1,599.80
B. Addition during the current year	375.77	364.55
C. Amount Adjustment/collected/refunded during the year	1,562.50	-
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	(1,176.33)	374.17
E. Closing balance	**777.62**	**1,964.35**

(₹ Crore)

b) Regulatory deferral account credit balance		
Particulars	**31st March, 2023**	**31st March, 2022**
A. Opening balance	2,717.95	2,621.62
B. Addition during the current year	1,255.17	91.93
C. Amount Adjustment/collected/refunded during the year	142.50	(4.40)
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	1,116.33	100.64
E. Closing balance	**3,830.62**	**2,717.95**

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 44- Disclosure as per Ind AS 114 'Regulatory Deferral Accounts' (Contd.)

(₹ Crore)

c) Total amount recognized in the Statement of Profit & Loss during the year		
Particulars	31st March, 2023	31st March, 2022
Total amount Income/(Expenses) recognized in the Statement of Profit & Loss during the year	(2,292.66)	273.53

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.

Note 45- 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 maintains an optimal balance between the higher return that further borrowings may generate vis -s vis the security afforded by 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 1.0

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of noncurrent borrowings (including current maturities) and current borrowings as specified in Note no.19 (a) , 16 (a) less cash and cash equivalents (excluding earmarked deposits). Equity includes equity share capital and reserves (excluding earmarked Reserves) that are managed as capital.

The gearing ratio at the end of the reporting period was as follows:

(₹ Crore)

Gearing Ratio:		
Particulars	31st March, 2023	31st March, 2022
Debt #	9,348.34	10,239.03
Less: Cash and Cash equivalents	71.18	123.52
Net debt	9,277.16	10,115.51
Total equity*	14,084.21	13,162.70
Net debt to total equity ratio	0.66	0.77

* excludes earmarked deposits/reserves
# debt does not include amount payable to subsidiaries.

Note 46- Financial Risk Management

The treasury function of the Company 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.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 46- Financial Risk Management (Contd.)

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 loans, trade and other receivables, short term deposits etc.

A. 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 Receivable

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 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 31st March, 2023, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 3,263.54 Crore of the trade receivables carrying amount (₹ 2,009.58 Crore of the trade receivables as at 31st March, 2022)

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/customers 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. Further, management believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full. However, considering various regulatory and other disputes including historical payment behaviour and analysis of customer credit risk impairment loss has been considered for the reporting period in respect of trade receivables.

(ii) Ageing analysis of trade receivables

The Company's debtors include debtors in respect of Thermal Station, Mines, Renewables and also other debtors. As a policy, the Company does an ageing analysis of debtors, the details of which is stated below.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 46- Financial Risk Management (Contd.)

The ageing analysis of the trade receivables is as below:

FY 2022-23

(₹ Crore)

Particulars	Out standing from the due date of Payment					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
A) Undisputed						
(i) Trade receivables – considered good	2,400.04	607.60	324.36	3.00	0.31	3,335.31
(ii) Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	328.44	0.55	35.73	157.25	328.62	850.59
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired	2.92	0.67	2.05	10.34	29.92	45.90
Particulars	**Out standing from the date of invoice**					
	Less than 6 months	**6 months -1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
C) Undisputed						
(vii) Trade receivables – considered good	13.04	55.90	13.39	22.78	28.23	133.34
Total (A+B+C)	**2,744.44**	**664.72**	**375.53**	**193.37**	**387.07**	**4,365.14**

FY 2021-22

(₹ Crore)

Particulars	Out standing from the due date of Payment					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
A) Undisputed						
(i) Trade receivables – considered good	921.71	632.56	306.30	189.60	-	2,050.17
(ii) Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	1.50	43.02	677.22	432.99	286.60	1,441.33
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						
Particulars	**Out standing from the date of invoice**					
	Less than 6 months	**6 months - 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
C) Undisputed						
(vii) Trade receivables – considered good	64.14	15.44	30.74	21.81	6.53	138.66
Total (A+B+C)	**987.35**	**691.02**	**1,014.26**	**644.40**	**293.13**	**3,630.16**

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 46- Financial Risk Management (Contd.)

B. 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 other 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:

(₹ Crore)

Floating-rate borrowings		
Particulars	**31st March, 2023**	**31st March, 2022**
Working capital Loan (SBI)	3,502.00	3,715.00
Term Loan - Solar 709MW (SBI)	233.00	233.00
Term Loan - Talabira Project (SBI)	1,087.75	1,087.75
Total	**4,822.75**	**5,035.75**

a) SBI ₹ 1,680.75 Crore facility has been taken for Talabira project. Out of the entire facility as on 31st March, 2023 the undrawn amount is ₹ 1,087.75 Crore. Ref note 16(a).

b) SBI term loan of ₹ 2,552.00 Crore has been taken for solar 709 MW , out of which ₹ 2,319.00 Crore has been utilised till date and the undrawn amount is ₹ 233.00 Crore as on 31st March, 2023. ref note 16 (a).

c) A working capital cash credit facility of ₹ 4,000.00 Crore availed from SBI, out of which ₹ 498 Crore (PY ₹ 285 Crore) Crore has been utilised and the undrawn amount of ₹ 3,502 Crore (PY ₹ 3,715 Crore) Crore is available as on 31.03.2023. Ref Note no. 19 (a).

Notes to STANDALONE FINANCIAL STATEMENTS

Note 46- Financial Risk Management (Contd.)

(ii) Maturities of financial liabilities

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

(₹ Crore)

31st March, 2023	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)	14.49	14.49	28.98	86.93	271.57	416.47
PFC_NNTPS ₹ 3000 Cr	-	300.00	300.00	900.00	450.00	1,950.00
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	99.97	-	-	-	99.97
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	44.97	-	-	134.97
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	45.56	-	-	136.76
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	657.60	512.44	1,680.44
RTL 1680.75Cr_Talabira Mine	-	168.08	88.65	-	-	256.73
NLCIL Bonds 2019- Series I	-	-	-	-	1,475.00	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	-	525.00	525.00
NLCIL Bonds 2020- Series II	-	-	-	500.00	-	500.00
NLCIL Bonds 2021- Series I	-	-	-	1,175.00	-	1,175.00
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	500.00
WCDL (linked to Treasury bill)	498.00	-	-	-	-	498.00
TOTAL	640.09	891.34	763.36	3,319.54	3,734.01	9,348.34
Note : Refer note of 16(A) and 19 (A)						

(₹ Crore)

31st March, 2022	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)	13.64	13.64	27.29	81.86	283.01	419.44
PFC_NNTPS ₹ 3000 Cr	-	300.00	300.00	900.00	750.00	2,250.00
RTL_HDFC Solar 130 MW	-	96.20	-	-	-	96.20
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	100.00	99.97	-	-	199.97
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	90.00	44.97	-	224.97
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	91.20	45.57	-	227.97
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	707.60	717.68	1,935.68
RTL 1680.75Cr_Talabira Mine	-	168.08	168.08	88.64	-	424.80
Rupee Loan _ Mahanadi Coal Fields	-	-	-	-	1,475.00	1,475.00
NLCIL Bonds 2019- Series I	-	-	-	-	525.00	525.00
NLCIL Bonds 2020- Series I	-	-	-	500.00	-	500.00
NLCIL Bonds 2020- Series II	-	-	-	1,175.00	-	1,175.00
NLCIL Bonds 202I- Series I	-	-	-	-	500.00	500.00
WCDL (linked to Treasury bill)	285.00	-	-	-	-	285.00
TOTAL	426.24	986.72	1,031.74	3,543.64	4,250.69	10,239.03

Notes to STANDALONE FINANCIAL STATEMENTS

Note 46- Financial Risk Management (Contd.)

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

(₹ Crore)

31st March, 2023	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)	1.56	1.51	2.85	7.25	10.06	23.23
KfW Guarantee Fees	5.00	-	4.65	11.86	16.96	38.47
PFC_NNTPS ₹ 3000 Cr	41.37	118.56	133.98	248.90	38.23	581.04
RTL 500 Cr_ Axis Bank - Solar 500 MW	2.15	3.80	-	-	-	5.95
RTL 450 Cr_ Axis Bank - Solar 500 MW	2.89	6.78	1.93	-	-	11.59
RTL 456 Cr_ Federal Bank - Solar 500 MW	2.99	7.02	1.99	-	-	12.01
RTL 2552Cr_Solar 709 MW	35.16	95.57	108.97	208.34	53.68	501.72
RTL 1680.75Cr_Talabira Mine	5.38	12.67	3.91	-	-	21.96
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	238.66	835.30
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	77.28	270.48
NLCIL Bonds 2020- Series II	-	26.70	26.70	18.58	-	71.98
NLCIL Bonds 2021- Series I	-	71.09	71.09	71.09	-	213.27
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	147.76	319.01
Treasury bill Linked WCDL	0.52	-	-	-	-	0.52
TOTAL	216.35	416.58	548.29	1,142.67	582.62	2,906.53

(₹ Crore)

31st March, 2022	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)	1.57	1.52	2.89	7.44	11.55	24.97
KfW Guarantee Fees	5.03	-	4.71	12.15	19.36	41.25
PFC_NNTPS ₹ 3000 Cr	35.12	101.00	117.65	239.33	70.44	563.54
RTL_HDFC Solar 130 MW	1.66	3.34	-	-	-	5.00
RTL 500 Cr_ Axis Bank - Solar 500 MW	3.82	9.12	5.29	-	-	18.23
RTL 450 Cr_ Axis Bank - Solar 500 MW	4.29	11.17	8.60	1.71	-	25.77
RTL 456 Cr_ Federal Bank - Solar 500 MW	4.23	11.04	8.50	1.69	-	25.46
RTL 2552Cr_Solar 709 MW	33.52	92.12	108.17	219.72	87.25	540.78
RTL 1680.75Cr_Talabira Mine	7.36	19.22	14.93	3.23	-	44.74
Rupee Loan _ Mahanadi Coal Fields	119.33	-	119.33	357.98	357.98	954.62
NLCIL Bonds 2019- Series I	-	38.64	38.64	115.92	115.92	309.12
NLCIL Bonds 2020- Series I	-	26.70	26.70	45.28	-	98.68
NLCIL Bonds 2020- Series II	-	71.09	71.09	142.18	-	284.36
NLCIL Bonds 202l- Series I	-	34.25	34.25	102.75	182.01	353.26
Treasury bill Linked WCDL	0.24	-	-	-	-	0.24
TOTAL	216.17	419.21	560.75	1,249.38	844.51	3,290.02

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 46- Financial Risk Management (Contd.)

C. 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.

D. Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. Up to 31st March, 2016 the Company till the date of commercial operation capitalize 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 31st March, 2023 and as at 31st March, 2022.

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
Financial liabilities		
Borrowings - KfW*	416.47	419.44

* 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 31st March, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ Crore)

Particulars	Profit and loss	
31st March, 2023	**Strengthening**	**Weakening**
10% movement		
Borrowings - KfW	41.65	(41.65)
31st March, 2022	**Strengthening**	**Weakening**
10% movement		
Borrowings - KfW	41.94	(41.94)

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.

E. Interest rate Risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 46- Financial Risk Management (Contd.)

E. Interest rate Risk (Contd.)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
Financial assets		
Fixed-rate instruments		
Employee Loans	38.80	47.46
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	2,308.87	3,109.59
- Power Finance Corporation (PFC)	1,950.00	2,250.00
Fixed-rate instruments		
Bonds		
NLCIL Bonds 2019 Series I	1,475.00	1,475.00
NLCIL Bonds 2020 Series I	525.00	525.00
NLCIL Bonds 2020 Series II	500.00	500.00
NLCIL Bonds 2021 Series I	1,175.00	1,175.00
NLCIL Bonds 2021 Series II	500.00	500.00
Rupee term loans		
- Working Capital Demand Loan-T Bill link	498.00	285.00
Foreign Currency Loan		
- KfW	416.47	419.44

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.

(₹ Crore)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
March 31st 2023		
Rupee term loans		
- From Banks	(11.54)	11.54
- Power Finance Corporation (PFC)	(9.75)	9.75
	(21.29)	**21.29**
March 31st 2022		
- From Banks	(15.55)	15.55
- Power Finance Corporation (PFC)	(11.25)	11.25
	(26.80)	**26.80**

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortized 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.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 47- 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
Mining	Mining of lignite and Coal
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 standalone financial statements.

B. Information about reportable segments:

(₹ Crore)

Particulars	Mining		Power Generation		Inter segment Adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
REVENUE								
External Sales	2,568.48	1,749.89	10,386.52	8,106.59	-	-	12,955.00	9,856.48
Inter-segment sales	5,413.56	4,866.96	478.42	436.66	5,891.98	5,303.62	-	-
Total Revenue	7,982.04	6,616.85	10,864.94	8,543.25	5,891.98	5,303.62	12,955.00	9,856.48
RESULT								
Segment Result	1,995.85	1,298.35	2,262.47	1,308.71	-	-	4,258.32	2,607.06
Other Income							852.22	737.14
Unallocated Corporate expenses.							739.14	(118.06)
Operating Profit							4,371.40	3,462.26
Interest Expense							755.63	783.78
Interest Income							388.68	44.24
Exceptional Items							12.32	(389.83)
Income taxes							475.91	1,369.64
Profit from Ordinary activities							3,540.86	963.25
Net Movement in regulatory account balance income/(expenses)							(2,292.66)	273.53
Other Comprehensive Income							0.02	26.76
Net Profit							1,248.22	1,263.54
OTHER INFORMATION	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Segment Assets	5,780.24	4,660.02	23,064.41	22,023.57	-	-	28,844.65	26,683.59
Unallocated Corporate assets(Including Capital Work-in Progress)							6,367.41	6,957.59
Total Assets	-	-	-	-	-	-	35,212.06	33,641.18
Segment liabilities	5,077.83	3,052.37	11,107.94	10,497.68	-	-	16,185.77	13,550.05
Unallocated Corporate liabilities							4,387.43	6,284.49
Total liabilities	-	-	-	-	-	-	20,573.20	19,834.54
Capital Expenditure	881.15	358.09	57.24	94.72	-		938.39	452.81
Depreciation	405.17	506.24	917.62	926.36	-	-	1,322.79	1,432.60
Non-cash expenses other than depreciation	22.76	50.00	108.30	11.00	-	-	131.06	61.00

Notes to STANDALONE FINANCIAL STATEMENTS

Note 47- Disclosure as per Ind AS 108 'Operating Segments' (Contd.)

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 and wages
   iii) Service Centres Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.

C.Information about major customers

Revenue from one major customer under "generation of energy" segment is ₹ 4,530.47 Crore (31st March, 2022 : ₹ 4,208.87 Crore) which is more than 10% of Company's total revenues.

Note 48

Advances, Sundry Debtors and Sundry Creditors have been linked with corresponding credits/debits to the extent practicable. Balances due in respect of advances and amount due to creditors are subject to confirmation and reconciliation. However, power and lignite sale dues are reconciled periodically with debtors.

Note 49 - Contingencies and Commitment

(₹ Crore)

Particulars	As at 31st March, 2022	Additions	Deletions/Settlement	As at March 31, 2023
A. Contingencies				
1. Claims against the Corporation not acknowledged as debts:				
(i) From Employees /Others	NQ	NQ	NQ	NQ
(ii) From Statutory Authorities/Central Govt/ Govt Departments	731.55	522.26	421.92	831.89
(iii) From Statutory Authorities/State Govt/ Govt Departments	2,103.78	792.71	408.47	2,488.01
(iv) From CPSEs	-	-	-	-
(v) From Others	4,864.05	1,389.16	955.64	5,297.57
Sub-Total of Claims not acknowledged as debts	7,699.38	2,704.13	1,786.03	8,617.48
2. Guarantees issued by Company	423.46	415.00	400.01	438.45
Sub-Total Contingencies (A)	**8,122.84**	**3,119.13**	**2,186.04**	**9,055.93**
B. Commitment				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	283.90	3,377.03	483.55	3,177.38
Sub-Total Commitments (B)	**283.90**	**3,377.03**	**483.55**	**3,177.38**
Total Contingencies and Commitments (A+ B)	**8,406.74**	**6,496.16**	**2,669.59**	**12,233.31**

The above Contingent liabilities do not include the guarantees / letter of comfort/credit given by NLCIL to its subsidiaries and letter issued to various authorities against tax / other demand which has been challenged by the Company.

The Company is in the process of evaluating value of contingent assets. Based on preliminary estimate the same was not found material for separate disclosure.

NQ : Not Quantifiable

Notes to STANDALONE FINANCIAL STATEMENTS

Click for P&L Sheet

Note 50- Disclosure as per Ind AS 12 'Income Taxes'

A. Income Tax Expense

i) Income tax recognised in Statement of Profit and Loss

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
Current tax expense		
Current year	977.45	462.94
Adjustment for earlier years	(54.24)	603.67
Pertaining to regulatory deferral account balances	(557.90)	47.90
Total current tax expenses (A)	365.31	1,114.51
Deferred tax expense		
Origination and reversal of temporary differences	110.60	385.90
Less: MAT credit entitlement	-	130.77
Total deferred tax expense (B)	110.60	255.13
Total income tax expense (A + B)	**475.91**	**1,369.64**

ii) Income tax recognised in other comprehensive income

(₹ Crore)

Particulars	31st March, 2023			31st March, 2022		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(0.03)	(0.01)	(0.02)	32.44	5.68	26.76

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

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
Profit before tax (including OCI)	1,724.12	2,638.86
Tax using the Company tax @ 34.944% (PY 34.944%)	602.48	922.12
Tax effect of:		
Non-deductible tax expenses	563.76	674.07
Foreign exchange differences	-	-
Tax deductions/allowances	(746.69)	(1,211.60)
Tax on business loss	-	-
Previous year tax liability	(54.24)	603.67
Interest	-	1.16
Deferred Tax expenses/(income)	110.60	255.14
MAT credit entitlement	-	130.76
Total tax expense in the Statement of Profit and Loss	**475.91**	**1,375.32**

B. Tax losses carried forward

(₹ Crore)

Particulars	31st March, 2023	Expiry date	31st March, 2022	Expiry date
Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-

Notes to STANDALONE FINANCIAL STATEMENTS

Note 50- Disclosure as per Ind AS 12 'Income Taxes'

C. Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since year end, the Board of Directors of NLCIL have recommended the payment of final dividend @20% amounting to ₹ 2 per share for FY 2022-23 (31st March, 2022: ₹ 1.5 per share). As per IT act, 1961 as amended by Finance Act, 2020 dividend declared/ distributed/paid by the Company on or after 01.04.2020 shall be taxable in the hand of the share holder and the Company shall be required to deduct tax at source (TDS) at the rate prescribed under Income Tax Act from the dividend amount to be paid to the share holders at the time of distribution/payment of dividend .

Note 51- Information in respect of micro, small and medium enterprises as at 31st March, 2023 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
a) Amount remaining unpaid to any supplier:		
Principal amount	49.50	23.76
Interest due thereon	-	-
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	-	-

Note 52- Disclosure as per Ind AS 33 'Earnings per Share'

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
(i) Basic and diluted earnings per share for the year ended		
From operations including regulatory deferral account balances (a)	9.00	8.92
From regulatory deferral account balances (b)	(12.51)	1.63
From operations excluding regulatory deferral account balances (a)-(b)	21.51	7.29
Nominal value per share (in ₹)	10.00	10.00
(ii) Profit attributable to equity shareholders (used as numerator)		
From operations including regulatory deferral account balances (a)	1,248.24	1,236.78
From regulatory deferral account balances-net of tax (b) (₹ in Crore)	(1,734.76)	225.63
From operations excluding regulatory deferral account balances (a)-(b) (₹ in Crore)	2,983.00	1,011.15
(iii) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares (Nos.)	1,38,66,36,609	1,38,66,36,609
Effect of shares issued during the year, if any (Nos.)	-	-
Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	**1,38,66,36,609**	**1,38,66,36,609**

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 53- Thermal Power Station - I (Retired from Operations)

(₹ Crore)

Particulars	For the Period ended	
	31st March, 2023	31st March, 2022
INCOME		
Revenue from Operations	212.84	-
Other Income	31.09	3.33
Total Income	243.93	3.33
EXPENSES		
Employee Benefit Expenses	19.58	13.96
Finance Costs	0.37	0.40
Depreciation and Amortization Expenses	0.43	0.51
Other Expenses	17.23	22.42
Total Expenses	37.61	37.29
Profit / (Loss) before Exceptional & Rate Regulatory Activity	206.32	(33.96)
Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	(230.48)	1.14
Exceptional Items	-	94.87
Profit / (Loss) before Tax	(24.16)	62.05

Note : During the year CERC has issued truing up order for the period 2014-19 accordingly the differential impact has been recognised under revenue from operations. In addition to that, CERC has issued order against the wage revision petition, consequential impact has been recognised in revenue from operations and regulatory expenses

Note 54- Capital Employed

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Employed	26,889.03	26,576.02

Note 55- Additional Disclosures to the notification dated 24th March 2021, by Ministry of Corporate Affairs

a) **Title deeds/Assignment Deeds/Govt.Orders of Immovable Property not held in name of the Company :** As on the date of financials all the immovable properties are held in the name of the Company by way of Title deed /Assignment deed/ Government Order. In certain cases the Company is in the process of updation of name in the revenue records.

b) **Loans and Advances to Directors, KMPs, & Related Parties :** The Company has a policy of loans and advances given to its employees including loans and advances given to Directors, KMPs and the related parties. All these loans are paid as in accordance with the Policy adopted by the Company and Repayments and interests to be charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March, 2021 to Companies Act 2013 is not applicable to the Company.

c) **Details of benami Properties :** There is no benami properties held by the Company as on date of financials. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March, 2021 to Companies Act 2013 is not applicable to the Company.

d) **Wilful Defaulter :** As on date of financials or any of the previous years , the Company has not defaulted any of its loans paid to any Banks or Financial Institutions.

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 55- Additional Disclosures to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

e) Relationship with Struck off Companies :

Name of the Struck off Company	Nature of Transactions with struck of Company	Balance Outstanding (₹ In Crore)	Relationship with the struck off Company, if any
BENNETT COLEMAN AND CO. LIMITED	Payables towards Goods and Services	0.01	Vendor for supply of Goods and Service
BERN ENGINEERING PRIVATE LIMITED	Payables towards Goods and Services	0.03	
GEO MINERAL WATERS PRIVATE LIMITED	Payables towards Goods and Services	0.01	
MANAVEA TECHNOLOGIES PRIVATE LIMITED	Payables towards Goods and Services	0.00	
MARINA INNS PRIVATE LIMITED	Payables towards Goods and Services	0.00	
MITRA S K (INSURANCE SURVEY) PVT LIMITED	Payables towards Goods and Services	0.43	
SAIL SALEM SEZ PRIVATE LIMITED	Payables towards Goods and Services	0.79	
SCANSTAR INSPECTION TECHNOLOGY PRIVATE LIMITED	Payables towards Goods and Services	0.00	
SKYNET TECHNOLOGIES PRIVATE LIMITED	Payables towards Goods and Services	0.00	
SONAR COMMUNICATIONS PRIVATE LIMITED	Payables towards Goods and Services	0.00	

f) Compliance with number of layers of companies : Clause (87) of section 2, section 450 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 and section 2 Companies (Restriction on number of layers) Rules, 2017, government companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March, 2021 to companies Act 2013 is not applicable to the Company.

g) Utilisation of Borrowed funds and share premium:

1) The Company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall. (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

2) The Company has not received any fund from any person(s) or entity(s), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the Company shall disclose the following.
Hence both the above additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March, 2021to companies Act 2013 is not applicable to the Company.

h) Details of Crypto Currency or Virtual Currency : The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year or any of the previous financial years.

i) Borrowings secured against current assets:
The Company has availed working capital facility of ₹ 5000 Crore (₹ 4000 Crore Fund based and ₹ 1000 Crore non fund based.) agreed with SBI and is secured by Hypothecation of entire current assets of the Company i.e., raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. The outstanding Working Capital loan as on 31st March, 2023 is ₹ 498 Crore in the form of T-bill linked WCL. This outstanding loan carries interest rate of 7.60% p.a.

The Company has filed quarterly/monthly returns with the banks and financial institutions as per the terms of loans. These returns are in agreement with books of accounts of the Company. There are no material discrepancies in the returns filed by the Company during the FY 22-23 or any of previous financial years.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 55- Additional Disclosures to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

j) **Registration of charges or satisfaction with Registrar of Companies (ROC) :** Not Applicable

k) **Trade Payable Ageing Schedule:**

(₹ Crore)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
FY 2022-23					
a) MSME	47.10	0.87	0.90	0.63	49.50
b) Other	1,200.52	153.54	8.51	223.46	1,586.03
c) Disputed Dues- MSME	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-
Total	**1,247.62**	**154.40**	**9.41**	**224.09**	**1,635.53**

(₹ Crore)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
FY 2021-22					
a) MSME	20.49	3.08	0.14	0.05	23.76
b) Other	524.23	46.21	60.64	421.68	1,052.75
c) Disputed Dues- MSME	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-
Total	**544.72**	**49.29**	**60.78**	**421.73**	**1,076.51**

l) Analytical Ratios:

Name of Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	Variation (%)	Reason for Variation
1) Current Ratio	Current Assets	Current Liabilities	1.85	1.64	12.78	
2) Debt - equity ratio	Total debt (current + noncurrent)	Share holders Equity (Equity + retained earnings - Preliminary project expenditure)	0.64	0.75	(14.60)	
3)Debt Service Coverage Ratio	Earning Available for debt Service (EBDIT)	Interest + Principal Repayments	2.08	1.47	41.59	Repayment of MCL and project specific loans , the principal repayments has reduced when compared with the previous year
4) Return on Equity	Profit for the period	Average Shareholders equity	8.81	9.24	(4.64)	
5) Inventory Turnover Ratio	COGS or Sales (revenue from operation)	Average Inventory	13.94	8.06	72.99	Revenue from operations has increased when compared with the previous year and reduction in change in inventory expenses
6)Trade Receivable Turnover Ratio	Net credit Sales (Revenue for from operation)	Average Trade Receivables	3.55	2.26	57.42	Net credit Sales (Revenue from operations) has increased when compared with the previous year. Consequent to billing of VSVS and various CERC orders received during the year and reduction in provision recognized under ECL has contributed for increase in the trade receivables.
7) Trade Payable Turnover Ratio	Total Other Expenses excluding provisions	Average Trade Payables	2.94	2.32	26.94	Increase in total expenses such as OB removal and royalty expenses
8) Net Capital Turn over ratio	Net Sales (Revenue from operation)	Working Capital (Current Asset - current Liability)	2.64	2.42	9.27	NA

Notes to
STANDALONE FINANCIAL STATEMENTS

Note 55 (Contd.)

Name of Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	Variation (%)	Reason for Variation
9) Net Profit Ratio	Profit for the period	Net Sales (revenue from operation)	11.71	12.47	(6.14)	NA
10) Return on Capital Employed	Earning before interest and Taxes (EBIT)	Capital Employed (tangible net worth+ total debt+ deferred tax liability)	9.27	11.29	(17.91)	NA
11) Return on Investments*	Dividend received from subsidiary companies	Average investment	5.00	17.00	(70.59)	Variation is due to decrease in dividend compared to previous financial year.

* Ratio of previous year has been restated

Note 56

(A) Recent Pronouncement

Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting standards) Amendment Rules, 2023 dated 31st March, 2023 to amend the following Ind AS which are effective from 1st April, 2023.

(i) Definition of Accounting estimates – Amendments to Ind AS 8 :

The amendments clarify the distinction between the changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply changes in accounting policies and changes in accounting estimates that occur on or after the start of the period.

The amendments are not expect to have a material impact on the Company's Financial statements.

(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirements for entities to disclose their 'significant' accounting policies with a requirement to disclosure their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1st April, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from single transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transaction that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented, in addition, at the beginning of the earliest comparative period presented, a deferred tax asset (Provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual period beginning on or after 1st April, 2023.

The Company is currently assessing the impact of the amendments.

(B) The Code on Social Security, 2020 ('the Code') has been enacted, which would impact contribution by the Company towards employee benefits. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 56 (Contd.)

(C) Rounding off & Regrouping in Financials

Amount in the financial statements are presented in ₹ Crore (up to 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 previous year has been regrouped/reclassified wherever necessary.

D) Disclosure as per IND AS - 8, Accounting Policies, Change in Estimates and Errors

During the year the Company has modified its accounting policy with respect to the following to align industry practice, Ind AS compliance and for better understanding.

a. Financial instruments
b. Prepaid Expenses
c. Revenue recognition.
d. Depreciation

The impact on account of these changes in accounting policies are immaterial.

Note 57

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 for sale of power and lignite is generally done on periodical 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. Loan outstanding balances of employees are also reconciled periodically.

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.

c) The Company is faced with significant deficit in availability of land at Neyveli for lignite mining, which is affecting the operations of the Company in the foreseeable future.

The Company has been initiating serious and deliberate efforts to acquire adequate lands but has to contend with significant challenges in the process which, inter alia, include:

i) Delay in requisite legislations being passed to facilitate smooth acquisition of lands.

ii) General resistance by landowners to cede possession of lands.

iii) Fresh demands by the landowners for additional compensation, employment opportunities and other benefits beyond agreed terms.

iv) Landowners' reluctance to cede possession of lands and continuing to retain and enjoy the possession of lands including benefits accruing owing to such possession despite having received the full compensation as agreed.

The combined effect of all the above factors had led to lower levels of production of lignite as well as uncertainties with regard to sustaining the production capabilities in future.

There have been also instances of shutdowns of power stations during the year besides difficulties encountered by the Company in meeting their commitments for supply of lignite to the customers.

Notes to STANDALONE FINANCIAL STATEMENTS

Note 57 (Contd.)

Considering the huge requirement of lands, the Company has initiated the following measures:

a) Enhancing the compensation packages as well as offering very attractive and socially and environmentally compliant Rehabilitation and Resettlement and other welfare initiatives to adequately address the human side of the issues.

b) Giving preferential treatment to all Project affected people in competitive examinations of recruitment adding 20 marks.

c) Holding frequent meetings with authorities at both State and District level.

Initiating efforts to identify alternate sources of lignite to ensure continuous operations.

The Company is confident of overcoming the challenges on land acquisition at Neyveli mines with sustained efforts, in the near future

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

R.Subramanian and Company LLP,
Chartered Accountants,
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INDEPENDENT AUDITORS' REPORT

To
The Members of NLC India Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **NLC India Limited** (hereinafter referred to as the "Holding Company" or "NLCIL") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint venture, which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2023, of Consolidated Profit (Including Other Comprehensive Income), Consolidated changes in Equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in "Other Matters" section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 59(c) of the Consolidated Financial Statements, wherein the non-availability of adequate quantum of land for lignite mining operations and power generation have been elaborated upon. Such non-availability situation may cast significant uncertainties relating to the operations of NLCIL and eventually the NLCIL's ability to continue as a going concern in future.

Our opinion is not modified in respect of this matter.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

1. Note 24(c), 25(a) and 31(e), where the NLCIL has filed Petition with CERC for determination of Input transfer price for Neyveli Mines on 26th July,2022. Pending disposal of the petition, NLCIL has filed interlocutory application seeking approval of the provisional lignite transfer price for Neyveli Mines for the tariff period 2019-24. CERC vide order dated 4th May, 2023 has issued the interim lignite transfer price for the period 2019-24. Accordingly, NLCIL has recognized an amount of ₹ 1,560.96 Crore on account of the differential energy charges between Interim Lignite transfer price and already billed amount and correspondingly an amount of ₹ 1,087.57 Crore has been written-off towards landed Price of Fuel on Power surrender, water, Security charges, surcharge and interest on these items already recognized earlier.

2. Note 13(c), regarding the adjustments to be carried out in respect of the mine closure deposit and regulatory income based on the outcome of the application, which is made to Coal Controller during the current period. Further, an amount of ₹ 23.33 Crore has been provisionally considered as regulatory income based on the existing mine plan, pending execution of the escrow agreement as per revised mining plan with Coal Controller.

3. Note 18(a), the tax holiday period as per section 80IA of Income Tax Act, 1961 for NLCIL Barsingsar project is upto the FY 2025-26. The estimated deferred tax in respect of temporary differences which reverse during this tax holiday period have been derecognized to the extent of ₹96.64 Crore.

4. Note 10a(b), regarding an amount of ₹ 196.72 Crore provision towards expected credit loss allowance on outstanding trade receivables as at 31st March, 2023, pending completion of exercise of reconciliation of balances and resolving various issues, in respect of which actions have been initiated.

5. Note 7b(a), where the Group considered an amount of ₹ 910.92 Crore under the interest free settlement scheme as opted by DISCOMs within the cut-off date i.e., 3rd July, 2022.

6. Note 10a(d), with regard to amount billed on VSVS to DISCOMs and NLCIL's petition filed before CERC seeking their direction on the recoverability of this amount.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

As reported by the auditor of one of the Subsidiary Company, Neyveli Uttar Pradesh Power Limited (NUPPL) in their Independent Auditor's Report dated 18th May, 2023 is below:

We draw your attention to the following matters in the Notes to the Consolidated Financial Statements:

1. Note 59(d), where the board of NUPPL has approved the revised schedule date of commissioning as 31st July, 2023, 31st October, 2023 and 31st December, 2023 for their 3 Units. Based on the revised COD dates, Govt. of India has approved the revised cost estimate of ₹ 19,406.12 Crore.

2. Note 8(d), regarding the delay in the project timeline despite the support provided to the principal Contractor and NUPPL's Board approval for execution of the work by making direct payment to the sub-contractors by entering tripartite agreement instead of execution through the principal contractor. The principal contractor shall be liable to pay NUPPL towards these direct payments, besides advances given and interest thereon.

Opinion of the auditor of the subsidiary Company with respect to subsidiary's Standalone Financial statements is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

The following have been considered as Key Audit Matters of Holding Company – NLC India Limited:

Sl.No	Key Audit Matter	Auditors' Response
1.	Assessment of provisions and contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt. A high level of judgment is required in estimating the amount of provisioning. The Group's assessment is supported by the facts of matter, their own judgment, experience and independent legal advice wherever considered necessary. Accordingly, unexpected adverse outcomes which may significantly impact the reported profit and net assets are disclosed. A sum of ₹17,687.62 Crore have been considered by Group towards contingent liability and commitments representing claims of third parties. Refer Note 52 of the Consolidated Financial Statements. Included in the above, is a sum of ₹7,485.85 Crore that has been considered by the Group towards contingent liability which includes claims of third party's compensation for land acquisition (disclosed as "From Others"). The Group has not accepted the said claims which are contested in legal proceedings and are pending for disposal by the appellate authorities. Further, there are several items of disputes pending in various appellate forums in respect of determination and quantification of liability towards direct and indirect taxes by the departments. Liabilities in respect of disputed demands are considered only as contingent liabilities pending the outcome of the decision of the appellate authorities. The total unpaid amount of disputed liabilities on account of Direct and Indirect taxes (including land tax) is ₹1566.74 Crore vide clause (vii)(b) of the Companies (Auditor's Report) Order, 2020 of NLCIL.	In view of the significance of the matter, we performed the following key audit procedures: • Testing the design and operating effectiveness of controls relating to taxation and contingencies; • We evaluated management's judgements in respect of estimates of provisions, exposures and contingencies; • In understanding and evaluating management's judgements, we have utilized our internal tax experts; • We have also examined the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and developments in the tax environment; and • Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the Consolidated Financial Statements in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.
2.	**Project activities of Bithnok and BTPSE project:** Accuracy of impairment provisions in respect of exploration and evaluation assets and projects under "Capital work in progress" which involves critical judgment of the management in respect of feasibility of ongoing projects. The Consolidated Financial Statements include relevant disclosures that identify and explain the amounts arising from such feasibility study. Refer Note 5 to the Consolidated Financial Statements. Further, an aggregate amount of ₹374.66 Crore towards land, capital advance and CWIP relate to Bithnok and BTPSE which are currently on hold, on account of cancellation of contract by the end customer.	Our audit procedures performed included the following: • We obtained the details of project activities of Bithnok and BTPSE project from the management • Noted that the total project cost comprise of land amounting to ₹194.75 Crore, capital advances of ₹129.25 Crore and CWIP of ₹50.66 Crore; and • Reviewed the basis of provision of ₹70.62 Crore made as at 31st March, 2023.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Sl.No	Key Audit Matter	Auditors' Response
3.	**Expected Credit Loss on Trade Receivables** Ind AS 109 - Financial instruments (Ind AS 109) requires the Group to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the Standard. In the process of applying such principles and other requirements of the Standard, a significant degree of judgment has been applied by the management. The ECL in respect of trade receivables represents management's best estimate of the loss allowance. The ECL allowance is computed based on a simplified model considering ageing of trade receivables and also trend of collection of dues. The calculation of ECL allowance is a complex area considering the profile and background of customers and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the historical information and estimating the level and timing of expected future cash flows. The Group's provision for ECL on trade receivables amounts to ₹196.72 Crore as at 31st March, 2023. Refer Note 10a(b) of the Consolidated Financial Statements.	Our audit procedures performed included the following: • We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation; • We, having regard to profile and the background of the customers, collection of dues and the measures of the Govt(s) in regard to settlement of dues by such customers, understood the methodology used by the management to arrive at their ECL provision and examined certain assumptions used by the Group; • We also tested the arithmetical accuracy and assessed the judgments used in the management's model used to calculate provision for credit losses; and • We assessed the disclosures included in the Ind AS Financial Statements with respect to such allowance/ estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 - Financial Instruments: Disclosures.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Sl.No	Key Audit Matter	Auditors' Response
4.	**Property, Plant & Equipment and Intangible Assets** Property, Plant and Equipment and Intangible Assets represent significant balances recorded in the Balance Sheet in the Consolidated Financial Statements. There are areas where management judgement impacts the carrying amount of property, plant and equipment, intangible assets and their respective depreciation / amortization rates. These includes the decision to capitalise or expense costs; the timeliness of the capitalization of the assets; useful life of the assets and the use of the management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of Balance Sheet of NLCIL and the level of judgement and estimates required, we consider this to be as area of significance and considered to be a key audit matter.	Our audit procedures performed included the following: • We evaluated the assumptions made by management in the determination of carrying values and useful lives to ensure that these are consistent with the principles of Indian Accounting Standards (Ind AS) 16 Property, Plant and Equipment and (Ind AS) 38 Intangible Assets; • We assessed whether the carrying values and the useful lives were reasonable by challenging management's judgements through comparing the useful lives prescribed in Schedule II to the Companies Act, 2013, rates/ guidelines prescribed by Central Electricity Regulatory Commission (CERC), guidelines issued by Ministry of New and Renewable Energy (MNRE) and the useful lives of certain assets as per the technical estimate of the management; • We compared the useful lives of each class of asset in the current year to the previous year to determine whether there were any significant changes in the useful lives of assets; • We tested the controls in place over the property, plant and equipment and intangible assets, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of capitalisation including decapitalisation of assets retired from active use and the application of the asset life; • In performing these substantive procedures, we assessed the judgements made by management including the nature of underlying costs capitalised; the appropriateness of asset lives applied in the calculation of depreciation and amortization; and • We have observed that the management has regularly reviewed the aforesaid judgments and there are no material changes.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Key audit matters reported by the statutory auditor of the Subsidiary Company – NLC Tamil Nadu Power Limited (NTPL) dated May 16, 2023 is reproduced below:

Sl.No	Key Audit Matter	Auditors' Response
1.	**Recognition and Measurement of revenue from Power Sales** NTPL records revenue from power sales as per the principles enunciated under Ind AS 115, based on tariff approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Authorities. Pending issue of provisional/final tariff order w.e.f. 1st April, 2019, capacity charges are billed to beneficiaries in accordance with the tariff approved and applicable as on 31st March, 2019, as per CERC (Terms and Conditions of Tariff) Regulations, 2019, which is in accordance with the tariff order dated 11th July, 2017. This is considered as key audit matter due to the nature and extent of estimates made as per the CERC Tariff Regulations, which leads to recognition and measurement of revenue from power sales being complex and judgmental.	Our audit procedures included the following: • Obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines and the NTPL's internal circulars and procedures in respect of recognition and measurement of revenue from power sales comprising of capacity and energy charges; • Evaluated and tested the effectiveness of NTPL's design of internal controls relating to recognition and measurement of revenue from power sales; • Verified the accounting of revenue from power sales based on provisional tariff computed as per the principles of CERC Tariff Regulations 2019. Based on the above procedure performed, the recognition and measurement of revenue from power sales are considered to be adequate and reasonable.
2.	NTPL recognizes regulatory income / expense / asset / liability based on the guidelines and orders notified by the Central Electricity Regulatory Commission (CERC). The movement in the regulatory balances will be based on the orders of CERC. In consideration of the significance of the amount of regulatory balances and complexity involved, we have identified regulatory balances as a key audit matter. NTPL has filed interim truing up petition with CERC claiming an amount of ₹774.38 Crore towards discharged liabilities for capital expenditure from the date of commissioning up to 31st March,2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of ₹129.79 Crore has been recognized under capacity charges during the year as per regulation. The same is explained in detail in Note 32(d) of the Consolidated Financial Statements	Our audit procedures included the following: • Considered the NTPL's accounting policies with respect to recognition for regulatory deferrals and assessed compliance with Ind AS 114 "Regulatory Deferral Accounts"; • Understood and carried out testing of the design and implementation of key financial controls related to such regulatory balances and its disclosure in the financial statements of NTPL; • Discussed with the management on the key assumptions and estimates used for recognition of these regulatory balances and corroborated them with the applicable regulatory provisions, Tariff orders and underlying records of NTPL; • Enquired from the management for notifications and correspondence with the regulator on the pending petitions or orders and reviewed the action taken by the management on the same; • Assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts"; and • Assessed the regulatory deferral balances in respect of income and expenditure with reference to the underlying activities that meet the recognition criteria as per CERC Regulations and also verified this with reference to CERC tariff order dated 11th July, 2017 and petition filed.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Information Other Than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report and Business Responsibility & Sustainability Report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditors' report thereon. The other information is expected to be made available to us after the date of this Auditors' report.
Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

(a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or

(b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors' report is prepared.

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Comprehensive Income), Consolidated changes in equity and Consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group, its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and joint venture 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Companies included in the Group, its associate and joint venture are responsible for assessing the ability of Group, its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group, its associate and joint venture are responsible for overseeing the financial reporting process of the Group, its associate and joint venture.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Auditors' Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group, its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities within the Group, its associate and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the branches or other entities included in the Consolidated Financial Statements, which have been audited by the branch auditors or other auditors, such branch auditors or other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of 2 Branches located at Talabira and Barsingsar, included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 3,406.85 Crore as at 31st March, 2023 and total income of ₹ 2,589.15 Crore for the year ended 31st March, 2023, total net profit before tax of ₹ 949.16 Crore for the year ended 31st March, 2023 and total comprehensive income of ₹ 917.21 Crore for the year ended 31st March, 2023 and net cash inflows of ₹ 4.72 Crore for the year ended 31st March, 2023. The financial statements of these Branches have been audited by the branch auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of these Branches, is based solely on the reports of such branch auditors and the procedures performed by us as stated under Auditors' Responsibilities for the audit of the Consolidated Financial Statements section above.
2. We did not audit the financial statements of 2 Subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 22,198.93 Crore as at 31st March, 2023, total income of ₹ 3,578.12 Crore for the year ended 31st March, 2023, total net profit after tax of ₹ 278.18 Crore for the year ended 31st March, 2023 and total comprehensive income of ₹ 278.18 Crore for the year ended 31st March, 2023 and net cash outflows of ₹ 9.59 Crore for the year ended 31st March, 2023, which have been audited by their respective other auditors.

The Consolidated Financial Statements also include the Group's share of profit after tax of ₹ 0.03 Crore for the year ended 31st March, 2023 and total comprehensive income of ₹ 0.03 Crore for the year ended 31st March, 2023, in respect of 1 associate whose financial statements have not been audited by us.

The Consolidated Financial Statements also include the Group's share of profit after tax of ₹ 0.94 Crore for the year ended 31st March, 2023 and total comprehensive income of ₹ 0.94 Crore for the year ended 31st March, 2023, in respect of 1 joint venture whose financial statements have not been audited by us.

These financials 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 joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditors' Responsibilities for the audit of the Consolidated Financial Statements section above.

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. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of sec 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations provided to us and based on the CARO reports issued by us for NLCIL and CARO reports issued by the Other Auditors of Subsidiaries, its associate and joint venture included in the Consolidated Financial Statements of the Holding Company, to which the reporting under CARO is applicable, we report the following qualifications or adverse remarks:

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

S.No	Name of the Company	CIN	Holding Company/ Subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	NLC India Limited	L93090TN1956GOI003507	Holding Company	Clauses – (i)(a)(A), (i)(c), (vii)(a) & (vii)(b).
2	NLC Tamil Nadu Power Limited	U40102TN2005GOI058050	Subsidiary	Clauses – (i)(b), (ii)(b) and (vii)(b).
3	Neyveli Uttar Pradesh Power Limited	U40300UP2012GOI053569	Subsidiary	Clauses – (i)(b), (i)(c) and (xvii).
4	MNH Shakti Limited	U10100OR2008GOI010171	Associate	Clause - (vii)(b)
5	Coal Lignite Urja Vikas Private Limited	U40101DL2020PTC372985	Joint venture	Nil

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the branch auditors and other auditors on separate Financial Statements of such branches, subsidiaries, its associate and joint venture, as were audited by branch auditors and other auditors, as noted in the 'Other Matters' paragraph, 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 reports on the accounts of the Branch Offices of the Holding Company audited under Sec 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;

   d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   e. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS;

   f. The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may not have an adverse effect on the functioning of the Holding Company;

   g. The provisions of Sec 164(2) of the Act relating to disqualification of directors is not applicable to Government companies in view of the Notification No: G.S.R. 463(E) dated 05th June, 2015, issued by the Ministry of Corporate Affairs;

   h. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

   i. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure I" which is based on our audit of the Holding Company and other auditor's reports of subsidiary companies, its associate and joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to Consolidated Financial Statements;

   j. The provisions of Sec 197 of the Act relating to managerial remuneration is not applicable to Government companies in view of the Notification No: G.S.R. 463(E) dated 05th June, 2015, issued by the Ministry of Corporate Affairs. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable;

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

k. With respect to the other matters to be included in the Auditors' 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture – Refer to Note 52 to Consolidated Financial Statements;

ii. The Group, its associate and joint venture have long term contracts for coal mining, power sale, project execution etc. However as at 31st March, 2023, there were no material foreseeable losses on those contracts. The Group, its associate and joint venture did not have any derivative contracts as at 31st March, 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associate and joint venture;

iv. (a) The respective Managements of the Holding Company, its subsidiaries, associate and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture, respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associate and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company, its subsidiaries, associate and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, associate and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint venture, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend paid during the year by the Holding Company, which pertains to previous year 2021-22 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend;

(b) The interim dividend declared and paid by the Holding Company and one of its subsidiary (NLC Tamil Nadu Power Limited), during the year is in accordance with Section 123 of the Act; and

(c) The Board of Directors of the Holding Company have proposed final dividend for the year 2022-23 which is subject to the approval of the Members of the Holding Company at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company, its subsidiaries, associate and joint venture which are companies incorporated in India, with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

3. As required by Sec 143(5) of the Act, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India is given in "Annexure - II".

4. During the year, NLCIL has not complied with the requirements relating to the composition of the Board, as required under Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSROR2961

Place: Chennai

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 23221916BGXUSV1814

Date: 19th May, 2023

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Annexure-I to Independent Auditors' Report on the Consolidated Financial Statements

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

In conjunction with our audit of the Consolidated Financial Statements of the Group, its associate and joint venture for the year ended 31st March, 2023, We have audited the internal financial controls over financial reporting of NLC India Limited ("hereinafter referred to as "the Holding Company") its subsidiary Companies, its associate and joint venture, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors of the Holding Company, its subsidiary Companies, its associate and joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 (ICAI). 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 respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate and its joint venture, which are companies incorporated in India, 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 issued by the ICAI. 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 judgment, 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 and the audit evidence obtained by the other auditors of the relevant subsidiaries, joint venture and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to Consolidated Financial Statements.

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

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

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 and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding Company, its subsidiary companies, its associate and joint venture, 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, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report 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 2 branches, 2 subsidiary companies, 1 associate and 1 joint venture, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such branches / companies incorporated in India.

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

For R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSROR2961

Place: Chennai

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 23221916BGXUSV1814

Date: 19th May, 2023

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Annexure-II to Independent Auditors' Report on the Consolidated Financial Statements

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

Sl.No	Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	**In respect of NLCIL:** As per the information and explanations given to us, NLCIL has a system in place to process all the accounting transactions through IT system. SAP ERP has been implemented for the processes like Financial Accounting (FI), Controlling (CO), Material Management (MM), Sales and Distribution (SD), Production Planning (PP), Project systems (PS) and Plant maintenance (PM). During the year, Fund Management (FM) module of SAP has been implemented by NLCIL with effect from March 2023 Human Capital Management (HCM) has been implemented by NLCIL with effect from April 2023. Up to March 2023, Payroll Accounting software "PIPAS" was used for employees' salary. Our examination of records on sample basis did not reveal any transactions not coming within the purview of various IT systems as stated above. **As reported by the auditor of the Subsidiary Company NLC Tamil Nadu Power Limited (NTPL) in their audit report dated May 16, 2023 is reproduced below:** NTPL has implemented SAP ERP system for recording of its financial transactions through Finance and Controlling module (FICO Module), Material Management module (MM Module). NTPL has entered into a Corporate Service Agreement with its Holding Company, NLC India Limited (NLCIL) for certain services like Generation and Maintenance Planning, Human resources management, Procurement and contracts management etc. NTPL is operating Sales and Distribution Module (SD Module) for recording the revenue generated. For approval of PR, Indent creation, generation of PO and accounting, Material Management module (MM Module) is being operated. NTPL during the financial year has implemented Fund Management module (FM Module) in SAP for the purpose of budget control. NTPL has e-tendering process in place. For e-trading of energy, NTPL has entered into an agreement with NLCIL, participant in IEX platform. For Payroll, attendance is captured on Bio-metric basis and the monthly report duly authorized, is being used. Our examination of records did not reveal any transactions not coming within the purview of IT systems stated above. **As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited (NUPPL) in their audit report dated May 18, 2023 is reproduced below:** Yes, NUPPL has system in place to process all accounting transactions through IT system. No accounting transactions were found recorded outside the IT system.	NA

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

Sl.No	Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
		As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 25th April, 2023 is reproduced below: MNH's accounts are maintained in computer system through Tally.ERP software, wherein all the data are captured through manual feeding. Since there are no manufacturing and other transaction the other clauses for reporting are not applicable.	
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc., made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	**In respect of the Group, its associate:** During the year under audit, we have not noticed any cases of waiver/write off/restructuring of any debt/loan/interest etc. by a lender.	NA
3.	Whether funds (grants/ subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	**In respect of NLCIL:** During the year, NLCIL has not received any funds (grants/subsidy etc.) for specific schemes from Central / State Government or its agencies. During the year, we have noticed that NLCIL has received a sum of ₹ 10.22 Crore toward reimbursement of teachers' salary from Government of Tamil Nadu. The schools are run by NLCIL. As per the practice in various States, salaries of the school teachers are being paid by the Govt. of Tamil Nadu through its education department. Apart from Salary, all retirement benefits of these school teachers as per applicable guidelines are issued by Government of Tamil Nadu and are being paid by Government of Tamil Nadu. The salary of the teachers is paid by Govt. of Tamilnadu through NLCIL bank account as there are no separate bank accounts operated by the schools. These regular salary payment of school teachers, in our opinion, is not considered as a grant. **As reported by the auditor of the Subsidiary Company NLC Tamil Nadu Power Limited (NTPL) in their audit report dated 16th May, 2023 is reproduced below:** According to the information and explanation made available to us and based on our examination of the books of account and records of NTPL, no funds are received / receivable for any specific scheme from Central /State agencies by NTPL. **As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited in their audit report dated 18th May, 2023 is reproduced below:** As explained to us, no such funds have been received/receivable under specific schemes from Central/ State Government or its agencies during the year under audit. **As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 25th April, 2023 is reproduced below:** As per information and explanations given to us, MNH has not received/ receivable any fund for specific schemes from Central/State agencies.	NA

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Reports

In the case of Joint Venture Coal Lignite Urja Vikas Private Limited, the auditor of such entity has not reported on the above points. Hence the same has not been considered as a part of our report.

For R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
UDIN: 23021888BGSROR2961

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
UDIN: 23221916BGXUSV1814

Place: Chennai

Date: 19th May, 2023

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31st MARCH, 2023

(₹ Crore)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	23,800.83	24,604.51
(b) Right-of-Use Assets	3	77.83	80.58
(c) Intangible Assets	4	179.52	189.83
(d) Capital Work-in Progress	5	14,636.34	12,908.55
(e) Assets Under Development	6	-	113.58
(f) Financial Assets	7		
i) Investments	a	7.59	6.62
ii) Trade receivables	b	465.42	
iii) Loans	c	34.95	23.19
iv) Other Financial Assets	d	497.48	425.11
(g) Other Non-Current Assets	8	1,792.88	1,162.92
		41,492.84	39,514.89
(2) Current Assets			
(a) Inventories	9	1,182.51	1,201.41
(b) Financial Assets	10		
i) Trade Receivables	a	4,264.47	3,709.63
ii) Cash and Cash Equivalents	b	77.48	139.41
iii) Bank balances other than cash and cash equivalents	c	173.97	204.52
iv) Loans	d	6.02	26.82
v) Other Financial Assets	e	3,078.99	1,320.46
(c) Current Tax Assets (Net)	11	268.69	489.16
(d) Other Current Assets	12	728.00	503.64
		9,780.13	7,595.05
(3) Regulatory Deferral Account Debit Balances	13	1,794.73	2,675.50
Total Assets and Regulatory Deferral Account Debit Balances		**53,067.70**	49,785.44
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	1,386.64	1,386.64
(b) Other Equity	15		
i) Retained Earnings	a	11,403.32	10,452.28
ii) Other Reserves	b	2,378.88	2,350.26
		15,168.84	14,189.18
Non- Controlling Interest	16	2,456.82	2,185.13
		17,625.66	16,374.31
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings	a	18,498.17	18,845.27
(ii) Lease liability	b	27.42	27.70
(iii) Other Financial Liability	c	1,660.93	1,920.47
(b) Deferred Tax Liabilities (Net)	18	3,381.40	3,054.31
(c) Other Non-Current Liabilities	19	660.28	596.18
		24,228.20	24,443.93
(2) Current Liabilities			
(a) Financial Liabilities	20		
(i) Borrowings	a	3,807.55	3,213.10
(ii) Trade Payables	b		
-Total outstanding dues of Micro and Small enterprises		47.74	28.05
-Total outstanding dues of creditors other than Micro and Small enterprises		1,937.33	1,489.92
(iii) Other Financial Liabilities	c	166.41	165.05
(b) Other Current Liabilities	21	824.88	755.51
(c) Provisions	22	455.77	597.62
		7,239.68	6,249.25
(3) Regulatory Deferral Account Credit Balances	23	3,974.16	2,717.95
Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		**53,067.70**	49,785.44

Significant Accounting Policies 1

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

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
Date: 19th May, 2023

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(₹ Crore)

Particulars	Notes	Year Ended 31st March, 2023	Year Ended 31st March, 2022
INCOME			
I. Revenue from Operations	24	**16,165.24**	11,947.94
II. Other Income	25	**1,217.98**	598.02
III. Total Income (I+II)		**17,383.22**	12,545.96
IV. EXPENSES			
Cost of Fuel Consumed	26	**2,200.05**	1,176.59
Changes in Inventories	27	**206.31**	476.49
Employee Benefits Expense	28	**2,578.83**	2,690.45
Finance Costs	29	**1,011.69**	983.78
Depreciation and Amortization Expenses	30	**1,800.79**	1,908.72
Other Expenses	31	**5,338.59**	3,441.54
Total Expenses (IV)		**13,136.26**	10,677.57
V. Profit / (Loss) before Exceptional, Tax & Rate Regulatory Activity (III-IV)		**4,246.96**	1,868.39
VI. Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	32	**(2,178.85)**	344.92
VII. Profit / (Loss) before Exceptional Items and Tax (V+VI)		**2,068.11**	2,213.31
VIII. Exceptional Items-Expenses/(income)	33	**12.32**	(389.83)
IX. Profit / (Loss) before Tax (VII-VIII)		**2,055.79**	2,603.14
X. Tax Expense:	53		
(1) Current Tax			
- Current Year Tax		**1,033.56**	500.67
- Previous Year Tax		**(53.95)**	603.70
- Tax Expenses / (Savings) on Rate Regulated Account		**(538.02)**	67.71
(2) Deferred Tax (after MAT adjustment)		**189.08**	315.93
Total Tax Expenses (X)		**630.66**	1,488.01
XI. Profit / (Loss) after Tax before share of Profit/(Loss) of associates (IX-X)		**1,425.13**	**1,115.13**
XII. Share of Profit / (Loss) of Associates & Joint Venture		0.97	0.52
XIII. Profit / (Loss) for the Year (XI + XII)		**1,426.10**	**1,115.65**
XIV. Other Comprehensive Income			
Items not to be reclassified to Profit or Loss:	34		
- Net Actuarial gains/(Losses) on defined benefit plans		**(0.03)**	33.91
- Income Tax expenses/(savings) on net actuarial gains/(losses) on defined benefit plans		**(0.01)**	5.68
Total other comprehensive income for the year-net of income tax (XIV)		(0.02)	28.23
XV. Total Comprehensive Income for the year (XIII+XIV) (Comprising Profit or (Loss) and other Comprehensive Income)		**1,426.08**	1,143.88
XVI. Profit Attribute to			
- Owners of the Company		**1,395.68**	1,092.57
- Non Controlling Interest (NCI)		**30.42**	23.08
XVII. Total Comprehensive Income attributable to			
- Owners of the Company		**1,395.66**	1,120.37
- Non Controlling Interest (NCI)		**30.42**	23.51
XVIII. Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	35	**22.12**	6.05
(2) Diluted (in ₹)		**22.12**	6.05
XIX. Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	35	**10.28**	8.05
(2) Diluted (in ₹)		**10.28**	8.05

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

For and on behalf of the Board of Directors

R.Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
Date: 19th May, 2023

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Changes in Equity for the Year Ended 31st March, 2023

A. Equity Share Capital

(₹ Crore)

Particulars	No of Shares	Amount
Balance as at 1st April, 2022	1,38,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2023	**1,38,66,36,609**	**1,386.64**
Balance as at 1st April, 2021	1,38,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2022	**1,38,66,36,609**	**1,386.64**

B. Other Equity

(₹ Crore)

Particulars	Retained Earnings and Other Reserves						Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
Balance as at 01.04.2022	**362.90**	**130.00**	**1,457.00**	**291.07**	**109.29**	**10,452.28**	**12,802.54**
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,426.10	1,426.10
Other comprehensive income	-	-	-	-	-	(0.02)	(0.02)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**1,426.08**	**1,426.08**
Dividend paid :							
- Interim dividend FY 2022-23						(208.00)	(208.00)
- Final Dividend FY 2021-22						(208.00)	(208.00)
Appropriations- Transfer from / (to) Retained Earnings	4.33	10.00	-	-	14.29	(28.62)	-
Other Changes:							
- Non Controlling Interest						(30.42)	(30.42)
Balance as at 31.03.2023	**367.23**	**140.00**	**1,457.00**	**291.07**	**123.58**	**11,403.32**	**13,782.20**

Particulars	Retained Earnings and Other Reserves						Total
	KfW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	
Balance as at 01.04.2021	**358.00**	**120.00**	**1,457.00**	**291.07**	**107.79**	**9,764.31**	**12,098.17**
Total Comprehensive Income for the year							
Profit or loss	-	-	-	-	-	1,115.65	1,115.65
Other comprehensive income	-	-	-	-	-	28.23	28.23
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**1,143.88**	**1,143.88**
Dividend paid :							
- Interim dividend FY 2021-22						(224.85)	(224.85)
- Final dividend FY 2020-21						(232.07)	(232.07)
Appropriations- Transfer from / (to) Retained Earnings	4.90	10.00	-	-	1.50	(16.40)	-
Other Changes:							
- Non Controlling Interest						17.41	17.41
Balance as at 31.03.2022	**362.90**	**130.00**	**1,457.00**	**291.07**	**109.29**	**10,452.28**	**12,802.54**

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
Date: 19th May, 2023

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Cash Flows for the Year ended 31st March, 2023

(₹ Crore)

Particulars	Year Ended 31st March, 2023		Year Ended 31st March, 2022	
A.Cash flow from operating activities:				
Net Profit Before Tax		2,055.79		2,603.14
Adjustments for:				
Less:				
Profit on Disposal of Asset	7.49		2.29	
Interest Income	458.48		116.92	
	465.97		119.21	
Add:				
Depreciation	1,800.79		1,908.72	
Other non cash charges	(439.74)		232.47	
Provision for loss on asset	0.31		44.19	
Interest expense	902.30		983.78	
	2,263.66	1,797.69	3,169.16	3,049.95
Operating Profit before working capital changes		3,853.48		5,653.09
Adjustments for :				
Trade receivables		(715.47)		3,676.88
Loans & advances		(128.00)		108.10
Inventories & other current assets		(947.48)		(160.51)
Trade payables & other current liabilities		1,864.18		(664.94)
Cash Flow generated from Operations		3,926.71		8,612.62
Direct Taxes paid		(158.78)		(871.08)
Cash Flow Before Extraordinary Items		3,767.93		7,741.54
Grants received		(6.58)		4.51
Net Cash from operating activities		**3,761.35**		7,746.05
B.Cash flow from investing activities:				
Purchase of property, plant and equipment / preliminary expenses		(2,603.37)		(916.95)
Sale of property, plant and equipment / Projects from continuing operations		50.19		3.27
Sale/Purchase of Investments		0.00		7.49
Interest Received		464.57		143.57
Net Cash used in investing activities		**(2,088.61)**		(762.62)
C.Cash flow from financing activities:				
Short Term Borrowings (Net)		594.45		(5,082.64)
Long Term Borrowings (Net)		(347.10)		(89.17)
Payment of lease obligations		(2.62)		20.40
Interest paid		(1,804.39)		(1,698.79)
Issue of Equity Shares		253.31		305.70
Dividend Paid		(428.32)		(456.86)
Net Cash (used)/received in financing activities		**(1,734.68)**		(7,001.36)
Net increase, decrease(-) Cash and Cash equivalents		**(61.93)**		(17.93)
Cash and cash equivalents as at the beginning of the year		**139.41**		157.34
Cash and cash equivalents as at the end of the year		**77.48**		139.41
NOTE : (-) INDICATES CASH OUTFLOW.				
DETAILS OF CASH AND CASH EQUIVALENTS:		**As at 31st March, 2023**		**As at 31st March, 2022**
CASH IN HAND		-		0.01
CASH AT BANK IN CURRENT ACCOUNTS		77.48		89.40
CASH AT BANK IN DEPOSIT ACCOUNTS		-		50.00
TOTAL		**77.48**		**139.41**

For and on behalf of the Board of Directors

R.Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888
Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916
Date: 19th May 2023

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 1- Significant Accounting Policies

For the year ended 31st March, 2023

(Expressed ₹ in Crore, unless otherwise stated)

Reporting entity

NLC India Limited ("NLCIL" or "the Holding Company"), is a Government Company (CIN L93090TN1956GOI003507) registered under the erstwhile Companies Act, 1956 with its registered office located at No. 135, E.V.R. Periyar High Road, Kilpauk, Chennai - 600 010 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLCIL is engaged in the business of mining of Lignite, Coal and generation of power by using lignite as well as Renewable Energy Sources and consultancy .

NLC Tamil Nadu Power Ltd ("NTPL" or a subsidiary Company), is the joint venture between NLC India Limited (NLCIL) 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 No.135, EVR Periyar High Road, Kilpauk, Chennai - 600 010. NTPL is engaged in the business of generation of power using Coal.

Neyveli Uttar Pradesh Power Ltd ("NUPPL" or a subsidiary Company), is the joint venture between NLC India Limited (NLCIL) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and the Company is registered under erstwhile Companies Act , 1956 with its registered office located at 6/42, Vipul Khand, 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 along with Associates and Joint Venture are jointly referred as the Group for the purpose of reporting in Consolidated Financial Statements.

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 (NLCIL) 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 consolidated using equity method. The share of interest in each item of Balance Sheet and Statement of Profit and Loss is separately shown.

Basis of consolidation

The Consolidated Financial Statement comprise the financial statements of the Holding Company, its Subsidiaries, Associates & Joint Ventures as at 31st March, 2023. Subsidiaries are entities controlled by the Holding Company. The Holding 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 unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Holding Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

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 (₹) which is also the Holding Company's functional currency. All amounts are rounded to the nearest Crore (upto two decimals), 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 recognized in the financial year in which the results are known or materialized.

c. Current and Non-Current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.:

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Significant Accounting Policies

I. Property, Plant and Equipment

Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. Subsequently it is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation and allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement. 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 capitalized as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS 101, the Group has availed the exemption where in the carrying value of the PPE and intangible assets as 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.

Cost of a self-constructed item of Property, Plant and Equipment includes the cost of materials, direct labour and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Other direct expenses relating 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.

Subsequent cost of Capitalization: Subsequent expenditure incurred on the existing assets are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria as per Ind AS 16.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized as expenses in the statement of profit and loss as and when it is incurred.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Thermal Power Stations 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 extended life of the Unit from the completion of original life/from the date of synchronization of the Unit as the case may be.

Spares and Equipment

Initial spares: Purchased along with Property, Plant and Equipment are capitalized and depreciated along with the main asset.

Notes to
CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Spares purchased subsequent to commissioning of the asset:

Item of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment as per Ind AS16 are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit or Loss on consumption.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capitalization of Land

a. Freehold Land: Land acquired for mining, thermal plants, wind mills, solar plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894 / Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/changes made by respective State Govt. from period to period. The cost of the said land is capitalized on the date of taking over the possession/ transfer of title deed in favour of the Group.

b. Lease hold Land: Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act; 1957.The said leasehold land is capitalized when the entire land/substantial portion of land is ready for development and mining activity.

c. Coal / Lignite Mines: The date of commercial operation in case of integrated mines (commissioned after 31st March, 2019) shall mean the earliest of: -

   a. The first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or.

   b. The first date of the year succeeding the financial year in which the value of production estimated in accordance with CERC Regulation 2019-24, exceeds total expenditure in that financial year; or

   c. The date of two years (i.e., Financial Year) from the date of commencement of production.

Capitalization

a. Specialized 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 Specialized Mining Equipment System viz., Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalization 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. Thermal Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronization and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of Commercial Operation Date (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Direct expenses and interest charges incurred during the test and trial run are capitalized 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 is capitalized on the date on which it is connected to grid based on the commissioning and acceptance certificate issued by DISCOM's.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

d. Solar Power Plant

Solar Power Plants are capitalized on the date on which it is connected to Grid or the date of CoD if any specified in the agreement after complying necessary technical parameters. In case the date of CoD is later than the date of connection to Grid, revenue if any arises from sale of infirm Power off sets to the Capital Cost of the project.

e. Other Assets

Other assets are capitalized when they are available for the use as intended by the Management.

Depreciation / Amortization

Depreciation is provided on cost of the Property, Plant and Equipment net of estimated residual values over their estimated useful lives and is recognized in the Statement of Profit and Loss. Freehold land is not depreciated.

The cost of the land taken on lease is amortized from the date of commencement of commercial operation over the estimated useful life of the Mine or life of the linked Thermal Power Plant originally estimated whichever is less and in all other cases over the lease period, wherever applicable.

The cost of mining land capitalized in the Books of Accounts is amortized on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by Technical Experts.

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

	Description of Assets covered	Basis
i.	a. Assets of Thermal Power Stations excluding vehicles other than Ash Tippers	The Group follows the provisions of the Electricity Act 2003. Depreciation is as per the rates / guidelines 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 Programme ('LEP') Assets.	Life assessed as per technical estimate / life approved by CERC/SERC.
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 technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv.	Specialized Mining Equipment	At technically assessed life.
v.	Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi.	Decommissioning cost capitalized with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset.
vii.	Spares treated as PPE	At technically assessed life.
viii.	Asset costing less than ₹ 5,000	Fully depreciated in the year the asset is available for use.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

In the case of Assets of Integrated Mines, declared Commercial Operation on or after 1st April, 2019, depreciation is computed as per rates / guidelines prescribed by Central Electricity Regulatory Commission (CERC).

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 recognized from the month of capitalization.

Depreciation on the following major assets is provided on the technically estimated useful life:

Asset	Useful Life of Asset in years
Specialized Mining Equipment	15
Furniture- Others	5 to 10
Fire Fighting Equipments	10
Photo copier	10
Air Conditioner and Refrigerator	10 to 14
Telecommunication Equipment	10

On transition to Schedule II of Companies Act'2013, assets partially depreciated has been migrated as per Companies Act 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of Companies Act'2013 which has been considered for computation of depreciation and the said derived rate / remaining useful life period is treated as "Technically Estimated" rate for the purpose of depreciation of those migrated Assets.

Amortization of Mine Development Cost

Overburden removal and related development costs are classified as Mine development cost under Capital Work-In- Progress till achievement of CoD of respective Mines. On achievement of CoD, the mine development cost are capitalized as a 'Mine Development Cost' and the same is amortized over a period of 20 years from the date of CoD of respective mines or life of the mines whichever is lower.

Derecognition

Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of Property, Plant and Equipment and are recognized in the Statement of Profit and Loss.

II. Intangible Assets Recognition and measurement

The Group recognizes an intangible asset and measures that 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 recognized 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 any for an amount more than ₹ 10 lakh and have finite useful lives are measured at cost.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Subsequent expenditure

Subsequent expenditure is capitalized 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 Cost (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and subsequent expenditure	Over the residual life of the parent asset
Software costing more than ₹10 lakh	5 years
Mining Rights	20 Years

Gains or losses arising from de-recognition of an intangible asset are recognized in the Statement of Profit and Loss.

III. Inventories

Inventories are valued at the lower of Cost or Net Realizable Value.

Stock Items	Basis
Lignite / Coal	At absorption cost excluding allocated administration 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 realizable 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.

Non – Moving Stores and Spares.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of Stores and Spares (excluding insurance/Mandatory/Critical spares) are ascertained on review and provided for.

IV. Mine closure expenditure

Concurrent Mine closure expenses are accounted as and when incurred. The annual cost of 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 initial amounts exceed ₹ 1 Crore in each case.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

VI. Financial Instruments

Non-derivative Financial Assets

Initial recognition and Measurement All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Financial assets measured at amortized cost:

A financial asset is subsequently measured at amortized 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, trade receivables, etc.

Investment in Subsidiaries

A Subsidiary is an entity controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost, if any.

Investment in Joint Ventures and Associates

A joint venture is a type of joint agreement whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint Ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are derecognized 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.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized 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 amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognized in Statement of Profit or Loss Account when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss.

Offsetting of Financial Instruments

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

- currently has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

VII. Impairment

Financial Assets (including receivables)

Impairment of financial assets in accordance with Ind AS 109- 'Financial instruments', the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

b. Financial assets that are debt instruments and are measured as at Fair Value Through OCI.

c. Lease receivables under Ind AS 116.

d. Trade receivables, unbilled revenue and contract assets under Ind AS 115.

e. Loan commitments which are not measured as at Fair Value Through P&L.

f. Financial guarantee contracts which are not measured as at Fair Value Through P&L.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

For trade receivables and contract assets/unbilled revenue, the Group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.
For recognition of impairment loss on other financial assets and risk exposure, the Group any determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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, when the carrying amount of an asset or CGU exceeds its estimated recoverable amount

Impairment losses recognized 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 (Group of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognized 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 recognized 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 and other studies, development expenditure, expenditure on exploration works, technical know-how etc. The cost of the project is transferred to capital 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 when there is reasonable assurance that, it will be received and the Group will comply with the conditions associated with the grant. The deferred income is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate or when the conditions related to the grant is fulfilled.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

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 comprise of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as and when the related services are provided.

The Group's liability towards Gratuity, Post-Retirement Medical Facilities, Transport Allowance for settlement at home town, 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 recognized 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 and accounted accordingly.

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain/loss on curtailment is recognized immediately in the Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed when the Group can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Liability towards VRS is booked in the year of exercise of option by the employee upto the date of closure of each offer in accordance with terms and conditions of each offer.

XII. Allocation of common charges/social overhead expenses/interest on working capital

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

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

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 recognized prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognized 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 the respective 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 reporting date

Events of material nature occurring after the reporting 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

Revenue from Operation includes (i) sale of Power generated by Thermal Power Stations (ii) sale of power generated from renewable energy sources such as wind and solar (iii) sale of lignite/coal (iv) sale of by products & joint products (v) consultancy & management services relating to mining and power generation and (vi) commission on trading of power.

Revenue is recognized as per Ind AS-115 when the following criteria are met:

a. The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

b. The entity can identify each party's rights regarding the goods or services to be transferred;

c. The entity can identify the payment terms for the goods or services to be transferred;

d. The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and

e. It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sale of power generated by Thermal Power Stations

Sale of power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC) / State Electricity Regulatory Commission (SERC).

The Group adopts the tariff rates as approved by CERC for the sale of power. Such Tariff rates include lignite transfer price which is subject to revision as calculated by the Group from time to time in accordance with guidelines issued by Ministry of Coal (MoC) or as delegated by MoC.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of Ministry of Coal guidelines or as delegated by MoC on lignite transfer price for energy charges and other relevant CERC's guidelines, for capacity charges are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue/Expenditure, respectively.

Rebates/discounts allowed to beneficiaries/customers for early payment incentives are netted off with the amount of revenue from operations.

Sale of Un-Requisitioned Surplus Power
Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries, wherever required is accounted net off sharing of any gain arising from such sale.

Sale of Power through Renewable Energy Sources
Revenue from sale of solar energy and wind energy are recognized in accordance with the price agreed under the Power Purchase Agreement (PPA) and in accordance with the orders passed by the respective State Electricity Regulatory Commission (SERC).

Sale of Lignite/Coal and others
Sale of Lignite/Coal, by e-auction sales has been reckoned to the extent of amount received/ as per sale terms. Sale of Lignite /Coal other than by e-auction is recognized in accordance with the agreement entered into with the respective parties.

Sale of Coal for end use power plant is accounted in accordance with the provisions of tariff regulations issued by Central Electricity Regulatory Commission (CERC) for integrated mines.

Sale of byproducts/ Fly ash etc. has been reckoned as per sale terms

Unbilled Revenue
As at each reporting date, revenue from sale of energy includes an accrual for sales made to beneficiaries/Customers but not billed i.e., "Unbilled Revenue" and the same is categorized under Other Financial Assets in the Balance Sheet.

Consultancy, Technical and Management Services
Revenue from consultancy, technical and 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.

Commission on trading of power
Commission on trading of power for third party recognized on receipt of payment.

Other Income
Other income includes interest income, insurance claims, surcharge, dividend income and income from sale of scrap.

Interest income
Interest income with respect to advances provided to employees is recognized 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 amortized 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 recognized in the year of acceptance of the claim.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Insurance claims
Insurance claims are recognized in the period in which there is an acceptance of the claim.

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

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

Scrap Sale
Scrap is accounted for as and when sold.

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 recognized in the Statement of Profit and Loss in the period in which they arise.

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

XVII.Income taxes

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

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

Deferred tax
Deferred tax is recognized 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 recognized 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

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

Deferred tax assets are recognized 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.

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

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

Deferred tax assets and liabilities are offset only if certain criteria 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 capitalized as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

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

XIX.Leases

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1st April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Group has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a Lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Group is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recorded in Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities as Financial Liabilities in the balance sheet.

Short-term leases and leases of low-value assets
The Group has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract. The Group recognizes lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

XX. Provisions and Contingent Liability

Recognition and measurement
A provision is recognized 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 recognized 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.Operating segments

Segment reports are prepared in accordance with Ind AS 108. The operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The operating segments have been identified on the basis of the nature of products/services.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and Overheads allocated on a reasonable basis are considered as segment expenses.

XXIV. Dividend

Dividends and interim dividends paid to Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders meeting and the Board of Directors respectively.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Significant Accounting Policies (Contd.)

XXV. Cash Flow Statement

Cash Flow Statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

XXVI.Regulatory Deferral Accounts

Income/Expense recognized in the Statement of Profit or Loss to the extent recoverable from/payable to the beneficiaries in the subsequent periods as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances. Regulatory Deferral Account Balances are adjusted from the year in which the same become recoverable from/payable to the beneficiaries.

Pending the disposal of review/ appeal petitions filed by the Group against adverse orders before CERC/SERC/ Other Appellate Authorities, the impact of the said orders are considered under Regulatory Deferral Account in the Profit or Loss of the respective financial year. In case of appeal by the beneficiary against the CERC/SERC orders, the impact on the same is not considered as Regulatory Deferral Liability and disclosed under Contingent Liability.

Regulatory Deferral Account Balances are reviewed and evaluated at each balance sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criteria are not met this regulatory deferral account balances are derecognized.

Regulatory Deferral Account Balances are presented as separate line item 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.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

NON-CURRENT ASSETS

Note 2- Property, Plant and Equipment

(₹ Crore)

Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
	As at 01.04.2022	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2023	As at 01.04.2022	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land										
Freehold Land	758.37	23.86	-	782.23	-	-	-	-	782.23	758.37
Lease hold Mining Land	260.51	94.44	-	354.95	11.12	-	12.80	23.92	331.03	249.39
Mining Land	720.49	64.86	-	785.35	658.53	-	40.70	699.23	86.12	61.96
Roads	169.43	2.26	0.04	171.65	92.20	-	8.62	100.82	70.83	77.23
Buildings	856.53	17.61	0.76	873.38	111.73	0.01	21.87	133.59	739.79	744.80
Electrical Installations	233.13	7.96	8.10	232.99	143.66	5.83	11.98	149.81	83.18	89.47
Water Supply & Drainage	124.88	3.06	0.01	127.93	78.92	-	7.29	86.21	41.72	45.96
Plant & Machinery	30,059.29	368.88	58.70	30,369.47	7,958.40	18.73	1,627.26	9,566.93	20,802.54	22,100.89
Furniture & Equipment	139.34	35.92	9.93	165.33	54.51	8.78	18.82	64.55	100.78	84.83
Vehicles	58.62	13.58	0.72	71.48	36.00	0.31	4.95	40.64	30.84	22.62
Assets Costing ₹ 5000 and below	1.41	0.47	0.00	1.88	1.41	-	0.47	1.88	-	-
Mine Development										
Mine-I	206.97	-	-	206.97	206.97	-	-	206.97	-	-
Mine-IA	91.74	426.39	-	518.13	91.72	-	21.45	113.17	404.96	-
Mine-II	348.51	-	-	348.51	166.57	-	25.99	192.56	155.95	181.97
Barsingsar Mine	110.85	-	-	110.85	40.77	-	10.01	50.78	60.08	70.08
Talabira Mines	123.10	-	-	123.10	6.16	-	6.16	12.32	110.78	116.94
Total	**34,263.17**	**1,059.29**	**78.26**	**35,244.20**	**9,658.66**	**33.66**	**1,818.37**	**11,443.37**	**23,800.83**	**24,604.51**
Previous Year	**33,402.17**	**864.95**	**3.95**	**34,263.17**	**7,756.60**	**1.48**	**1,903.54**	**9,658.66**	**24,604.51**	

a) In respect of land acquired by the group 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.

b) PPE Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects. This also includes residual value of assets considered as addition to the assets under Life extension programme.

c) Free hold Land includes acquisition of land relating to Barsingsar extension and Bithnok Power and related Mining projects amounting to ₹ 194.75 Crore.

d) All units of Thermal Power Station -I has been retired from operation subsequent to 30th September, 2020. The net block of TPS-I assets as on 31st March, 2023 are included in the above Schedule. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

e) Spares meeting the criteria of PPE and having a value of more than ₹ 5 Lakh have been considered for capitalisation .

f) Depreciation on Specialised Mining Equipment(SME) has been considered based on technical estimate of specific assets.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 2- Property, Plant and Equipment (Contd.)

g) Depreciation on Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/SERC.

h) There is no impairment loss identified for the tangible fixed assets during the year.

i) The group has identified land with limited life and classified the same under the head mining land.

j) In terms of Notification issued by CERC on 31st September, 2021 and as per the accounting policy of the Company, 1st April, 2022 has been reckoned as date of commencement of commercial operation in respect of MINE IA Expansion. Accordingly, the capitalization of the amount carried under CWIP as on 31st March,2022 has been reckoned as 1st April, 2022.

k) Based on physical verification of assets during FY 2020-21 (including conveyor belts and pipes) the net block of ₹ 13.47 Crore which are not available for use are included in the above schedule pending write off from Asset register.

l) Based on physical verification of assets conducted during the year and pertaining to the previous year, the net book value which are not available has been provided and the same are included as part of asset register.

m) Refer Note no 17(a) for the property, plant and equipment pledged as security by the Group.

Note 3- Right-of-Use Assets

(₹ Crore)

Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
	As at 01.04.2022	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2023	As at 01.04.2022	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land	88.72	-	-	88.72	25.02	-	2.14	27.16	61.56	63.70
Building	1.70	0.23	0.14	1.79	0.79	0.14	0.41	1.06	0.73	0.91
Vehicle	3.26	-	-	3.26	1.32	-	0.60	1.92	1.34	1.94
Plant and Machinery	15.53	0.91	-	16.44	1.50	-	0.74	2.24	14.20	14.03
Total	**109.21**	**1.14**	**0.14**	**110.21**	**28.63**	**0.14**	**3.89**	**32.38**	**77.83**	**80.58**
Previous Year	55.99	54.29	1.07	109.21	24.87	0.92	4.68	28.63	80.58	

Note 4- Intangible Assets

(₹ Crore)

Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
	As at 01.04.2022	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2023	As at 01.04.2022	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Software	42.98	1.35	-	44.33	22.71	-	6.49	29.20	15.13	20.27
Mining Rights	195.75	1.81	-	197.56	26.19	-	6.98	33.17	164.39	169.56
Total	238.73	3.16	-	241.89	48.90	-	13.47	62.37	179.52	189.83
Previous Year	159.48	79.25	0.00	238.73	12.41	0.00	36.49	48.90	189.83	

There is no impairment loss identified for the intangible assets during the year.

Notes to
CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 5- Capital Work-in Progress

(₹ Crore)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Plan Expenditure				
i) Neyveli New Thermal Plant				
Supply and Erection	175.51		35.43	
Expenditure during Construction		175.51	0.09	35.52
ii) Bithnok Project *				
Supply and Erection	11.85		11.85	
Expenditure during Construction	12.51	24.36	12.51	24.36
iii) Barsingsar Extension & Hadla Mines *				
Supply and Erection	9.11		9.11	
Expenditure during Construction	17.19	26.30	17.19	26.30
iv) Mine-IA Expansion				
Supply and Erection			50.54	
Expenditure during Development	1.91	1.91	394.40	444.94
v)Talabira II & III Mine				
Expenditure on Land Acquisition	248.60		280.69	
Expenditure during Development	0.01	248.61		280.69
vi) Odisha Thermal Power Project				
Supply and Erection	57.79		48.43	
Expenditure during Construction	15.16	72.95	6.71	55.14
vii) TPS II - 2nd Expansion				
Supply and Erection				
Expenditure during Construction	62.06	62.06		
viii) 10 MW Solar Smart City				
Supply and Erection	37.14			
Expenditure during Construction		37.14		
ix) Solar 100 MW - Hybrid				
Supply and Erection				
Expenditure during Construction	2.04	2.04		
x) Solar 300 MW - Barsingsar				
Supply and Erection				
Expenditure during Construction	6.14	6.14		
xi) MINE III				
Supply and Erection				
Expenditure during Development	42.64	42.64		
xii) NLC Tamilnadu Power Limited				
Supply & Erection	286.96	286.96	78.06	78.06
xiii) Neyveli Uttar Pradesh Power Ltd.				
Supply & Erection	9,829.92		9,462.01	
Expenditure during construction	3,507.87	13,337.79	2,356.07	11,818.08
Non- Plan Expenditure				
Supply and Erection	156.39		142.70	
Land Acquisition	122.71			
Capital Goods in Stock & Transit	32.83	311.93	2.76	145.46
TOTAL		**14,636.34**		**12,908.55**

* Project on Hold. Discussions are underway with stakeholders for revival of the project. Refer Note No. 22

Note 5- Capital Work-in Progress (Contd.)

CWIP Ageing Schedule (FY 2022-23)

(₹ Crore)

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
A) Plan Projects Expenditure					
1) Projects in Progress	2,100.54	1,681.99	2,255.43	8,229.11	14,267.07
2) Projects that are temporarily suspended	-	-	-	57.34	57.34
B) Non - Plan Project Expenditure	186.54	66.29	52.15	6.95	311.93
Total	**2,287.08**	**1,748.28**	**2,307.58**	**8,293.40**	**14,636.34**

CWIP Ageing Schedule (FY 2021-22)

(₹ Crore)

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Year	Total
A) Plan Projects Expenditure					
1) Projects in Progress	1,988.20	2,253.73	3,084.17	5,379.66	12,705.76
2) Projects that are temporarily suspended	-	-	-	57.33	57.33
B) Non - Plan Project Expenditure	116.55	14.59	7.93	6.39	145.46
Total	**2,104.75**	**2,268.32**	**3,092.10**	**5,443.39**	**12,908.55**

Note 6- Assets Under Development

(₹ Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Preliminary project expenditure	21.82	135.40
Less: Provisions	21.82	21.82
Total	**-**	**113.58**

Note 7- Financial Assets

A. Investments

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in Equity Instruments		
Non-Trade Un Quoted Investments		
(i) Associates		
In equity shares fully paid up 52,65,000 (PY 52,65,000) shares @ ₹10 per share of MNH Shakti (15% Stake)	6.23	6.10
Add: Share of Profit/ (loss) in MNH Shakti (15% Stake)	0.03	0.13
	6.26	6.23
(ii) Joint Venture		
In equity shares fully paid up 10,000 shares @ ₹10 per share of Coal Lignite Urja Vikas Private Limited (CLUVPL) (50% Stake)	0.39	0.01
Add: Share of Profit/ (loss) in CLUVPL (50% stake)	0.94	0.38
	1.33	0.39
Total Investment in associate and Joint venture	**7.59**	**6.62**

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 7- Financial Assets (Contd.)

B. Trade Receivables

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) **Unsecured**		
-considered good	465.42	-
Total	**465.42**	**-**

a) As per the Late payment surcharge rules notified by Ministry of Power on 3rd June, 2022, few DISCOM's has opted ₹910.92 Crore under interest free installment scheme within the given cut off date. The dues of such beneficiaries has been presented at fair valued as per the requirements of IND AS 109 .

b) A detailed ageing analysis of trade receivable has been provided in Note No. 49

C. Loans

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans to related parties		
Considered good -Secured	0.04	0.05
Considered good -Unsecured	0.04	0.01
Other Loans : Loans to employees		
Considered good -Secured	22.84	18.36
Considered good -Unsecured	12.03	4.77
Total	**34.95**	23.19

a) The secured loans and unsecured loan to employees includes house building loan, Vehicle loan and multipurpose loan etc. and 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.

b) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Group.

c) The loans to related parties includes ₹ 0.08 Crore (PY ₹ 0.06 Crore) due from Key Managerial Personnel. The details of transactions with Key Managerial Personnel are mentioned in Note No. 40.

D. Other Non - Current Financial Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mine Closure Deposit	497.48	425.11
Total	**497.48**	**425.11**

As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of "Coal Controller Escrow Account NLC India Limited" for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'. Up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan as per the Guidelines. Interest earned on the escrow account is added to mine closure deposit account. All the deposits are renewed every year. Deposit made during the year FY 2022-23 amounting to ₹52.60 Crore.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 8- Other Non - Current Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured Considered Good		
Capital Advances	1,555.12	947.87
Unsecured Considered Good		
Capital Advances	75.34	52.59
Others	162.42	162.46
Total	**1,792.88**	**1,162.92**

a) Capital Advances includes ₹ 121.62 Crore paid against a bank guarantee to an EPC contractor with respect to Barsingsar extension & Bithnok Project. On invocation of the BG, the EPC contractor initially opted for judicial intervention. However, subsequently the contractor agreed for arbitration , keeping the BG valid till arbitral award

b) Advances other than capital advances include amount paid to vendors on receipt of LD Bank Guarantee, which will be adjusted along with retention money upon finalisation of contract.

c) Capital Advances include ₹ 427.16 Crore as on 31st March, 2023 (₹ 386 Crore as on 31-03-2022) given to GA-3: Balance of Plant package contractor beyond the contractual terms as per board approval to assist in fund flow of the package on request of the contractor.

d) In the Case of delay in the project timeline of NUPPL despite the support provided to the Principal Contractor, the Board of NUPPL has approved for execution of the work by making direct payment to the sub-contractors by entering tripartite agreement instead of execution through the principal contractor. The principal contractor shall be liable to pay the Company towards these direct payments, besides advances given and interest thereon. (Refer Note No : 59 (d))

Current Assets

Note 9- Inventories

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials- Lignite	201.78	480.99
Raw Materials- Coal	165.23	84.43
Solid/Hollow/Fly Ash Bricks	0.99	1.54
Goods-in-transit (Stores and Spares)	100.43	17.62
Stores and Spares	753.09	648.91
Less: Provision for obsolete/unserviceable stores and spares	39.01	32.08
Total	**1,182.51**	**1,201.41**

a) Inventory valuation - Inventories are valued at the lower of cost or net realisable value. Cost for these purposes are as follows -

i. Extracted Lignite & Coal - At absorption cost excluding share of common charges and social overhead.

ii. Coal procured/Coal In transit - 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 takenat NIL value.

b) Refer Note No. 20 (a) for information on inventory pledged as security by the Group.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 10- Financial Assets

A. Trade Receivables

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Secured, Considered Good	763.40	762.73
ii) Unsecured		
- Considered good	3,501.07	2,946.90
- Credit impaired	196.72	501.51
	4,461.19	**4,211.14**
Less: Loss allowances on debtors	196.72	501.51
Total	**4,264.47**	**3,709.63**

a) Based on arrangements among NLCIL, Banks and DISCOMs' certain bills which are due from the DISCOMs' have been discounted during the FY 2022-23. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 4,626.36 Crore (31st March, 2022 ₹ 5,337.93 Crore) and NLCIL is bound to repay the same to the banks in the event of default by beneficiaries .

b) The Group has reviewed its outstanding debtors balance as on 31st March, 2023. Taking into account, period of outstanding, collections and the trend of realization subsequent to intervention of Ministry of Power and Ministry of Coal and pending completion of the reconciliation of balances and resolving various issues, in respect of which action have been initiated, on estimated basis, a cumulative provision of ₹ 196.72 Crore (PY ₹501.51 Crore) has been retained towards loss allowances on outstanding debtors balance as on 31st March, 2023.

c) Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28th June, 2019 w.e.f. 1st August, 2019 as Payment Security Mechanism under Power Purchase Agreements.

d) NLCIL has billed various DISCOMs an amount of ₹ 386.51 Crore during the year under report being income tax recoverable as per the CERC tariff Regulations, for different Tariff periods on account of payments made relating to earlier periods arising out of settlement of disputed cases pursuant to 'Vivad Se Vishwas Scheme' (VSVS). While NLCIL has recovered a sum of ₹ 58.07 Crore from few DISCOMs during the year, others have disputed the validity of this Claim and opted for Judicial intervention and initiated legal proceedings.

NLCIL is of the considered opinion that:

(i) The claim of taxes paid under VSVS is in line with the CERC Regulations for all the tariff periods;

(ii) The sum paid under the dispute resolution scheme viz.VSVS has accrued due to settlement of disputed liabilities , which in any case the Company is entitled to claim in the normal course had the same been paid in the respective years;

Further, NLCIL's petition filed before CERC on 11th April, 2023 seeking their direction on this issue is pending for decision.

However, NLCIL's is of the view that the balance amount is recoverable based on a reasonable assessment of various facts

e) A detailed ageing analysis of trade receivable has been provided in Note No 49

B. Cash and Cash Equivalents

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Bank Balance		
- Current Account	77.48	89.40
- Short Term Deposits	-	50.00
ii) Cash and Stamp on hand	0.00	0.01
Total	**77.48**	**139.41**

(a) Stamps on hand as on 31st March,2023 - ₹44,908 /- (31st March,2022 - ₹ 50,800/-)

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 10- Financial Assets (Contd.)

C. Bank Balances other than Cash and Cash Equivalents

(₹ Crore)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend Account Balance		2.23	2.54
Earmarked deposits with Banks :-			
i.	Staff Security Deposit	-	0.01
ii.	Endowment fund in the name of NLC Schools	0.51	0.46
iii.	PRMA Deposit	123.60	107.81
iv.	Security for Bank Guarantee	2.67	2.55
v.	Margin of Bank Guarantee & Letter of Credit	19.07	88.75
vi.	Multi Option deposit	19.58	0.08
vii.	Land for Fly ash deck	0.44	0.44
viii.	Unspent CSR deposit	5.85	1.88
ix.	Deposit for Coal Mining	0.02	-
Total		**173.97**	**204.52**

a) In order to meet the post retirement medical expenditure of employees retired on or before 1st January, 2007 , the Company deposits 1.5% of its profit before tax after deducting actual expenditure towards PRMA in a separate deposit for this purpose termed as PRMA deposit. The above amount will be utilised in future years towards the purpose for which it has been created. The interest accrued in this fund is added to the fund. The deposit matured and renewed on 24th March, 2023.

b) Margin for bank guarantee includes ₹ 16.29 Crore (PY ₹ 83.98 Crore) kept as deposit to facilitate M/s BGR Energy System Limited (GA-3: Balance of Plant package contractor of NUPPL) to provide security for opening of Letter of Credit in favour of the sub-vendors for supply of materials.

c) As per Section 135 of Companies Act, 2013, unspent CSR amount has been deposited in Unspent Corporate Social Responsibility Account. The unspent CSR represents shortfall in CSR expenditure of NTPL (a subsidiary) deposited into separate bank accounts

D. Loans

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans to Related Parties		
i.Considered good -Secured	-	-
ii.Considered good -Unsecured	-	-
Other Loans : Loans to employees		
i.Considered good -Secured	1.40	13.49
ii.Considered good -Unsecured	4.62	13.33
Total	**6.02**	**26.82**

a) The secured loans and unsecured loan to Employees includes house building loan, car loan, Vehicle loan and multipurpose loan etc. and 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.

b) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Group.

Note 10- Financial Assets (Contd.)

D. Loans (Contd.)

c) The Group has a policy of extending loans and advances to its employees including Directors, KMPs and the related parties. All these loans are paid in accordance with the Policy adopted by the group and Repayments and interests are charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence separate disclosure as mentioned in revised schedule -III of Companies Act 2013 is not applicable .

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Due by Officers	0.04	0.05
(ii) Maximum amount due at any time during the year	0.09	0.06
(i) Due by Directors	0.01	0.02
(ii) Maximum amount due at any time during the year	0.01	0.02

E. Other Financial Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposits	5.00	-
Interest Accrued	31.26	37.35
Unbilled Revenue	2,992.73	1,283.11
Insurance Claim receivable	50.00	-
Total	**3,078.99**	**1,320.46**

a) Interest Accrued includes interest due on loans givens to employees, interest on various advances given to suppliers and interest on various deposits such as PRMA etc.

b) Unbilled Revenue includes ₹ 1,013.75 Crore (PY - ₹ 873.01 Crore) of billing done after 31st March, for Sale of Power related to March 2023.In addition to that on receipt of provisional order from CERC with respect to lignite transfer price for the period 2019-24 , the differential impact has been recognised as unbilled revenue.

Note 11- Current Tax Assets (Net)

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax	496.66	1,510.55
Less : Provision for Tax	227.97	1,021.39
Total	**268.69**	**489.16**

NLCIL has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and Form-5 has been issued by Income Tax department on acceptance of the forms filed by NLCIL. The tax liability on this account is ₹ 730.91 Crore which has been considered as Tax expenses in the FY 2021-22. Further consequent to issuance of Form 3 by the department and filing of Form-4 by NLCIL for all years for which it has opted for VSVS, reduction in Tax expenses amounting to ₹ 129.80 Crore arising out of orders of AY 2014-15 and AY 2015-16 have also been accounted in the previous financial year.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 12- Other Current Assets

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Disposable / Dismantled Assets & Spares	5.73	3.15
Prepaid Expenses	104.25	114.14
Advances other than capital advances (unsecured)		
i. Considered good		
- Staff Advances	58.56	55.72
- For Purchase of Coal	83.04	39.51
- For Rail Freight	3.18	1.45
- Others	199.60	110.67
ii. Considered doubtful	2.11	2.11
Less: Provision for doubtful advances	2.11	2.11
Deposits with Govt. Authorities		
- Towards Royalty	8.84	8.91
- Towards Advance TDS	0.23	0.61
- Port Trust and Customs authorities	10.70	10.72
- VAT Appeal	112.43	112.43
Discount on commercial paper	6.42	5.18
GST Receivable	41.72	29.90
TCS Receivable	0.35	0.31
Escrow with RITES Limited	4.10	8.55
Others	88.85	2.39
Total	**728.00**	**503.64**

a) Advances other than capital advances-Staff advance includes advances paid towards Performance related pay of employees.

b) Advances other than capital advances -Other advances represents advances given to contractors and suppliers in ordinary course of supply of goods and services.

c) Commercial Paper to the tune of ₹ 1000 Crore is outstanding as on 31st March, 2023 drawn at a coupon rate ranging from 7.20% to 7.43% p.a. These are unsecured loans repayable on respective due dates. The discount on commercial paper represents the unamortised portion of finance charges.

Note 13- Regulatory Deferral Account Debit Balances

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Foreign Currency Fluctuation	134.24	117.85
Gratuity	-	171.48
Wage Revision	-	643.04
Other items recoverable as per CERC Order/Regulations	1,443.80	1,554.03
Others	216.69	189.10
Total	**1,794.73**	**2,675.50**

Notes to
CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 13- Regulatory Deferral Account Debit Balances (Contd.)

a. The regulatory deferral accounts balances has been accounted in line with the Group's accounting policy. Refer note no 47 for detailed disclosures.

b. Based on petition filed with CERC for NNTPP (2 X 500 MW), the differential amount(as against provisional tariff order) of ₹ 360.27 Crore (PY : ₹114.36 Crore)considered under regulatory deferral account debit balance.

c. The Group undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued in May, 2020 by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Accordingly, for the 5 year period from 2016-17 to 2020-21, an amount of ₹171.15 Crore has been considered on provisional basis under regulatory income during FY 2020-21, pending filing of the claim with "Coal Controller". Pending approval the said amount is being carried forward.

An amount of ₹ 23.33 Crore (PY: ₹22.22 Crore) has been considered as regulatory income based on the existing mine plan, Pending execution of Escrow agreement as per the revised mining plan with Coal controller during the current Financial year

d. During the year , NLCIL has received the provisional tariff order for the period 2019-24 of its thermal power stations(except NNTPS and BTPS) and truing up orders for the period 2014-19 of its thermal power stations (except BTPS). Consequent to allowance of water charges, security expenses and consumption of capital spares as part of O&M, regulatory assets created has been reversed in the current year.

e. During the year the CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the group to raise the invoice to the beneficiaries. Accordingly, in respect of group the total claim of ₹ 815.61 Crore which was earlier recognized under regulatory asset has been withdrawn and an amount of ₹ 670.87 Crore has been billed to beneficiaries. In respect of NTPL , CERC has disallowed the entire claim of ₹ 31.97 Crore and the Company has preferred an appeal before APTEL.

f. NTPL (Subsidiary Company) has filed trued up petition for the Tariff period 2014-19. Any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.

Note 14- Equity Share Capital

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised, Issued, Subscribed and Paid-Up Share Capital :		
Authorised		
2,00,00,00,000 Equity Shares of par value ₹10 each (2,00,00,00,000 Equity Shares of par value ₹10 each as at 31st March 2022)	2,000.00	2000.00
Issued		
1,38,66,36,609 Equity Shares of par value ₹10 each fully paid (1,38,66,36,609 Equity Shares of par value ₹10 each as at 31st March 2022)	1,386.64	1,386.64
(1,09,82,21,224 Equity Shares being 79.20 % (previous year 1,09,82,21,224 shares being 79.20%) are held by the President of India.)		
	1,386.64	1,386.64
A. Movement in Share Capital during the Year	**As at 31st March, 2023**	**As at 31st March, 2022**
No. of shares outstanding at 1st April	1,38,66,36,609	1,38,66,36,609
Shares issued during the year	-	-
Shares bought back during the year	-	-
No of Shares outstanding at 31st March	1,38,66,36,609	1,38,66,36,609
B. Rights attached to each class of Shares		
The Group has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.		

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 14- Equity Share Capital (Contd.)

C. Shareholders holding more than 5% of shares	As at 31st March, 2023	
	No. of Shares (face value @ 10)	% of holding
President of India	1,09,82,21,224	79.20%
D. Shares held by Promoters at the end of the year	**No. of Share**	**% of holding**
President of India	1,09,82,21,224	79.20%
There were no change in number of shares and percentage of holding during the FY 2022-23.		
E. Dividends	**As at 31st March, 2023**	**As at 31st March, 2022**
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31st March 2022 of ₹ 1.5 (31st March 2021 ₹ 1.5) per fully paid equity share	208.00	208.00
- Interim dividend for the year ended 31st March 2023 of ₹ 1.5 (31st March 2022 ₹ 1.5) per fully paid equity share	208.00	208.00
ii) Dividends not recognised during the year		
Since year end, the Board of Directors of NLCIL have recommended the payment of final dividend @20% amounting to ₹ 2 per share for FY 2022-23 (31 March 2022:₹ 1.5 per share).	277.33	208.00
F. Movement in Equity Shares Last Five Years preceding 01.04.2022		
Number of Shares as on 01.04.2017		1,52,85,68,427
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2017-18, FY 2018-19, FY 2019-20 , FY 2020-21 & FY 2021-22		
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2017-18, FY 2018-19, FY 2019-20 , FY 2020-21 & FY 2021-22		
Aggregate number and class of shares bought back FY 2017-18, FY 2018-19, FY 2019-20 , FY 2020-21 & FY 2021-22		14,19,31,818
Number of Shares as on 31.03.2022		1,38,66,36,609
Shares bought back 14,19,31,818 no's. during FY 2018-19.		

Note 15- Other Equity

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Retained Earnings	11,461.02	10,509.96
ii) Other Comprehensive Income		
Remeasurement of actuarial gains/ (losses) and interest cost	(57.70)	(57.68)
a) Total Retained Earnings (i + ii)	11,403.32	10,452.28
b) Other Reserves		
KfW Interest Differential Reserve	367.23	362.90
General Reserve	1,457.00	1,457.00
Contingency Reserve	140.00	130.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	123.58	109.29
Total (b)	2,378.88	2,350.26
Total Other Equity (a+b)	**13,782.20**	**12,802.54**

Notes to
CONSOLIDATED FINANCIAL STATEMENTS

Note 15- Other Equity (Contd.)

(₹ Crore)

a) Retained Earnings	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	10,509.96	9,850.22
Addition during the year	1,426.08	1,143.88
i) Retained Earnings available for appropriation	**11,936.04**	**10,994.10**
Less: Appropriations		
Transfer to / (from) Interest Differential Fund Reserve	4.33	4.90
Transfer to Contingency Reserve	10.00	10.00
Transfer to PRMA Reserve Fund	14.29	1.50
Interim Dividend	208.00	224.85
Final Dividend	208.00	232.07
Non Controlling Interest (NCI)	30.42	-17.41
ii) Other Comprehensive Income		
Remeasurement of Actuarial Gain/(loss)	(0.02)	28.23
Closing Balance	**11,461.02**	**10,509.96**

b) Other Reserves i. KfW Interest Differential Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	362.90	358.00
Transfer from Retained Earnings	25.13	26.66
Less : Withdrawal / Adjustment during the year	20.80	21.76
Closing Balance	**367.23**	**362.90**

The Group sets aside a reserve equivalent to the amount in ₹ 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.

ii. General Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	1,457.00	1,457.00
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**1,457.00**	**1,457.00**

iii. Contingency Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	130.00	120.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**140.00**	**130.00**

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

iv. Capital Redemption Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	291.07	291.07
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**291.07**	**291.07**

In accordance with applicable provisions of the Companies Act, 2013 read with Rules where a Group buyback its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the capital redemption reserve account towards nominal value of shares bought back.

During the previous financial years 29,10,72,991 shares has been bought back and the total amount in capital redemption reserve represents the nominal value of such share bought back.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 15- Other Equity (Contd.)

(₹ Crore)

v. PRMA Reserve Fund	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	109.29	107.79
Transfer from Retained Earnings	14.29	1.50
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**123.58**	**109.29**

a) Reserve towards Post Retirement Medical Assistance (PRMA) provided to retired employees and their spouse.
b) The deposit of PRMA fund has been renewed on 24th March2023.

Note 16- Non Controlling Interest

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. NLC Tamilnadu Power Ltd. (NTPL)	307.38	288.77
b. Neyveli Uttar Pradesh Power Limited (NUPPL)	2,149.44	1,896.36
Total	**2,456.82**	**2,185.13**

Non - Current Liabilities

Note 17- Financial Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Borrowings		
a) Secured Loans		
(i) Neyveli Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
(ii) Term Loans		
- From Banks	2,243.52	2,473.85
- Power Finance Corporation Ltd (PF)	7,140.93	7,565.42
- Rural Electrification corporation Ltd.	4,551.23	4,238.85
b) Unsecured Loans		
(i) Neyveli Bonds		
- Series-II-2020	500.00	500.00
- Series-I-2021	1,175.00	1,175.00
- Series-II-2021	500.00	500.00
(ii) Foreign Currency loan from KfW-Germany #		
- '5.93 Million Euro (6.36 Million Euro) - I	49.09	49.91
- '40.64 Million Euro (43.44 Million Euro)-II	338.40	342.24
# Guaranteed by the Government of India.		
Total	**18,498.17**	**18,845.27**

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 17- Financial Liabilities (Contd.)

Details of Terms of Repayment, Rate of Interest and Security :

a. To meet the fund requirement of Neyveli New Thermal Power Project (NNTPP 1000 MW) borrowing arrangement has been done with:

   i) Loan of ₹ 3,000 Crore was availed from M/s. Power Finance Corporation Ltd. and outstanding amount as on 31st March, 2023 is ₹ 1950 Crore. The Loan is secured by pari passu charge on project lands & fixed assets of NNTPP , repayable in 20 equal bi-annual installments commencing from 31st March,2020. The interest rate as on 31st March,2023 is @ 8.51% p.a. (on the basis of 3 year AAA Reuter rate i.e., 7.66% p.a. plus fixed spread 0.85%)

   ii) NLCIL Bonds 2021 Series-I was issued on 12th February, 2021 for an amount of ₹ 1,175 Crore @ 6.05% p.a. The Bond is unsecured and will be repayable by bullet payment on 12th February, 2026.

   iii) NLCIL Bonds 2021 Series-II was issued on 20th December, 2021 for an amount of ₹ 500 Crore @ 6.85% p.a., Out of which ₹ 295.60 Crore was utilised towards NNTPS project and balance ₹ 204.40 Crore was utilised towards general business purpose. This Bond is unsecured and will be repayable by bullet payment on 13th April, 2032.

b. 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. Repayment for the same started from October 2018, amount drawn is ₹ 481 Crore and the loan was fully repaid by March, 2023. Interest rate on closure of loan is 8.028% p.a. (on the basis of 5 year G-Sec Rate i.e., 7.398% plus 0.63% fixed spread.

c. To meet the fund requirement of Tamilnadu Solar Power Project 500 MW, borrowing arrangement has been done with the following banks:

   i. Axis Bank sanctioned a loan of ₹500 Crore and drawn ₹ 500 Cr. The outstanding amount as on 31st March, 2023 is ₹ 99.97 Crore. The interest rate as on 31st March, 2023 is 8.61% p.a. (on the basis of 5 Year G-Sec rate i.e., 7.39% plus 1.22% fixed spread). Repayment for the loan started from September'2019 in 10 equal half-yearly installments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

   ii. Axis Bank sanctioned a loan of ₹ 450 Crore and drawn ₹ 450 Cr. The outstanding balance as on 31st March, 2023 is ₹ 134.97 Crore. The interest rate as on 31st March, 2023 is 8.59% p.a. (On the basis of 5 Year G-Sec Rate i.e., 7.39% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly installments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

   iii. Federal bank sanctioned a loan of ₹ 456 Crore and drawn ₹ 456 Crore. The outstanding as on 31st March, 2023 is ₹ 136.77 Crore. The interest rate as on 31st March, 2023 is 8.78% p.a. (on the basis of 5 Year G-Sec rate i.e., 7.58% plus 1.20% fixed spread). Repayment for the loan started from March' 2020 in 10 equal half-yearly installments. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

d. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with SBI for an amount of ₹ 2552 Crore. Out of the facility, ₹ 2319 Crore was drawn & outstanding amount as on 31st March, 2023 is ₹ 1680.44 Crore. The Interest rate as on 31st March, 2023 is 8.40% p.a. (on the basis of 6 Month MCLR rate @ 8.40%). This loan is repayable in 20 equal half- yearly installments of ₹ 127.60 Crore each, first repayment started on 31st December, 2020. This loan is secured by pari-passu charge on the project assets to the extent of the facility.

e. To meet the fund requirement of Talabira Coal Mine II & III, borrowing arrangement has been done with SBI for an amount of ₹ 1680.75 Crore. Out of the facility, ₹ 593 Crore was drawn & outstanding as on 31.03.2023 is ₹ 256.73 Crore. The interest rate as on 31st March, 2023 is 8.40% p.a. (on the basis of 6 Months SBI MCLR rate) repayable in 20 equal half- yearly installments of ₹ 84.04 Crore starting from 30th September, 2021. The loan is secured by pari-passu charge on the project assets to the extent of the facility.

f. To meet the General Funding arrangement, NLCIL BONDS 2019 SERIES I was Issued on 29.05.2019 for ₹ 1475 Crore and NLCIL BONDS 2020 SERIES I was issued on 27th January, 2020 for an amount of ₹ 525 Crore and which carries interest rate @ 8.09% p.a. & 7.36% p.a. respectively. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) (including Land) to the extent of the facility and subsequently to have sufficient asset cover another security has been created by pari-passu 1st charge on the project assets of 1000 MW (2 X 500 MW)

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 17- Financial Liabilities (Contd.)

NNTPP, Neyveli project to the extent of ₹ 450 Crore with the consent of lender of NNTPP i.e., PFC. These Bonds are repayable on 29th May, 2029 & 25th January, 2030 respectively. Out of ₹ 1475 Crore, ₹ 749.22 Crore and ₹ 234.98 Crore has been used towards unlocking of Equity of TPS II Expansion Project (2*250 MW) & Wind 51 MW respectively and balance were used for operational requirement.

g. To meet the General Funding arrangement, an unsecured Bonds i.e., NLCIL Bond 2020 Series-II and was issued on 31st July, 2020 for ₹ 500 Crore carrying an interest rate of 5.34% p.a. which is repayable through bullet payment on 11th April, 2025

h. Bi- annual equal repayment (€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany, commenced from 30th December, 2001, ending on 30th June, 2036. This loan is unsecured and guaranteed by GOI @ guarantee fee of 1.20%. The outstanding loan, Euro 5.93 million carries interest rate @ 0.75% p.a.

i. Bi-annual equal repayment (€ 1.401 Million each) of Foreign Currency loan -II from KfW Germany, commenced from 30th June, 2002, ending on 30th June, 2037. This loan is unsecured but guaranteed by GOI @ guarantee fee of 1.20%. The outstanding soft loan, Euro 40.64 million carries interest rate @ 0.75% p.a.

j. The Company has maintained required asset cover as per the terms of offer document/information memorandum and/or Debenture trust deed, including compliance with all the covenants, in respect of the listed non-convertible debt securities.

In respect of NTPL :

k) PFC - Rupee term loan I - Sanctioned and Availed - ₹ 1,184.92 Crore:- Repayable in Twenty (20) equal half-yearly installments from January 2016 and the rate of interest on the loan as on 31st March, 2023 is 8.86% p.a. (on the basis of 3 year AAA Bond rate plus 1.59% fixed spread). The outstanding amount as on
31st March, 2023 is ₹297.02 Crore

l) PFC - Rupee term loan II - Sanctioned and Availed - ₹ 3,093.30 Crore:- Repayable in Nineteen (19) equal half yearly installments from October 2016 and the rate of interest on the loan as on 31st March, 2023 is 8.85% (on the basis of 3 year AAA Bond rate plus 1.21% fixed spread).The outstanding amount as on
31st March, 2023 is ₹976.83 Crore

m) Bank of India - Rupee Term Loan - Sanctioned - ₹ 483.52 Crore :- Repayable in Twenty (20) equal half yearly installments from March 2019 and the rate of interest on the loan as on 31st March, 2023 is 8.23% p.a. (on the basis of 1 month MCLR plus 0.28% fixed spread).

n) State Bank of India - Term Loan - Sanctioned - ₹ 572.85 Crore :- Repayable in Twenty (20) equal half yearly installments starting from June 2025 and ending on Dec 2034. The rate of interest on the loan as on 31st March, 2023 is 8.55% p.a. (on the basis of 1 year MCLR plus 0.05% fixed spread). Out of the sanctioned amount of ₹ 572.85 Crore, an amount of ₹ 442.35 Crore is unavailed as on 31st March, 2023.

In respect of NUPPL :

o) Rupee Term Loan of ₹5588.84 Crore is tied up with Power Finance Corporation Ltd and ₹5,478.17 Crore is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. Also, Rupee Term Loan of ₹1,000 Crore tied up with Canara Bank @ One Year Canara Bank MCLR + Fixed spread of 1.50%.

The loan is secured by first pari passu charge, by way of mortgage of all the immovable properties/ other assets & by way of hypothecation of all the movable assets (save and except book debt) including movable machinery, machinery spares, tools and accessories, fuel stock, spares and materials of Ghatampur Thermal Power Station, both present and future.

The loan is repayable in 20 equal Half Yearly installments for all three loans. The first installment will become due on July 2024 for REC and Canara Bank and in case of PFC it will become due on January-2026. The subsequent installments will become due for payment in the month of January & July of every year for all three loans.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 17- Financial Liabilities (Contd.)

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
B. Lease Liability		
Lease Liability on		
- Land	7.20	7.26
- Building	0.82	0.98
- Vehicle	1.60	2.18
- P&M	17.80	17.28
Total	**27.42**	**27.70**
Due to variable nature of payment for overburden removal, the right to use asset and lease liability under Ind AS 116 is not ascertainable. The detailed disclosure has been provided in Note No 46		
C. Other Financial Liability	**As at 31st March, 2023**	**As at 31st March, 2022**
Capital purchase, Capital works-in-progress and other liabilities	1,660.93	1,920.47
Total	**1,660.93**	**1,920.47**

Note 18- Deferred Tax Liabilities (Net)

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities		
on Depreciation	5,102.87	5,193.99
Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	333.07	688.95
MAT Credit entitlement	1,388.40	1,450.73
Deferred Tax Liabilities (Net)	**3,381.40**	**3,054.31**

The tax holiday period as per section 80IA of income tax act 1961 for NLCIL Barsingsar project is upto the FY 2025-26. The estimated deferred tax in respect of temporary differences which reverse during this tax holiday period have been derecognized to the extent of ₹ 96.64 Crore.

Note 19- Other Non-Current Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mine Closure Liability	502.00	428.17
Deferred Income	117.99	123.73
Others	40.29	44.28
Total	**660.28**	**596.18**

a) In respect of Mine Closure 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.

b) Deferred income includes capital grant of ₹ 75.97 Crore and ₹ 39.38 Crore (Unamortised value of Grant) received from Ministry of New and Renewable Energy (MNRE) in respect of installation of 130 MW solar at various locations in Neyveli and 20 MW of Solar Plant at various location of Andaman and Nicobar in their respective year of commissioning. In proportion to the depreciation of the respective solar asset , the grant is amortised to profit and loss account each year.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Current Liabilities

Note 20- Financial Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Borrowings		
Loans Repayable on Demand		
(a) From Banks (Secured) :		
- Cash Credit facility from Bank	-	-
- Working Capital Demand Loan	783.34	157.35
- Treasury Bill linked WCDL	498.00	285.00
From Banks (Unsecured) :		
- Commercial Paper	1,000.00	1,150.00
(b) Current Maturities of long term borrowings		
Secured		
i. Term Loans - Banks	752.81	849.04
ii. Term Loans -Power Finance Corporation Ltd.	744.42	744.42
Unsecured		
-Foreign Currency loans from KfW	28.98	27.29
Total	**3,807.55**	**3,213.10**

a) In respect of NLCIL

(i) The working capital facility agreed with SBI and is secured by Hypothecation of entire current assets of the Company i.e raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. This outstanding loan carries interest rate of 7.60% p.a.

b) In respect of NTPL (a subsidiary)

a) Bank of India Working Capital loan with Fund based Limit of ₹ 13,000 Crore and Non-Fund based Limit of ₹ 200 Crore is subject to the availability of drawing power. Secured by pari passu charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project.

b) Bank of India sanctioned Line of Credit (WC Loan) as a sublimit to WCFB limit with tenor ranging from 1/3/6/9/12 months. Rate of interest is linked to Repo Rate. The rate of interest as on 31st March, 2023 is 6.85% p.a. (on the basis of Repo Rate + Mark Up 2.85% - BSD 2.50%) on Working capital demand loan and 8.15% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit.
Letter of comfort from NLCIL in favour of Bank of India on the Working capital loan availed by NTPL with Fund based Limit of ₹ 1,300 Crore and Non-Fund based Limit of ₹ 200 Crore.

c) State Bank of India Working Capital loan with Fund based Limit of ₹ 500 Crore and Non-Fund based Limit of ₹10 Crore (sub-limit of Fund based Limit of ₹ 500 Crore) is subject to the availability of drawing power.
Secured by pari passu first charge over the entire current assets of the Company i.e., hypothecation of raw materials, stock in process, finished goods, consumable stores, spares and charge on the receivables.

d) Commercial Paper to the tune of ₹ 1,000 Crore is outstanding as on 31st March, 2023 drawn at a coupon rate ranging from 7.20% to 7.43% p.a. These are unsecured loans repayable on respective due dates.

(₹ Crore)

B. Trade Payables	As at 31st March, 2023	As at 31st March, 2022
Trade Payables :		
- Towards Micro and Small Enterprises	47.74	28.05
- Others than Micro and Small Enterprises*	1,937.33	1,489.92
Total	**1,985.07**	**1,517.97**

* Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹53.57 Crore (previous year ₹ 33.81 Crore). Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note No-54.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 20- Financial Liabilities (Contd.)

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
C. Other Financial Liabilities		
Interest Accrued but not due on Borrowings		
i. Neyveli Bonds	143.91	143.91
ii. KfW-Germany	0.78	0.79
iii. Term Loans from Banks & FI's	18.52	17.52
iv. Working Capital Demand Loan.	0.72	0.23
v. Treasury Bill	0.25	0.08
Unclaimed Dividend	2.23	2.52
Total	**166.41**	**165.05**

Note 21- Other Current Liabilities

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unutilised Revenue Grant	3.78	4.62
Staff Security Deposit	-	0.01
Advance for Fly ash sales	12.07	2.63
Other liabilities		
- Employees	285.89	358.50
- Statutory	285.09	205.40
- Others	238.05	184.35
Total	**824.88**	**755.51**

Other liabilities-Others include Liquidity Damages, EMD from contractors, credit balance from vendors, EMD for lignite supply, caution deposits etc. which are to be settled / Adjustment against services / goods received from/to the vendors/debtors.

Note 22- Provisions

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Short-term Benefit of Leave Salary	49.87	81.09
Post Retirement Medical Benefit	18.63	15.26
Provision for Gratuity & Others	296.39	283.62
Provision for Loss on Assets	77.64	62.64
Provision for Contingencies	0.97	139.51
Other Provision	-	7.70
Provision for unspent CSR	12.27	7.80
Total	**455.77**	**597.62**

Provision for loss on assets includes provision created on CWIP relating to Bithnok and BTPS project provision amounting to ₹ 40.64 Crore.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for Balance Sheet

Note 23- Regulatory Deferral Account Credit Balances

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Foreign Currency Fluctuation	22.61	26.26
CERC Order/Petition filed with APTEL/Others	3,951.55	2,691.69
Total	**3,974.16**	**2,717.95**

a. Amounts under regulatory deferral liabilities as on 31st March, 2023 relates to the impact arises out of various regulatory orders for the previous tariff periods.

b. The Group has filed appeals before the Appellate Authority of Electricity (APTEL) against the following CERC orders / filed review petition before CERC which are pending for disposal:

1) Thermal Power Station II (Neyveli) – Rejection of substitution of actual secondary fuel consumption (SFC) in place of normative SFC in computing energy charge rate ,disallowance of de-capitalization of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14.

2) Lignite Truing up – Disallowance of O &M escalation at 11.50% p.a as per MOC Guidelines considering FY 2008-09 as the base year.

3) Sharing of profits and incentives on additional generation in TS -II on adoption of pooled lignite price considering the cost of Mines – II Expansion.
The impact on the above mentioned orders have been considered appropriately under Regulatory Deferral Account Balances / Net Movement in Regulatory Deferral Balances in accordance with Ind AS 114, in the respective previous financial period's.

4) NLCIL has filed review petition before CERC on the true up order for determination of Lignite Transfer Price for the Tariff Period 2014-19. During the year CERC has admitted the review petition for disallowance of additional capitalization w.r.t. new assets and disallowances of stores for the purpose of interest on working capital and has set aside to review of O&M Expenses as the similar issue for the period 2009-14 is sub-judice before APTEL and O&M Expense for the period 2014-19 is subject to the final decision of the APTEL case.In view of the order ,the Company has considered in Regulatory Expenses of ₹ 783.79 Crore (including interest) in addition to the existing amount already provided in different periods under Regulatory Deferral Account Balances towards O&M Expenses for the period 2014-19.

c) CERC has issued trued up order in respect of TPS-II expansion for the tariff period 2014-19 on 09th June, 2022. NLCIL has filed a review petition on 20th July, 2022 and pending disposal of the review petition, the Company has accounted an amount of ₹ 48.03 Crore arising out of the difference between billed rate and trued up order rate under regulatory deferral liabilities.

d) NLCIL has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on 26th July, 2022 and for Barsingsar mines on 26th December, 2022. Refer Note no 24(c) for neyveli mines. Pending disposal of the said Petition, the Company has billed energy charges based on provisionally approved Lignite transfer rate by CERC for NNTPS tariff petition for tariff period 2019-24 for Neyveli mines and provisionally approved rate by CERC for the tariff period 2014-19 for Barsingsar mines. Pending receipt of tariff order with respect to Barsingsar Mines for Tariff period 2019-24, an amount of ₹ 40.90 Crore (including interest) representing the difference between billed rate and petition rate has been accounted under regulatory deferral liabilities.

e) As per CERC regulations (second amendment) 2019-24, it is required to share the Non tariff income arising from sale of coal to the beneficiary. Accordingly amount of ₹143.54 Crore has been recognised under regulatory liabilities.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 24- Revenue from Operations

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Revenue from Operations		
Sale of :		
- Power	13,727.70	10,335.25
- Lignite	791.70	824.21
- Coal	1,515.97	830.26
- Fly Ash & Other By-products	154.87	95.98
Other Operating Revenue :		
- Consultancy charges	3.78	2.69
	16,194.02	12,088.39
Less: Transfer to Capital Work in Progress	-	122.43
Less: Rebate on sale of Power	28.78	18.02
Total	**16,165.24**	**11,947.94**

a) Power Sale includes Sale of Power through Trading for FY 22-23 ₹ 127.51 Crore. (FY 21-22 ₹ 353.96 Crore).

b) Pending disposal of tariff petition for BTPS and approval of CERC tariff for NNTPS for the tariff period 2019-24 , beneficiaries are being billed in accordance with the tariff order for the period 2014-19/interim order issued by CERC for control period 2019-24 respectively. However, recovery on account of O&M component for tariff period 2019-24 has been recognized based on CERC tariff regulations and differential revenue between tariff periods 2019-24 and 2014-19 is recognized under Regulatory Deferral Account. The accrual for the remaining 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the tariff order.

c) NLCIL has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on 26th July, 2022 and for Barsingsar mines on 26th December, 2022. Pending disposal of the said Petition, the Company has filed interlocutory application seeking approval of provisional Lignite transfer price for the neyveli mines. Subsequently CERC has issued interim lignite transfer price order for the control period 2019-24 and the differential impact on such order is recognised under power sales amounting to ₹1389.87 Crore.

d) NLCIL has commissioned Talabira Coal mines on 01st April, 2021. The Company has filed Tariff petition for the tariff period 2019-24 (effective period 2021-24) before CERC on 25th July, 2022. Pending disposal of the said petition, the Company has adopted petition rate for billing for the linked thermal plant.

e) During the year, the CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the group to raise the invoice to the beneficiaries. Accordingly, the total claim of ₹ 815.61 Crore which was earlier recognized under regulatory asset has been withdrawn and an amount of ₹ 670.87 Crore has been billed to beneficiaries.

f) Power sales include ₹ 212.84 Crore (PY:NIL) of TPS-I for FY 22-23 which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-55

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 25- Other Income

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
(a) Interest on		
(i) Bank Deposits	79.95	90.41
(ii) Employees Loans	3.54	3.93
(iii) Mine Closure Deposits	23.43	18.25
(vi) Others	343.70	4.33
(b)Unwinding of Interest Income	35.70	-
(c) Recoveries Towards Rent and Others	29.79	31.38
(d) Profit on Sale of Assets	7.49	2.29
(e) Coal Handling Charges	3.08	10.00
(f) Provision Written Back	446.40	24.51
(g) Surcharge on sale of Power	137.25	451.47
(h) Exchange Fluctuation	0.20	0.97
(i) Deferred Income on Govt. Grant	12.64	11.53
(j) Miscellaneous	179.49	46.35
	1,302.66	695.42
(Add) / Less: Transfer to Capital Work in Progress	63.45	80.89
Less: Transfer to Mine Closure Liability	21.23	16.51
Total	**1,217.98**	**598.02**

a) Consequent to CERC truing up order received for the tariff period 2014-19 and tariff orders for the period 2019-24 TPS I , TPSI Expn , TPS II and Neyveli Mines, interest income due on the order impact amounting to ₹ 339.57 Crore (Including ₹ 171.09 Crore for Neyveli Mines for tariff period 2019-24) has been recognised under Interest others.

b) Miscellaneous income includes

i) ₹ 36.95 Crore (PY ₹ 44.66 Crore) towards sale of scrap

ii) Further insurance claim in respect of TPS-II fire incident has been lodged with the Insurance Company for recovery of damage including loss of profit. Based on confirmation from insurance Company ₹50 Crore was recognized in the current financial year.

iii) NTPL (Subsidiary Company) an amount of ₹ 2.99 Crore has been recognised towards Profit on sale of LP Rotor to UPRVUNL.

c) The other income includes ₹ 31.09 Crore (PY ₹ 3.33 Crore) of TPS-I for FY 21-22 which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-55

d) Provision written back includes ₹304.96 Crore towards reversal of expected credit loss provision recognised on trade receivable and ₹122.12 Crore towards provision created earlier in respect of Bithnok and BTPS expansion project capital advance.

e) Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Group.

f) Under the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, DISCOMs opted for interest free installment scheme within cutoff date i.e., 3rd July, 2022. Accordingly such dues were fair valued as per the requirements of IND AS 109 and the consequent unwinding of interest income has been recognised in the current year

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 26- Cost of Fuel Consumed

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Coal Consumption	2,190.28	1,167.99
Oil Consumption	9.77	8.60
Total	**2,200.05**	**1,176.59**

Note 27- Changes in Inventories of Raw Material

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
OPENING STOCK		
Raw Material		
- Lignite	480.99	887.60
- Coal	19.24	20.60
CLOSING STOCK		
Raw Material		
- Lignite	201.78	480.99
- Coal	92.14	19.24
Less : Transfer to Capital Work in Progress	-	68.52
Increase (-) / Decrease in Stock	**206.31**	**476.49**

Note 28- Employee Benefits Expense

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Salaries, Wages and Incentives	2,131.01	2,269.65
Contribution to Provident and other funds	373.80	375.03
Gratuity	18.64	28.31
Welfare Expenses	120.18	135.52
	2,643.63	2,808.51
Less: Transfer to Capital Work in Progress	64.80	118.06
Total	**2,578.83**	**2,690.45**

a) Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 43.

b) Employee benefit expenses includes ₹ 19.58 Crore (PY ₹ 13.96 Crore) for TPS-I for FY 22-23,which was retired from operation as on 30th September, 2020. Refer Note No. 55

Note 29- Finance Costs

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Interest on :		
(i) KfW - Foreign Currency Loan	1.85	3.33
(ii) NLCIL Bonds	290.01	265.33
(iii) Loan from Banks	253.18	269.55
(iv) Loan from Power Finance Corporation	716.14	651.79
(v) Loan from Rural Electrification Corporation (REC)	427.49	359.92
(vi) Treasury Bill Linked WCDL	5.96	8.42
(vii) Others (Includes interest on Cash Credit & WCDL)	44.42	13.15
(viii) Interest on Lease Liability	2.34	3.20
(ix) Inter Corporate Loan		
- Mahanadi Coal Field Ltd. (MCL)	-	14.70

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 29- Finance Costs (Contd.)

(₹ Crore)

Particulars		Year Ended 31st March, 2023	Year Ended 31st March, 2022
Others :			
(i)	Discount on Commercial Paper	61.96	129.66
(ii)	Guarantee Fees on KfW loan	5.03	5.48
(iii)	Fair Value changes in Trade receivables	109.39	-
		1,917.77	1,724.53
Less: Transfer to Capital Work in Progress		906.08	740.75
Total		**1,011.69**	**983.78**

a. Finance cost includes ₹ 0.37 Crore(PY ₹ 0.40 Crore) of TPS-I for FY 22-23,which was retired from operation as on 30th September, 2020. Refer Note No. 55

b. Under the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, few DISCOM's have opted for ₹ 910.92 Crore under interest free installment scheme within cutoff date i.e., 3rd July, 2022. Accordingly such dues were recognised at fair value as per the requirements of IND AS 109 and ₹109.39 Crore on account of fair value measurement has been accounted as finance cost in the current year.

Note 30- Depreciation and Amortization Expenses

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Property, Plant and Equipment	1,768.23	1,755.60
Mine Development and other Amortisations	63.61	184.43
Amortisation of ROU Asset	3.89	4.68
	1,835.73	**1,944.71**
Less: Transfer to Capital Work in Progress	34.94	35.99
Total	**1,800.79**	**1,908.72**

Depreciation includes ₹ 0.43 Crore(PY ₹ 0.51 Crore) of TPS-I for FY 22-23,which was retired from operation as on 30th September, 2020. Refer Note No. 55

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 31- Other Expenses

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Consumption of Stores and Spares	843.07	522.25
Fuel	190.98	124.59
Mine Closure	46.66	44.43
Rent	1.50	1.57
Rates and Taxes		
- Electricity Tax	0.64	1.12
- Others	109.77	109.06
Repairs and Maintenance		
- Plant and Machinery	462.71	469.52
- Buildings	29.61	28.09
- Others	461.89	374.36
Overburden Removal Expenditure	551.74	374.23
Insurance	108.63	124.22
Payments to Auditors		
- Audit fees	1.03	0.76
- Tax Audit fees	0.10	0.07
- Other Certification Fees	0.29	0.06
- Reimbursement of expenses	0.13	0.10
Travelling Expenses	38.20	28.95
Training Expenses	25.93	21.32
Advertisement	0.07	-
Legal Charges	0.88	0.89
Professional charges	3.79	1.36
Family Welfare Expenses	38.97	24.05
Selling Expenses - Commissions	13.03	53.26
Afforestation Expenses	16.23	26.76
Royalty	914.76	706.72
Security Expenses (CISF)	236.70	205.00
Corporate Social Responsibility	52.98	48.46
Provision for Unspent CSR	6.62	5.12
Miscellaneous Expenses	132.88	66.48
Transit and Handling loss	5.92	9.80
Consultancy Charges	6.30	6.88
Electricity Expenses	20.77	20.75
Rehabilitation and Resettlement		3.98
Transmission Charges	66.99	51.24
Commercial Paper Issue Expenses	0.40	0.56
Loss on assets disposed/written off/discarded	0.31	0.01
Provision for Stores & Materials	7.10	10.98
Provision for Fixed Assets/CWIP	15.11	44.18
Provision for Doubtful Debt	3.09	134.99
Provision for contingency	-	114.79
Write off debtors	1,179.88	
	5,595.66	3,760.96
Less: Transfer to Capital Work in Progress (CWIP)	257.07	319.42
Total	**5,338.59**	**3,441.54**

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 31- Other Expenses (Contd.)

a) Other Expenses includes ₹ 17.23 Crore(PY ₹ 22.42 Crore) of TPS-I for FY 21-22,which was retired from operation as on 30th September, 2020. Refer Note No. 55

b) The provision for Transmission Line Charges has been created as per TSA agreement and UPERC order dated 9th July, 2021. The group has filed an appeal against the said order before APTEL. Based on the outcome, the same will be reviewed in future periods.

c) NLCIL has filed a petition against the ABT implementation order passed for claim of surcharge on the order amount. However CERC has not admitted the petition and consequently the Company has written off debts amounting to ₹ 93.72 Crore.

d) Upon physical verification of fixed assets conducted during the year, provision has been recognised under provision for fixed assets.

e) Consequent to the interim order issued by CERC for the control period 2019-24, water charges, security expenses and power surrender sales and surcharge on these items recognized earlier were written off in the current year amounting to ₹ 1,087.57 Crore.

Note 32- Net Movement in Regulatory Deferral Account Balances Income/ (Expenses) - Net

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Income		
a) CERC Regulations	35.06	252.40
b) Deferred Foreign Currency	26.79	13.34
c) Mine Closure	28.70	22.22
d) CERC Orders	(977.56)	175.64
Expenses		
a) Deferred Foreign Currency	31.97	18.04
b) CERC/SERC Orders	1,259.87	100.64
Net Movement	**(2,178.85)**	**344.92**

a. Pending disposal of tariff petition for BTPS and approval of CERC tariff for NNTPS for the tariff period 2019-24 , beneficiaries are being billed in accordance with the tariff order for the period 2014-19/interim order issued by CERC for control period 2019-24 respectively. However, recovery on account of O&M component for tariff period 2019-24 has been recognized based on CERC tariff regulations and differential revenue/expenses between tariff periods 2019-24 and 2014-19 is recognized under Regulatory Deferral Account. The accrual for the remaining 4 components of the capacity charges though charged off in the Statement of Profit and Loss periodically, the consequential adjustment for the same in the revenue will be carried out on obtaining the tariff order.

b. The Group undertakes concurrent Mine Closure activity. Based on expenses incurred on actual mine closure for the 5 years' period from 2016-17 to 2020-21 the Company has submitted a claim for ₹ 171.15 Crore to Coal Controller based on the certification by third party. An amount of ₹ 171.15 Crore (Including ₹ 5.37 Crore recognized in current year) has been recognized under Regulatory Deferral asset. The same is pending for approval as of date. On similar basis mine closure expenses amounting to ₹ 23.33 Crore (PY Rs. 22.22 Crore) for the financial year 2022-23 are considered under Regulatory Income. Pending execution of Escrow agreement as per the revised mining plan with Coal controller, the regulatory income has been recognized based on the existing mine plan.

c. As per CERC regulations (second amendment) 2019-24, it is required to share the Non tariff income arising from sale of coal to the beneficiary. Accordingly amount of ₹ 143.54 Crore has been recognised as regulatory expenses.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 32- Net Movement in Regulatory Deferral Account Balances Income/ (Expenses) - Net (Contd.)

d. The subsidiary Company i.e., NTPL has incurred an amount of ₹ 774.38 Crore towards discharge of undischarged liabilities for meeting out the project expenditure from the date of commissioning up to 31st March, 2018. The said expenditure is covered under the original scope of the project work as approved in the project cost and the same has been filed with CERC in the Trued up Petition 2014-19. Hence, Unbilled Power Sales/CERC Order income has been accounted in the books of account, which is as per the CERC's order dated 11th July, 2017 stipulating the consideration of the discharged liabilities out of the undischarged liabilities at the time of trued up petition. In the event, the CERC disallows any portion of the claim, then regulatory deferral account balances would be derecognized to that extent as per the policy of the Company.

e. During the year the CERC has issued order for the period 2014-19 allowing enhanced wage revision of executives, non-executives, CISF, gratuity limit enabling the group to raise the invoice to the beneficiaries. Accordingly, the NLCIL total claim of ₹ 783.64 Crore which was earlier recognized under regulatory asset has been withdrawn and an amount of ₹ 670.87 Crore has been billed to beneficiaries . In respect of NTPL (a, Subsidiary Company), CERC has issued order on 23rd December, 2022 disallowing the Company's claim. In this regard, NTPL has adjusted the Net Movement in regulatory deferral account balance by ₹ 31.97 Crore to that extent and filed Appeal Petition on 14th March, 2023 before APTEL through legal counsel against the CERC Order.

f. During the year , the Company has received the provisional tariff order for the period 2019-24 of its thermal power stations(except NNTPS and BTPS) and truing up orders for the period 2014-19 of its thermal power stations (except BTPS).Consequent to allowance of water charges, security expenses and consumption of capital spares as part of O&M, regulatory assets created has been reversed in the current year.

g. The group undertakes review of regulatory assets and liabilities at the end each year and based on reassessment of recoverability/refund of such assets/liabilities necessary accounting adjustments are carried out and based on expert opinion wherever required period cost on regulatory liability has also been considered subject to approval of Regulatory Authority.

Note 33- Exceptional Items

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Employee Remuneration -VRS Compensation	0.11	0.14
Power Sales- VSVS	12.21	(389.97)
Total	**12.32**	**(389.83)**

a) Power sales - VSVS pertains to reversal of unbilled sales upon billing the actual.

b) NLCIL has opted to avail the Vivad Se Viswas Scheme (VSVS) for settlement of income tax disputes and Form-5 has been issued by Income Tax department on acceptance of the forms filed by NLCIL. The tax liability on this account is ₹730.91 Crore which has been considered as Tax expenses in the FY 2021-22. Further consequent to issuance of Form 3 by the department and filing of Form-4 by NLCIL for all years for which it has opted for VSVS, reduction in Tax expenses amounting to ₹129.80 Crore arising out of orders of AY 2014-15 and AY 2015-16 have also been accounted in the previous financial year.

Note 34- Other Comprehensive Income

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
a) Remeasurement of Actuarial (Losses)/Gains	(0.03)	33.91
b) Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains	(0.01)	5.68
Total (a-b)	**(0.02)**	**28.23**

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Click for P&L Sheet

Note 35- Earnings Per Share from continuing operations

(₹ Crore)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Basic and Diluted (Before Net Regulatory Deferral Adjustments)		
Profit after Tax (₹ in Crore)	3,066.93	838.44
Weighted Avg. Number of Shares	1,38,66,36,609.00	1,38,66,36,609.00
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	22.12	6.05
Basic and Diluted (After Net Regulatory Deferral Adjustments-Net of Tax)		
Profit after Tax (₹ in Crore)	1,426.10	1,115.65
Weighted Avg. Number of Shares	1,38,66,36,609.00	1,38,66,36,609.00
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	10.28	8.05

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

Note 36- Disclosure as per IND AS 1 'Presentation of Financial Statements'

Reclassification of comparative figures

The Company has made certain reclassifications to the comparative period's financial statements mainly to enhance comparability with the current year's financial statements.

(₹ Crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
1. Other Financial Assets (Note no. 10 e)	42.53	1,277.93	1,320.46
2. Other Current Assets (Note no. 12)	1,781.57	(1,277.93)	503.64
3. Other Non-Current Liabilities (Note No.19)	2,516.65	(1,920.47)	596.18
4. Other Non-current Financial Liabilities (Note No.17 c)	-	1,920.47	1,920.47
5. Other Current Financial Liabilities (Note No.20 c)	162.53	2.52	165.05
6.Other Current Liabilities (Note No.21)	758.03	(2.52)	755.51
7. Other Non - Current Financial Assets (Note no 7d)	-	425.11	425.11
8. Bank balances other than cash and cash equivalents ((Note no 10 c)	629.63	(425.11)	204.52

Note 37- Effects of Foreign Exchange Fluctuation

(₹ Crore)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
a.) The amount of exchange rate difference debited/(credited) to the Statement of Profit & Loss Account	2.01	(1.45)
b.) The amount of exchange rate difference Adjustment and debited / (credited) to the carrying amount of fixed assets & WIP	22.56	(8.35)
Total (a+b)	**24.57**	**(9.80)**

As per the Guidance Note on Rate Regulated Activity issued by ICAI, exchange rate differences (on account of restatement of foreign currency borrowings) 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 depreciation and interest expenditure in the current year.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 38- Disclosure as per IND AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

(₹ Crore)

Movement in Provisions	As at 1st April, 2022	Additions	Withdrawals	As at 31st March, 2023
(i) Provision for loss on Assets	62.63	24.34	9.33	77.64
(ii) Provision for contingencies	139.51	43.86	182.40	0.97
(iii) Other Provisions	7.70	-	7.70	-
(iv) Provision for unspent CSR	7.80	6.62	2.15	12.27
Total	**217.64**	**74.82**	**201.58**	**90.88**

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 39- Corporate Social Responsibilities

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises and Ministry of corporate Affairs of Govt of India from time to time, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ Crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A.) Amount Required to be spent during the year :		
i) Gross Amount (2% of average net profit of immediately three preceding financial years as per the Companies Act 2013 and amendments thereto)	47.09	48.89
ii) Surplus arising out of CSR Projects	-	
iii) Set off available from previous years	-	
iv) Total CSR Obligation for year (i+ii-iii)	47.09	48.89
B.) Gross amount approved by the Board of Directors for the year	89.57	72.38
C.) Amount spent during the year on		
i) construction and acquisition of any asset	9.68	-
ii) on purposes other than (i) above	34.22	44.00
D.) Set off available for succeeding year	-	-
E.) Amount unspent during the year	3.20	5.12

i. Amount Spent during the year ended 31 March 2023

Particulars	In cash	Yet to be paid in Cash	Total
a) for construction or acquisition of any asset	8.63	1.05	9.68
b) on purposes other than (a) above	33.30	0.92	34.22
Amount spent during the year ended 31 March 2022:			
a) for construction or acquisition of any asset	-	-	-
b) on purposes other than (a) above	42.72	1.84	44.56

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 39- Corporate Social Responsibilities (Contd.)

(₹ Crore)

ii. Details of Short fall		
Particulars	As on 31st March, 2023	As on 31st March, 2022
a) out of amounts required to be spend during the year	3.20	5.12
b) previous years Shortfall	5.43	3.15
Reason for Shortfall :		
iii. Details of unspent amount	**As on 31st March, 2023**	**As on 31st March, 2022**
Opening balance	8.27	3.71
Amount deposited in funds specified in Sch-VII within 6 months	-	-
Amount required to be spend during the year	47.09	48.89
Amount spent during the year	43.89	44.33
Amount spent out of previous year’s unspent	2.84	-
Closing Balance	8.63	8.27
iv. Details of excess amount spent	**As on 31st March, 2023**	**As on 31st March, 2022**
Opening balance	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-
v. Details of on-going project (to be given year wise)	**As on 31st March, 2023**	**As on 31st March, 2022**
Opening balance		
- with group	-	-
- in separate unspent account	8.27	3.71
amount required to be spent		
- from Group's bank account	7.44	8.09
- from separate unspent account	8.69	3.71
amount spent during the year		
- from Group's	0.83	2.54
- from separate unspent account	2.84	0.56
Closing balance		
- with Group	6.62	5.55
- in separate unspent account	5.85	3.15
vi. Nature wise expenses on CSR activities	**Year Ended 31st March, 2023**	**Year Ended 31st March, 2022**
Medical-health & family welfare	14.14	11.91
Drinking water facility	1.94	0.56
Education & scholarship	25.34	14.70
Promotion of sports	0.57	0.28
Community development centre	2.06	0.69
Afforestation & environment sustainability	-	0.65
Sanitation & other Basic Amenities	6.22	18.02
Vocational Skill Centre development	-	0.03
Relief of natural calamities	0.07	0.02
Protection of National Heritage and culture	0.04	-
Rural Development	0.09	-
Others	2.50	1.60
	52.98	48.46

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 39- Corporate Social Responsibilities (Contd.)

a. As per specific condition A, Clause V, of the environment clearance given by Ministry of Environment, Forest and Climate Change, GoI dated 17.06.2015, ₹ 77.62 Crore (i.e., 0.40% of project sanction cost of ₹ 19,046.12 Crore) needs to be spent by NUPPL, during construction period towards Capital cost of CSR activities and ₹ 15.24 Crore (0.08% of project sanction cost of ₹ 19,046.12 Crore) as recurring cost per annum during operation of the Ghatampur Thermal Power Plant. As the subsidiary NUPPL is in construction phase, Section 135 of Companies Act 2013 requirement does not apply in this current financial year.

b. Unspent Corporate Social Responsibility expenditure of NTPL amounting to ₹ 6.62 Crore (PY ₹ 5.55 Crore) relating to ongoing projects has been deposited in Unspent Corporate Social Responsibility Account in April 2023 and 2022 respectively.

Note 40- Disclosure of transactions with the related parties as defined in Ind AS-24 are given below

a) List of related parties		
A) Parent Company		
Whole Time Directors		
Shri. Prasanna Kumar Motupalli	Chairman and Managing Director	Appointed w.e.f. 12.01.2023
Shri. Rakesh Kumar	Chairman and Managing Director	Relinquished w.e.f 01.01.2023
Shri. Shaji John	Director (Power)	Relinquished w.e.f 01.02.2023
Shri. Jaikumar Srinivasan	Director (Finance)	Relinquished w.e.f 21.07.2022
Shri. K Mohan Reddy	Director (Planning and Projects) and Director (Power - Addnl Charge)	
Shri Suresh Chandra Suman	Director (Mines) and Director (Finance - Addnl Charge)	Appointed w.e.f. 11.05.2022
Shri. Samir Swarup	Director (Human Resource)	Appointed w.e.f. 27.02.2023
Independent Directors		
Shri. Dr. V Muralidhar Goud	Non Executive Director	Relinquished w.e.f. 10.07.2022
Shri. N K Narayanan Namboothiri	Non Executive Director	Relinquished w.e.f. 10.07.2022
Shri. Subrata Chaudhuri	Non Executive Director	
Shri. Prakash Mishra	Non Executive Director	
Prof. Nivedita Srivastava	Non Executive Director	
Shri. MT Ramesh	Non Executive Director	Appointed w.e.f. 06.04.2022
Nominee Directors		
Shri. Nagaraju Maddirala	Non Executive Director	Relinquished w.e.f. 22.02.2023
Smt. Vismita Tej	Non Executive Director	Appointed w.e.f 22.02.2023
Shri. Ramesh Chand Meena	Non Executive Director	
Key Managerial Personnel		
Shri. Jaikumar Srinivasan	Chief Financial Officer NLCIL	Relinquished w.e.f. 21.07.2022
Shri. Suresh Chandra Suman	Chief Financial Officer (Addnl Charge)	Appointed w.e.f. 01.01.2023
Shri. K. Viswanath	Company Secretary NLCIL	Relinquished w.e.f. 01.12.2022
Shri.R.Udhayashankar	Company Secretary	Appointed w.e.f. 01.12.2022

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 40- Disclosure of transactions with the related parties as defined in Ind AS-24 are given below (Contd.)

B) Subsidiary Companies		
NLC Tamilnadu Power Limited (NTPL)		
i) Directors		
Shri. M.Prasanna Kumar	Chairman	Appointed w.e.f. 12.01.2023
Shri. Rakesh Kumar	Chairman	Relinquished w.e.f 01.01.2023
Shri. K Mohan Reddy	Director	
Shri Suresh Chandra Suman	Director	Appointed w.e.f. 12.01.2023
Shri. Shaji John	Director	Relinquished w.e.f 01.02.2023
Shri. Jaikumar Srinivasan	Director	Relinquished w.e.f 21.07.2022
Shri M Ramachandran	Director	Appointed w.e.f 28.11.2022
Shri. R Ethiraj	Director	Relinquished w.e.f 01.08.2022
Shri R S Saroj	Director	Relinquished w.e.f 01.01.2023
ii) Key Managerial Personnel (KMP):		
Shri. K.Kondas Kumar	Chief Executive Officer	
Shri. D.Dhanapal	Chief Financial Officer	
Smt. K.Suganyaa	Company Secretary	
Neyveli Uttar Pradesh Power Limited (NUPPL)		
i) Directors :		
Shri Prasanna Kumar Motupalli	Chairman	Appointed w.e.f. 12.01.2023
Shri Rakesh Kumar	Chairman	Relinquished w.e.f. 01.01.2023
Shri Shaji John	Director	Relinquished w.e.f. 01.02.2023
Shri Jaikumar Srinivasan	Director	Relinquished w.e.f 21.07.2022
Shri Manoj Kumar Gupta	Director	Relinquished w.e.f. 22.02.2023
Shri Sudheer Babu Motana	Director	Appointed w.e.f. 16.03.2023
Shri Mohan Reddy Kalasani	Director	Appointed w.e.f. 01.02.2023
Shri Suresh Chandra Suman	Director	Appointed w.e.f. 05.08.2022
Shri Ranjan Kumar Srivastava	Director	Relinquished w.e.f. 16.06.2022
Smt. Nivedita Srivastava	Independent Director	Appointed w.e.f. 17.05.2022
Shri Nidhi Kumar Narang	Director	Appointed w.e.f. 16.06.2022
Shri Ajay Kumar Purwar	Director	Appointed w.e.f. 16.06.2022 &
		Relinquished w.e.f. 08.07.2022
Shri Sanjay Kumar Dutta	Director	Appointed w.e.f. 25.07.2022

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 40- Disclosure of transactions with the related parties as defined in Ind AS-24 are given below (Contd.)

B) Subsidiary Companies		
ii) Key Managerial Personnel (KMP):		
Shri Santhosh C.S.	Chief Executive Officer	
Shri Ashok Kumar Mali	Chief Financial Officer	
Shri Nikhil Kumar	Company Secretary	
C) Subsidiaries, Joint Ventures and Associates		
- NLC Tamilnadu Power Limited (NTPL)		Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL)		Subsidiary
- MNH Shakti Limited (MNH)		Associate
- Coal Lignite Urja Vikas Private Limited (CLUVPL)		Joint Venture
D) Post Employment Benefit Plans:		
- NLC Employees PF Trust		
- NLC Employees Pension Fund		
- NLC Post Retirement Medical Assistance Fund		
- NLC Employee Gratuity Fund		
E) Entities under the control of the same government:		

The Parent 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 Group 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:

i) Key management personnel compensation	As on 31st March, 2023	As on 31st March, 2022
Short Term Employee Benefit	4.88	5.00
Post-employment benefits	0.42	0.42
Other long-term benefits	0.78	0.86
Sitting fees	0.42	0.27
	6.50	6.55
ii) Transactions with Post employment benefit plans:		
Contributions made during the year	346.01	318.04

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 40- Disclosure of transactions with the related parties as defined in Ind AS-24 are given below (Contd.)

(₹ Crore)

iii) Transactions with the related parties under the control of the same government:			
Name of the Company	**Nature of transaction**	**2022-23**	**2021-22**
Bharat Heavy Electricals Limited	Purchase of Stores and spares	454.95	138.25
BEML Limited	Payment for FMC contract	92.01	68.17
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	176.65	78.76
Bharath Petroleum Corporation Ltd	Purchase of furnace oil	227.14	128.75
Indian Oil Corporation Limited	Purchase of furnace oil	295.06	155.48
Steel Authority Of India Limited	Purchase of Steel	25.58	21.32
Balmer Lawrie & Co Ltd	Purchase of Lubricants	18.87	11.09
MSTC Ltd	E-auction agent Commission	2.99	2.46
Mecon Ltd	Consultancy Services-MOEF norms	0.09	0.30
Instrumentation ltd	Supply of spares	0.74	0.47
Mahanadi Coal Fields (MCL)	Loan repayment	-	625.00
Power Grid Corporation Of India Limited	Maintenance Contract	0.28	3.38
Central Mine Planning & Design Institute	Testing/consultancy	-	0.22
Central Power Research Institute (CPRI)	Consultancy and Testing Fee	0.53	0.54
Projects Development India Limited	Consultancy Services-Methanol Project	0.37	0.38
LIC India Limited	Risk Insurance Policy Premium	0.42	
National Insurance Company Ltd	PRMI Insurance	108.05	97.26
New India Assurance Company Limited	Insurance Premium (group insurance)	2.81	2.77
United India Insurance Company Limited	Insurance Premium (Mega insurance)	0.08	0.06
Railtel Corporation of India Limited	Internet Services	0.10	0.13
Rites Limited	Consultancy for Railway siding	2.91	4.74
Mahanadi Coal Fields Ltd	Sale of Coal	439.37	3.07
NTPC limited	Sale of Coal	1,481.98	360.01
NALCO	E Auction - Sale of Coal	24.69	-
Bharat Sanchar Nigam Limited (BSNL)	Land Line and Internet Services	2.47	0.16
Grid Controller of India Limited	Transmission Charges	32.28	27.95
National Informatics Centre Services	E mail Service	-	0.13
MMTC Limited	Purchase of gold coins & Commission on e-auction	0.09	0.60
Central Institute of Mining and Fuel Research	Sampling and analysis of Coal	2.74	3.94
V.O Chidambaram Port Trust	Wharfage Charges	21.88	29.66
Mahanadi Coal Fields (MCL)	Purchase of Coal	-	163.51

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 40- Disclosure of transactions with the related parties as defined in Ind AS-24 are given below (Contd.)

(₹ Crore)

iii) Transactions with the related parties under the control of the same government (Contd.):			
Name of the Company	**Nature of transaction**	**2022-23**	**2021-22**
Oriental Insurance Company Limited	Insurance premium		19.70
Eastern Coal Fields Limited	Purchase of Coal	-	108.52
Quality Control of India	Sampling and Analysis of Coal	2.52	
Certification Engineers International	TPI Charges	0.23	-
Central Transmission Utility of India Ltd	Transmission Charges	0.65	-
NATIONAL POWER TRAINING INSTITUTE	Seminar/Conference Participation Fee	0.12	-
ENGINEERS INDIA LIMITED	Project consultancy works	7.16	-
HINDUSTAN COPPER LIMITED	Seminar/Conference Participation Fee	0.10	-
NATIONAL SECURITIES DEPOSITORY Limited	Annual Custodial Charges	0.13	-
CENTRAL DEPOSITORY SERVICES (I) Limited	Annual Custodial Charges	0.15	-

(₹ Crore)

c) Outstanding balances with related parties are as follows:				
Particulars	**Transactions value for the year ended 31st March,**		**Balance outstanding as at 31st March,**	
	2023	**2022**	**2023**	**2022**
i) Key Managerial Personnel				
Shri.Shaji John/Director(Power) -towards CAR Loan	0.00	0.02	-	0.00
Shri. K Mohan Reddy/ Director (Planning and Projects) - towards Multi purpose loan	0.01	0.01	0.01	0.01
Shri.Viswanath K/Company Secretary - CAR Loan	0.01	0.01	-	0.01
- Festival Advance		0.00	-	-
Shri Udhayashankar/Company Secretary - CAR Loan	0.01	-	0.02	-
- Multipurpose Loan	0.01	-	0.01	-
Mr. D.Dhanapal - Chief Financial Officer - Multi Purpose Loan	0.0	0.00	0.02	0.00
Smt. K.Suganyaa, Company Secretary - Festival Advance	0.00	-	-	-
Mr. Ashok Kumar Mali/CFO/NUPPL -Car advance	0.01	0.01	0.02	0.03

iii) Post Employment Benefit Plan:		
Description	**Balance outstanding as at 31st March,**	
	2023	**2022**
- Receivable	-	-
- Payable	28.92	29.36

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 40- Disclosure of transactions with the related parties as defined in Ind AS-24 are given below (Contd.)

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 prevalent market rates.
2. NLCIL(The Holding 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 31st March, 2023 and 31st March, 2022 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.
5. Consultancy/Management services provided by NLCIL (The Holding 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.

Note 41- Non - Controlling Interests

(₹ Crore)

Particulars	NLC Tamilnadu Power Ltd.	Neyveli Uttar Pradesh Power Ltd.	Intra-group Eliminations	Total
31st March, 2023				
NCI %	**11%**	**49%**		
Non Current Asset	4,713.33	14,955.05		19,668.38
Current Asset	2,372.48	158.07		2,530.55
Non-Current Liability	1,478.49	9,637.29		11,115.78
Current Liability	2,812.92	1,089.20		3,902.12
Net Asset	2,794.40	4,386.63		7,181.03
Net Assets attributable to NCI	**307.38**	**2,149.45**	**-**	**2,456.83**
Total Income	3,577.91	0.22	-	3,578.13
Profit for the period	278.65	(0.47)	-	278.18
OCI	(0.00)	(0.00)	-	(0.00)
Total Comprehensive income	**278.65**	**(0.47)**	**-**	**278.18**
Profit Allocated to NCI	30.65	(0.23)		30.42
OCI allocated to NCI	(0.00)	(0.00)		(0.00)
Cash flows from Operating Activity	452.82	(0.15)		452.67
Cash flows from Investment Activity	(212.14)	(678.37)		(890.51)
Cash flows from Financing Activity	(250.26)	678.51		428.25
Net increase (decrease) in cash and cash equivalents	**(9.59)**	**(0.00)**	**-**	**(9.60)**
31st March, 2022				
NCI %	**11%**	**49%**		
Non Current Asset	4,791.18	13,440.23	-	18,231.41
Current Asset	1,833.27	128.24	-	1,961.51
Non-Current Liability	1,768.91	9,125.23	-	10,894.14
Current Liability	2,230.39	573.10	-	2,803.49
Net Asset	2,625.15	3,870.14	-	6,495.29
Net Assets attributable to NCI	**288.77**	**1,896.36**		**2,185.14**
Total Income	2,353.69	0.02	-	2,353.71
Profit for the period	211.28	(0.33)	-	210.95
OCI	0.77	0.70	-	1.47
Total Comprehensive income	**212.05**	**0.37**	**-**	**212.42**
Profit Allocated to NCI	23.24	(0.16)	-	23.08
OCI allocated to NCI	0.08	0.34	-	0.43
Cash flows from Operating Activity	2,411.66	(0.33)	-	2,411.33
Cash flows from Investment Activity	(72.81)	(1,144.24)	-	(1,217.05)
Cash flows from Financing Activity	(2,328.09)	1,144.73	-	(1,183.36)
Net increase (decrease) in cash and cash equivalents	**10.76**	**0.16**	**-**	**10.92**

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 42- Disclosure in respect of the Equity Accounted Investees as per Ind AS-112 is furnished as under:

(i) Equity Accounted Joint Venture

Company Name : M/s Coal Lignite Urja Vikas Private Limited
Registered Office : Coal India office, Scope Minar, New Delhi

NLC India Limited and Coal India Limited has entered into a joint venture agreement for incorporating a Company namely Coal Lignite Urja Vikas Private Limited (CLUVPL) with 50 : 50 equity participation. The newly formed Company is incorporated on 10th November, 2020 with the objective to develop and operate the conventional as well as renewable power projects and also to provide Project Management Consultancy (PMC) services for developing power projects.

(₹ Crore)

Particulars	2023	2022
Interest in Coal Lignite Urja Vikas Private Limited	1.33	0.39
Balance as at 31st March,	**1.33**	**0.39**

The following table summarises the Un-audited financial information of Coal Lignite Urja Vikas Private Limited as included in its own financial statements, adjustment 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 Coal Lignite Urja Vikas Private Limited.

(₹ Crore)

Particulars	31st March 2023	31st March 2022
Percentage ownership interest	50.00%	50.00%
Non-current assets	-	-
Current assets	3.37	0.91
Non-current liabilities		-
Current liabilities	0.72	0.14
Net assets (100%)	2.65	0.77
Group's share of net assets (50 %)	1.32	0.39
Elimination of unrealised profit and loss (if any)	-	-
Carrying amount of interest in Joint Venture	1.33	0.39
Revenue	2.40	1.07
Other Income	0.11	0.01
Depreciation & amortization		-
Finance cost		-
Employee benefit		-
Other expenses	0.01	0.05
Profit before tax	2.51	1.03
Income tax expense	0.64	0.26
Profit from continuing operations (100%)	1.87	0.77
Total comprehensive income (100%)	1.87	0.77
Total comprehensive income (50 %)	0.94	0.39
Elimination of unrealised profit and loss (if any	-	-
Group's share of total comprehensive income	0.94	0.39
Carrying amount of interests in Joint Venture	1.33	0.39
Share of:		
Profit from continuing operations	0.94	0.38
OCI	-	-

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 42- Disclosure in respect of the Equity Accounted Investees as per Ind AS-112 is furnished as under: (Contd.)

(ii) Equity Accounted Associates

Company Name : M/s MNH Shakti Limited
Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.

M/s. Mahanadi Coalfields Limited (MCL), NLC & Hindalco formed MNH Shakti Limited, a Joint Venture Company with equity participation of 70:15:15 to implement 20.0 MTPA coal mining project in Talabira in the State of Odisha. The Talabira II & III coal blocks allocated for this purpose have been cancelled pursuant to the judgment 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.

(₹ Crore)

Particulars	2023	2022
Interest in MNH Shakti Limited	6.26	6.23
Balance as at 31st March,	**6.26**	**6.23**

The following table summarises the financial information of MNH Shakti as included in its own financial statements, Adjustment 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.

(₹ Crore)

Particulars	31st March 2023	31st March, 2022
Percentage ownership interest	15.00%	15.00%
Non-current assets	0.01	0.01
Current assets	43.22	42.71
Non-current liabilities	-	-
Current liabilities	1.49	1.16
Net assets (100%)	41.73	41.55
Group's share of net assets (15 %)	6.26	6.23
Elimination of unrealised profit and loss (if any)		
Carrying amount of interest in associate	6.26	6.23
Revenue	-	-
Other Income	0.61	1.47
Depreciation & amortization	0.00	0.00
Finance cost	0.07	0.03
Employee benefit	0.27	0.18
Other expenses	0.04	0.10
Profit before tax	0.24	1.16
Income tax expense	0.06	0.29
Profit from continuing operations (100%)	0.18	0.86
Total comprehensive income (100%)	0.18	0.86
Total comprehensive income (15 %)	0.03	0.13
Elimination of unrealised profit and loss (if any	-	-
Group's share of total comprehensive income	0.03	0.13
Carrying amount of interests in associates	6.26	6.23
Share of:		
Profit from continuing operations	0.03	0.13
OCI	-	-

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 43- Employee Benefits

(i) Defined benefit plans:

The defined benefit plan is administered by the LIC which is named as LIC Group Gratuity Fund ('Fund') that is legally separated from the Group. The board of the fund is required by law to act in the best interest of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund. Their defined benefit plans expose the group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

Defined benefit plan is fully funded by the group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Group has determined that in accordance with the terms and conditions of the defined benefit plan and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

B. Movement in net defined benefit (Asset) Liabilities

Gratuity & Leave Benefit

The Group 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 ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

The Group 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. However total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for the same is recognized on the basis of actuarial valuation.

(₹ Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability
Balance as at 1st April, 2022	1,131.71	1,148.83	(17.21)	604.05	595.48	8.57
Included in profit and loss						
Current Service Cost	18.69	-	18.69	27.16	-	27.16
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost/(income)	72.06	73.24	(1.18)	39.36	39.07	0.29
Included in OCI/Profit and Loss account						
Remeasurement of loss (gain) :	-	-	-	-	-	-
Actuarial loss (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(10.76)	-	(10.76)	(6.87)	-	(6.87)
Experience adjustment	19.24	8.45	10.79	(8.97)	4.01	(12.98)
Return on plan asset excluding interest income	-	-	-	-	-	-
Change in the effect of the asset ceiling	-	-	-	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	0.20	-	0.20	0.19	-	0.19
Other						
Contributions Paid by the employer	-	0.59	(0.59)	-	8.57	(8.57)
Benefits paid	(172.11)	(172.11)	-	(67.15)	(67.15)	-
Balance as at 31st March, 2023	**1,059.03**	**1,059.00**	**0.02**	**587.77**	**579.98**	**7.79**

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 43- Employee Benefits (Contd.)

(₹ Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/ liability
Balance as at 1st April, 2021	1,237.32	1,240.53	(3.21)	618.57	576.54	42.03
Included in profit and loss						-
Current Service Cost	20.22	-	20.22	27.99	-	27.99
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost/(income)	74.04	74.25	(0.21)	38.10	36.74	1.36
Included in OCI	-	-	-	-	-	-
Remeasurement of loss (gain) :	-	-	-	-	-	-
Actuarial loss (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(19.58)	-	(19.58)	(11.84)	4.70	(16.54)
Experience adjustment	(1.40)	12.94	(14.34)	(4.24)	-	(4.24)
Return on plan asset excluding interest income	-	-	-	-	-	-
Change in the effect of the asset ceiling	-	-	-		-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	0.13	0.13	-	0.03	0.03	-
Other	-	-	-	-	-	-
Contributions Paid by the employer	-	-	-	-	42.03	(42.03)
Benefits paid	(179.02)	(179.02)	-	(64.56)	(64.56)	-
Balance as at 31st March, 2022	**1,131.71**	**1,148.83**	**(17.12)**	**604.05**	**595.48**	**8.57**

(₹ Crore)

Particulars	Gratuity		Leave Benefit	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Represented by :				
Net defined benefit asset	1,059.00	1,148.83	579.98	595.48
Net defined benefit liability	1,059.03	1,131.71	587.77	604.05

(₹ Crore)

Particulars	Gratuity		Leave Benefit	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
I) Plan Asset				
Plan Assets comprises the followings:				
Equity Securities	7.70%	5.85%	5.71%	5.71%
Govt Bonds	92.30%	94.15%	94.29%	94.29%
Details of the employee benefits and plan assets are provided below :				
Present value of funded obligation	1,059.03	1,131.71	587.77	604.05
Fair value of plan assets	1,059.00	1,148.83	579.98	595.48
Present value of net obligations	0.02	-17.12	7.78	8.58
Unrecognised past service cost	-	-	-	-

Notes to
CONSOLIDATED FINANCIAL STATEMENTS

Note 43- Employee Benefits (Contd.)

(₹ Crore)

Particulars	Gratuity		Leave Benefit	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
II) Actuarial Assumptions				
The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)				
Discount rate per annum	7.15%	6.90%	7.15%	6.50%
Expected return per annum on plan asset	7.15%	6.90%	7.15%	6.50%
Salary escalation per annum	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT	IALM 2012-14 ULT
Attrition rate	1%	1%	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.				

Particulars	Gratuity				Leave Benefit			
	31st March, 2023		31st March, 2022		31st March, 2023		31st March, 2022	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	1,038.17	1,080.79	1,108.13	1,569.29	574.56	601.70	589.92	618.93
Salary escalation per annum (+/- 50 BP)	1,062.99	1,054.93	1,136.97	1,125.53	601.93	574.24	619.13	589.60

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.

(₹ 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
31st March, 2023					
Gratuity	161.86	182.60	492.09	467.19	1,303.74
Leave Benefit	84.55	103.90	262.08	239.65	690.18
Total	246.41	286.50	754.17	706.84	1,993.92
31st March, 2022					
Gratuity	174.65	159.00	508.26	543.64	1,385.55
Leave Benefit	86.20	83.34	269.69	273.18	712.41
Total	260.85	242.34	777.95	816.82	2,097.96

Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employee pension scheme is paid to the appropriate authorities.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 43- Employee Benefits (Contd.)

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:

(₹ Crore)

Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2023	2022	2023	2022	2023	2022
Balance as at April 1	3,110.65	3,206.91	3,120.68	3,217.46	(10.03)	(10.55)
Current Service Cost	164.60	162.48	164.60	162.47	(0.00)	0.01
Interest cost (income)	218.92	221.33			218.92	221.33
Actuarial loss (gain)	12.68	(22.96)	(0.05)	(47.01)	12.73	24.05
Expected return on plan assets	(9.00)	(10.04)	221.62	234.83	(230.62)	(244.87)
Contributions Paid by the employer	325.40	371.17	325.40	371.17	-	-
Benefits paid	(869.91)	(818.24)	(869.91)	(818.24)	-	-
Balance as at March 31st	**2,953.33**	**3,110.65**	**2,962.34**	**3,120.68**	**(9.01)**	**(10.03)**

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 Adjustment 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 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 ₹ 9.01 Crore (Previous year ₹ 10.03 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.

(₹ Crore)

Particulars	31st March, 2023		31st March, 2022	
	(₹ in Crore)	% of total assets	(₹ in Crore)	% of total assets
I.) Plan Assets comprises the following				
Equity Securities/Exchange Traded funds	19.90	0.67%	49.21	1.53%
Fixed Income/Debt Securities/Others	2,942.44	99.33%	3,168.25	98.47%
	2,962.34	100.00%	3,217.46	100.00%
II) Actuarial Assumptions				
The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)				
Discount rate per annum		7.17%		6.94%
Expected return per annum on plan asset		8.15%		8.10%
Super-annuation age		60 Years		60 Years
Remaining work life		Average of 8.77 years		Average of 8.52 years
Mortality		IALM 2012-14 ULT		IALM 2012-14 ULT

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 43- Employee Benefits (Contd.)

C. Defined Contribution Plan:

Post Retirement Medical Assistance (PRMA)

The Company has a Post Retirement Medical Assistance scheme, under which annual cash assistance is provided to retired employees and their spouses for both inpatient and outpatient medical treatment availed in subject to Company's grade wise policy applicable for employees.

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. Necessary contributions are made to trust every year for the purpose.

Disclosure in respect of Defined contribution plan in respect of PRMA :

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)		
i. Amount recognised in the profit and loss account as premium paid to the Insurance Company	15.57	15.49
ii. Liability provided for the fixed Medical Assistance	18.63	15.26

Note 44- Financial Instruments - Fair Value Disclosures

(₹ Crore)

31st March, 2023				
Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
A. Financial Assets				
Investments	7.59	-	-	7.59
Loans	40.97	-	-	40.97
Trade Receivables	4,729.89	-	-	4,729.89
Cash and Cash equivalents	77.48	-	-	77.48
Other Bank balances	173.97	-	-	173.97
Other financial assets	3,576.47	-	-	3,576.47
B. Financial Liabilities				
Borrowings	22,305.72	-	-	22,305.72
Lease Liability	27.42	-	-	27.42
Trade Payable	1,985.07	-	-	1,985.07
Other financial liabilities	1,827.34	-	-	1,827.34

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 44- Financial Instruments - Fair Value Disclosures (Contd.)

(₹ Crore)

March 31, 2022				
Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
A. Financial Assets				
Investments	6.62	-	-	6.62
Loans	50.01	-	-	50.01
Trade Receivables	3,709.63	-	-	3,709.63
Cash and Cash equivalents	139.41	-	-	139.41
Other Bank balances	204.52	-	-	204.52
Other financial assets	1,745.57	-	-	1,745.57
B. Financial Liabilities				
Borrowings	22,058.37	-	-	22,058.37
Lease Liability	27.70	-	-	27.70
Trade Payable	1,517.97	-	-	1,517.97
Other financial liabilities	2,085.52	-	-	2,085.52

The fair valuation of employees loans have been carried out and accounted appropriately through profit and loss account, however the amount is immaterial. Hence the same has not been disclosed separately.

Note 45- Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹906.08 Crore (previous year ₹ 740.75 Crore). Borrowing costs at the rate of 9.31% has been considered for capitalisation

Note 46- Disclosure as per Ind AS 116 'Leases'

The Group has adopted Ind AS 116 "Leases" with effect from 1st April, 2019 and has applied the standard to all lease contracts that are existing as at 1st April, 2019. The Group has chosen the modified retrospective approach for valuation of its right of use assets and lease liability.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Group has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability Adjustment for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and Adjustment for certain re-measurements of the lease liability.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 46- Disclosure as per Ind AS 116 'Leases' (Contd.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Group is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-to-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets, when it is new. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

The companies significant leasing arrangements are in respect of various assets are as follows :

a) Land : The Group has lease arrangement with respect to its office and township requirements at various locations (i.e., HUDCO land at Delhi and office & township land in Talabira project, odisha) for 99 years. The lease rental are fixed for entire lease term, which has been arrived based on lease agreement. The lease can be extended for similar periods on mutually agreed terms after the completion of the current lease period. The Group does not have option to buy.

b) Vehicles : The Group has taken certain vehicles (including e-vehicles) on lease for a period extending up to 5 years, which can be further extended at mutually agreed terms. All the lease rental of vehicles are fixed in nature except for e-vehicles Lease rental for which are escalated @10% each year.

c) Plant and Machinery : An agreement has been arrived between NLCIL (the Group) and Solar Development Operator (SDO) to use power evacuation facility for a period of 25 years. The lease rental are fixed in nature.

d) Buildings : Premises for use of offices and guest houses on lease are usually renewable on mutually agreeable terms. The lease rental are fixed in nature for 2 properties and escalated by 10% each year for other properties.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate.

i. As a lessee

Following are the changes in the carrying value of right of use assets and Lease liability for the year ended 31st March 2023:

(₹ Crore)

Particulars	Plant & Machinery	Property	Vehicles	Land	Total
A) Right-of-use assets					
Balance at 1st April 2022	14.03	0.91	1.94	63.70	80.58
Additions	0.91	0.23	-	-	1.14
Deductions :	-	0.14	-	-	0.14
Depreciation charge	0.74	0.27	0.60	2.14	3.75
Balance at 31st March 2023	14.20	0.73	1.34	61.56	77.83

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 46- Disclosure as per Ind AS 116 'Leases' (Contd.)

(₹ Crore)

B) Lease Liability	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening balance	27.70	4.10
Additions :		
- Addition to lease liability	1.13	23.10
- Interest towards lease liability	2.34	3.22
Deductions :		
- Payment of lease liability	3.75	2.56
- Short closure	-	0.17
Closing Balance	27.42	27.70
C) Maturity analysis – contractual undiscounted cash flows	**2022-23**	**2021-22**
Less than one year	3.83	3.60
One to five years	11.64	12.29
More than five years	61.13	62.46
Total undiscounted lease liabilities as at 31st March	**76.60**	**78.35**
Lease liabilities included in the balance sheet as at 31st March	27.70	27.92
Current	2.42	1.71
Non-current	25.28	26.21
D) Amounts recognised in profit or loss	**For the year ended 31st March 2023**	**For the year ended 31st March 2022**
Interest on lease liabilities	2.34	3.20
Expenses relating to leases of low-value assets	-	-
Total	**2.34**	**3.20**
E) Amounts recognised in the statement of cash flows	**For the year ended 31st March 2023**	**For the year ended 31st March 2022**
Total cash outflow for leases	3.75	2.56

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 47- Disclosure as per Ind AS 114 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

"The group is engaged in the business of mining of lignite/coal and generation of power by using lignite/coal as well as renewable energy sources. The price to be charged by the group for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC)/State Electricity Regulatory Commission (SERC)/bidding process. The CERC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of power and transfer of lignite/coal. The CERC has notified its second amendment to its tariff regulation 2019-24, where in transfer price of Coal/ Lignite will be determined by CERC effective from 1st April, 2019. The group has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on 26th July, 2022 and for Barsingsar mines on 26th December, 2022 in line with regulations. Pending disposal of the said Petition, the group has filed interlocutory application seeking approval of provisional Lignite transfer price for the Neyveli mines. Subsequently CERC has issued interim lignite transfer price order for the control period 2019-24 and the differential impact on such order is recognised under power sales.

(ii) Recognition and measurement

As per the CERC/SERC 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 periods 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 if any required is considered under the Regulatory Deferral Account.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 47- Disclosure as per Ind AS 114 'Regulatory Deferral Accounts' (Contd.)

"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 Adjustment from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ 134.24 Crore for the year ended 31st March, 2023 has been accounted for as 'Regulatory deferral account debit balance' (31st March, 2022: ₹ 117.85 Crore accounted as 'Regulatory deferral account debit balance'.)

As per the CERC tariff regulation the expenses towards water charges , security expense and capital spares shall be allowed to be claimed from the beneficiaries bases on prudence check at the time of truing up. The Company has recognised ₹189.10 Crore as on 31st March,2023 (₹ 484.04 as on 31st March,2022.) under its regulatory assets subject to petition for truing up for tariff period 19-24.

(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 Group 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 recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ Crore)

a) Regulatory deferral account debit balance		
Particulars	**31st March, 2023**	**31st March, 2022**
A. Opening balance	2,675.50	2,246.05
B. Recognised during the current year	681.73	429.45
C. Amount Adjustment/collected/refunded during the year	1,562.50	-
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	(887.01)	445.56
E. Closing balance	**1,794.73**	**2,675.50**
b) Regulatory deferral account credit balance		
A. Opening balance	2,717.95	2,621.62
B. Recognised during the current year	1,398.71	91.93
C. Amount Adjustment/collected/refunded during the year	142.50	(4.40)
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	1,291.84	100.64
E. Closing balance	**3,974.16**	**2,717.95**
c) Total amount recognized in the Statement of Profit & Loss during the year	**31st March, 2023**	**31st March, 2022**
Total amount Income/(Expenses) recognized in the Statement of Profit & Loss during the year	(2,178.85)	344.92

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.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 48- Financial Instruments

Capital Management

The Group 's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Under the terms of major borrowing facilities, the Group is required to comply with the following financial covenants:

Loan from PFC - Debt service coverage ratio not less than 1.50

NLCIL Bond - Minimum asset coverage ratio of 1.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 17(a) , 20(a) 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.

(₹ Crore)

Gearing Ratio:		
Particulars	31st March, 2023	31st March, 2022
Debt	22,305.72	22,058.37
Less: Cash and Cash equivalents	77.48	139.41
Net debt	22,228.24	21,918.96
Total equity*	14,614.19	13,545.24
Net debt to total equity ratio	1.52	1.62

* excludes earmarked deposits/reserves

Note 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 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.

A. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade Receivables

The Group primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Group has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit defaults and the Group's historical experience for customers.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 49- Financial Risk Management (Contd.)

Since the Group 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 31st March, 2023, the Group's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 3509.36 Crore of the trade receivables carrying amount (₹ 2009.58 Crore of the trade receivables as at 31st March, 2022).

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

Cash and cash equivalents and deposits with banks

The Group has banking operations with highly rated banks including scheduled banks which are owned by Government of India and Private Sector Banks. The risk of default with government controlled entities is considered to be insignificant.

(i) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has assets where the counter- parties/customer have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment has been recognised during the reporting periods in respect of such assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Group has customers (State government utilities) with strong capacity to meet the obligations. Further, management believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full. However, considering various regulatory and other disputes including historical payment behaviour and analysis of customer credit risk impairment loss has been considered for the reporting period in respect of trade receivables.

(ii) Ageing analysis of trade receivables

The Group's debtors include receivables in respect of TPS and Mines and also other debtors. As a policy, the Group does an ageing analysis of thermal debtors, the details of which is stated below.

The ageing analysis of the trade receivables is as below:

FY 2022-23 (₹ Crore)

Particulars	Outstanding from the due date of Payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
A) Undisputed						
(i) Trade receivables – considered good	2,769.57	711.09	342.18	39.53	34.24	3,896.61
(ii) Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.17	0.17
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	328.44	0.55	35.73	157.25	328.62	850.59
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	2.92	0.67	2.05	10.34	29.92	45.90

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 49- Financial Risk Management (Contd.)

(₹ Crore)

Particulars	Outstanding from the date of invoice					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
C) Undisputed						
(vii) Trade receivables – considered good	13.04	55.91	13.39	22.78	28.22	133.34
Total (A+B+C)	**3,113.97**	**768.22**	**393.35**	**229.90**	**421.17**	**4,926.61**

FY 2021-22

(₹ Crore)

Particulars	Outstanding from the due date of Payment					
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 Years	More than 3 years	Total
A) Undisputed						
(i) Trade receivables – considered good	1,379.33	755.75	306.30	189.60	0.17	2,631.15
(ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	1.50	43.02	677.22	432.99	286.60	1,441.33
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Particulars	**Outstanding from the date of invoice**					
	Less than 6 months	**6 months - 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 years**	**Total**
C) Undisputed						
(vii) Trade receivables – considered good	64.14	15.44	30.74	21.81	6.53	138.66
Total (A+B+C)	**1,444.97**	**814.21**	**1,014.26**	**644.40**	**293.30**	**4,211.14**

B. Liquidity Risk

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

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 49- Financial Risk Management (Contd.)

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ Crore)

Floating-rate borrowings			
Particulars	**Drawn on**	**31st March, 2023**	**31st March, 2022**
a) Term Loan			
- Solar 709 MW	State Bank of India	233.00	233.00
- Talabira Mines	State Bank of India	1,087.75	1,087.75
- NUPPL (Project Asset)	Rural Electrification Corporation limited (REC)	926.94	1,239.31
- NUPPL (Project Asset)	Power Finance Corporation (PFC)	927.33	1,247.26
- NTPL (Project Asset)	Bank of India		123.93
- NTPL (for FGD)	State Bank of India	442.35	549.88
- NUPPL (Project Asset)	Canara Bank	585.00	1,000.00
b) Working Capital Loan			
NLC India Limited	State Bank of India	3,502.00	3,715.00
NTPL	Bank Of India	806.62	1,334.44
NTPL	State Bank of India	401.93	500.00
Total		**8,912.92**	**11,030.57**

a) SBI ₹ 1680.75 Crore facility has been taken for Talabira project. Out of the entire facility as on 31st March, 2023 the undrawn amount is ₹ 1087.75 Crore. Ref note 17(a).

b) SBI term loan of ₹ 2552.00 Crore has been taken for solar 709 MW , out of which ₹ 2319.00 Crore has been utilised till date and the undrawn amount is ₹ 233.00 Crore as on 31st March, 2023. ref note 17 (a).

c) A working capital cash credit facility of ₹ 4000.00 Crore availed from SBI, out of which ₹ 498 Crore(PY 285 Crore) has been utilised and the undrawn amount of ₹ 3,502 Crore (PY ₹ 3,715 Crore) is available as on 31.03.2023. Ref Note no. 20(a).

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 49- Financial Risk Management (Contd.)

(ii) Maturities of financial liabilities

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

(₹ Crore)

31st March, 2023	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)	14.49	14.49	28.98	86.94	271.57	416.47
PFC_NNTPS ₹ 3000 Cr	-	300.00	300.00	900.00	450.00	1,950.00
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	99.97	-	-	-	99.97
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	44.97	-	-	134.97
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	45.56	-	-	136.76
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	657.60	512.44	1,680.44
RTL 1680.75Cr_Talabira Mine	-	168.08	88.65	-	-	256.73
NLCIL Bonds 2019- Series I	-	-	-	-	1,475.00	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	-	525.00	525.00
NLCIL Bonds 2020- Series II	-	-	-	500.00	-	500.00
NLCIL Bonds 2021- Series I	-	-	-	1,175.00	-	1,175.00
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	500.00
WCDL (linked to Treasury bill)	498.00	-	-	-	-	498.00
Power Finance Corporation (PFC)						
- Rupee Term Loan I	-	118.81	118.81	59.40	-	297.02
- Rupee Term Loan II	162.81	162.81	325.61	325.61	-	976.83
Bank of India Rupee Term Loan	-	48.36	48.36	45.25	-	141.97
State bank of India Term Loan	-	-	-	130.50	-	130.50
Commercial Paper	1,000.00	-	-	-	-	1,000.00
WC loan	783.34	-	-	-	-	783.34
PFC Term Loan	-	-	-	1,165.38	3,496.13	4,661.50
REC Term Loan	-	-	455.12	1,365.37	2,730.74	4,551.23
Canara Bank	-	-	41.50	124.50	249.00	415.00
TOTAL	2,586.24	1,221.31	1,752.76	6,535.54	10,209.87	22,305.72

(₹ Crore)

31st March, 2022	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)	13.64	13.64	27.29	81.86	283.01	419.44
PFC_NNTPS ₹ 3000 Cr	-	300.00	300.00	900.00	750.00	2,250.00
RTL_HDFC Solar 130 MW	-	96.20	-	-	-	96.20
RTL 500 Cr_ Axis Bank - Solar 500 MW	-	100.00	99.97	-	-	199.97
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	90.00	90.00	44.97	-	224.97
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	91.20	91.20	45.57	-	227.97
RTL 2552Cr_Solar 709 MW	127.60	127.60	255.20	707.60	717.67	1,935.67
RTL 1680.75Cr_Talabira Mine	-	168.08	168.08	88.64	-	424.80
Rupee Loan _ Mahanadi Coal Fields	-	-	-	-	1,475.00	1,475.00
NLCIL Bonds 2019- Series I	-	-	-	-	525.00	525.00
NLCIL Bonds 2020- Series I	-	-	-	500.00	-	500.00
NLCIL Bonds 2020- Series II	-	-	-	1,175.00	-	1,175.00
NLCIL Bonds 202I- Series I	-	-	-	-	500.00	500.00
WCDL (linked to Treasury bill)	285.00	-	-	-	-	285.00
Power finance Corporation						
- Rupee Term Loan I	-	118.81	118.81	178.21	-	415.83
- Rupee Term Loan II	162.81	162.81	325.61	651.22	-	1,302.45
Bank of India Rupee Term Loan	-	48.36	48.36	93.61	-	190.33
State bank of India Term Loan	-	-	-	-	22.97	22.97
Commercial Paper	1,150.00	-	-	-	-	1,150.00
WC Loan (BOI)	157.34	-	-	-	-	157.34
PFC Term Loan	-	-	-	1,302.47	3,039.10	4,341.57
REC Term Loan	-	-	-	1,271.66	2,967.20	4,238.85
TOTAL	1,896.39	1,316.70	1,524.52	7,040.81	10,279.95	22,058.37

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 49- Financial Risk Management (Contd.)

(ii) Maturities of financial liabilities

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

(₹ Crore)

31st March, 2023	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)	1.56	1.51	2.85	7.25	10.06	23.23
KfW Guarantee Fees	5.00	-	4.65	11.86	16.96	38.47
PFC_NNTPS ₹ 3000 Cr	41.37	118.56	133.98	248.90	38.23	581.03
RTL 500 Cr_ Axis Bank - Solar 500 MW	2.15	3.80	-	-	-	5.94
RTL 450 Cr_ Axis Bank - Solar 500 MW	2.89	6.78	1.93	-	-	11.59
RTL 456 Cr_ Federal Bank - Solar 500 MW	2.99	7.02	1.99	-	-	12.01
RTL 2552Cr_Solar 709 MW	35.16	95.57	108.97	208.34	53.68	501.73
RTL 1680.75Cr_Talabira Mine	5.38	12.67	3.91	0.00	0.00	21.95
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	238.66	835.29
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	77.28	270.48
NLCIL Bonds 2020- Series II	-	26.70	26.70	18.58	-	71.98
NLCIL Bonds 2021- Series I	-	71.09	71.09	71.09	-	213.26
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	147.76	319.01
WCDL (linked to Treasury bill)	0.52	-	-	-	-	0.52
Power Finance Corporation						
- Rupee Term Loan I	6.56	14.97	10.94	1.51	-	33.99
- Rupee Term Loan II	18.51	47.61	37.15	8.33	-	111.60
Bank of India Rupee Term Loan	3.48	9.53	9.48	8.29	-	30.78
State bank of India Term Loan	2.88	8.71	11.56	10.70	-	33.86
PFC Term Loan	122.36	367.09	489.46	1,325.61	1,407.19	3,711.72
REC Term Loan	119.47	358.41	457.97	1,087.17	884.08	2,907.10
Canara Bank	9.18	27.55	35.20	83.56	67.95	223.43
TOTAL	**498.80**	**1,250.43**	**1,600.04**	**3,667.85**	**2,941.84**	**9,958.96**

(₹ Crore)

31st March, 2022	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)	1.57	1.52	2.89	7.44	11.55	24.97
KfW Guarantee Fees	5.03	-	4.71	12.15	19.36	41.25
PFC_NNTPS ₹ 3000 Cr	35.12	101.00	117.65	239.33	70.44	563.54
RTL_HDFC Solar 130 MW	1.66	3.34	-	-	-	5.00
RTL 500 Cr_ Axis Bank - Solar 500 MW	3.82	9.12	5.29	-	-	18.23
RTL 450 Cr_ Axis Bank - Solar 500 MW	4.29	11.17	8.60	1.71	-	25.77
RTL 456 Cr_ Federal Bank - Solar 500 MW	4.23	11.04	8.50	1.69	-	25.46
RTL 2552Cr_Solar 709 MW	33.52	92.12	108.17	219.72	87.25	540.78
RTL 1680.75Cr_Talabira Mine	7.36	19.22	14.93	3.23	-	44.74
Rupee Loan _ Mahanadi Coal Fields	119.33	-	119.33	357.98	357.98	954.62
NLCIL Bonds 2019- Series I	-	38.64	38.64	115.92	115.92	309.12
NLCIL Bonds 2020- Series I	-	26.70	26.70	45.28	-	98.68
NLCIL Bonds 2020- Series II	-	71.09	71.09	142.18	-	284.36
NLCIL Bonds 202I- Series I	-	34.25	34.25	102.75	182.01	353.26
WCDL (linked to Treasury bill)	0.24	-	-	-	-	0.24
Power Finance Corporation	7.30	18.14	17.09	9.90		52.43
- Rupee Term Loan I	20.33	54.64	52.30	35.97	-	163.24
- Rupee Term Loan II	3.48	9.53	9.48	8.29	-	30.78
Bank of India Rupee Term Loan	0.40	1.21	1.62	2.02		5.25
PFC Term Loan	97.69	293.06	390.74	1,006.16	981.11	2,767.75
REC Term Loan	95.37	286.12	381.50	982.35	956.92	2,702.27
TOTAL	**440.74**	**1,081.91**	**1,413.48**	**3,294.07**	**2,781.54**	**9,011.74**

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 49- Financial Risk Management (Contd.)

C. 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 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.

D. Currency Risk

The Group executes import agreements for the purpose of purchase of capital goods. Up to 31st March, 2016 the Group till the date of commercial operation capitalise the exchange gain/loss on account of Re-statement/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 1st April, 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 liabilities as at 31st March, 2023 and 31st March, 2022.

(₹ Crore)

Financial liabilities	31st March, 2023	31st March, 2022
Borrowings - KfW*	416.47	419.44

* KfW 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 31st March, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ Crore)

Particulars	Profit and loss	
31st March, 2023	**Strengthening**	**Weakening**
10% movement		
Borrowings - KfW	41.65	(41.65)
31st March, 2022	**Strengthening**	**Weakening**
10% movement		
Borrowings - KfW	41.94	(41.94)

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.

E.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 are as follows:

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 49- Financial Risk Management (Contd.)

(₹ Crore)

Particulars	March 31, 2023	March 31, 2022
Financial assets		
Fixed-rate instruments		
Employee Loans	40.97	50.01
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	2,996.33	3,322.89
- Power Finance Corporation (PFC)	7,885.35	8,309.84
- Rural Electrification Corporation	4,551.23	4,238.85
Fixed-rate instruments		
- Commercial Paper	1,000.00	1,150.00
Bonds		
NLCIL Bonds 2019 Series I	1,475.00	1,475.00
NLCIL Bonds 2020 Series I	525.00	525.00
NLCIL Bonds 2020 Series II	500.00	500.00
NLCIL Bonds 2021 Series I	1,175.00	1,175.00
Rupee term loans		
- Cash Credit	-	-
- Working Capital Demand Loan	783.34	157.35
- Working Capital Demand Loan-T Bill link	498.00	285.00
Foreign Currency Loan		
- KfW	416.47	419.44

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.

(₹ Crore)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31 March 2023		
Rupee term loans		
- From Banks	(14.98)	14.98
- Power Finance Corporation (PFC)	(39.43)	39.43
- Rural Electrification Corporation	(22.76)	22.76
	(77.17)	**77.17**
31 March 2022		
- From Banks	(17.40)	17.40
- Power Finance Corporation (PFC)	(41.55)	41.55
- Rural Electrification Corporation	(21.19)	21.19
	(80.14)	**80.14**

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.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 50- 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
Mining	Mining of lignite and Coal
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.

B. Information about reportable segments:

(₹ Crore)

Particulars	Mining		Power Generation		Inter segment Adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
REVENUE								
External Sales	2,310.95	1,654.49	13,854.29	10,293.45	-	-	16,165.24	11,947.94
Inter-segment sales	5,413.56	4,866.95	478.42	436.66	5,891.98	5,303.61	-	-
Total Revenue	7,724.51	6,521.44	14,332.71	10,730.11	5,891.98	5,303.61	16,165.24	11,947.94
RESULT								
Segment Result	1,972.43	1,202.94	2,782.70	1,696.76	-	-	4,755.13	2,899.70
Other Income							313.10	529.27
Unallocated Corporate expenses.							291.73	(159.96)
Operating Profit							4,776.50	3,588.93
Interest Expense							1,011.69	983.78
Interest Income							458.48	44.24
Exceptional Items							12.32	(389.83)
Income taxes							630.66	1,488.01
Profit from Ordinary activities							3,604.95	771.55
Net Movement in regulatory account balance income/(expenses)							(2,178.85)	344.92
Other Comprehensive Income							(0.02)	28.23
Net Profit							1,426.08	1,143.89
OTHER INFORMATION	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Segment Assets	5,697.24	4,611.74	31,572.51	30,246.39	-	-	37,269.75	34,858.13
Unallocated Corporate assets(Including Capital Work-in Progress)							15,797.95	14,927.31
Total Assets							53,067.70	49,785.44
Segment liabilities	5,077.83	3,052.37	13,199.79	11,103.63	-	-	18,277.62	14,156.00
Unallocated Corporate liabilities							19,621.24	21,440.26
Total liabilities							37,898.86	35,596.26
Capital Expenditure	881.15	358.09	147.31	529.54	-	887.63	1,028.46	887.63
Depreciation	405.17	508.95	1,298.72	1,330.19	-	1,839.14	1,703.89	1,839.14
Non-cash expenses other than depreciation	22.76	50.00	111.90	554.25	-	604.25	134.66	604.25

Notes to
CONSOLIDATED FINANCIAL STATEMENTS

Note 50- Disclosure as per Ind AS 108 'Operating Segments' (Contd.)

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 and wages
   iii) Service Centres Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.

C. Information about major customers

Revenue from one major customer under "generation of energy" segment is ₹ 5,841.24 Crore (31st March, 2022 : ₹ 5,158.20 Crore) which is more than 10% of Group's total revenues.

Note 51

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

Note 52 - Contingencies and Commitments

(₹ Crore)

Particulars	As at 31st March, 2022	Additions	Deletions/Settlement	As at 31st March, 2023
A. Contingencies				
1. Claims against the Corporation not acknowledged as debts:				
(i) From Employees /Others	NQ	NQ	NQ	NQ
(ii) From Statutory Authorities/Central Govt/ Govt Departments	822.21	526.25	424.18	924.28
(iii) From Statutory Authorities/State Govt/ Govt Departments	2,103.78	1,009.27	408.47	2,704.58
(iv) From CPSEs	-	-	-	-
(v) From Others	5,244.82	4,500.96	2,259.93	7,485.85
Sub-Total of Claims not acknowledged as debts	**8,170.81**	**6,036.48**	**3,092.58**	**11,114.71**
2. Guarantees issued by Company	452.67	415.00	400.11	467.56
Sub-Total Contingencies (A)	**8,623.48**	**6,451.48**	**3,492.69**	**11,582.27**
B. Commitment				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	2,835.77	4,405.79	1,136.21	6,105.35
Sub-Total Commitments (B)	**2,835.77**	**4,405.79**	**1,136.21**	**6,105.35**
Total Contingencies and Commitments (A+ B)	**11,459.25**	**10,857.27**	**4,628.90**	**17,687.62**

The above Contingent liabilities does not include the guarantees given by NLCIL in respect of transactions between its subsidiaries and the third party.

The group is in the process of evaluating value of contingent assets. Based on preliminary estimate it is found to be not material for separate disclosure.

NQ : Not Quantifiable

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 53- Disclosure as per Ind AS 12 'Income Taxes'

A. Income Tax Expense

i) Income tax recognised in Statement of Profit and Loss

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
Current tax expense		
Current year	1,033.56	500.67
Adjustment for earlier years	(53.95)	603.70
Pertaining to regulatory deferral account balances	(538.02)	67.71
Total current tax expenses (A)	441.58	1,172.08
Deferred tax expense		
Origination and reversal of temporary differences	264.76	504.23
Less: MAT credit entitlement	75.68	188.30
Total deferred tax expense (B)	189.08	315.93
Total income tax expense (A + B)	**630.66**	**1,488.01**

ii) Income tax recognised in other comprehensive income

(₹ Crore)

Particulars	31st March, 2023			31st March, 2022		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(0.03)	(0.01)	(0.02)	33.91	5.68	28.23

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

(₹ Crore)

Particulars	March 31, 2023	March 31, 2022
Profit before tax (including OCI)	2,055.76	2,637.05
Tax using the Group tax @ 34.944% (PY 34.944%)	753.81	1,037.58
Tax effect of:		
Non-deductible tax expenses	705.83	809.93
Tax deductions/allowances	(846.67)	(1,323.73)
Tax on business loss	(193.12)	(139.32)
Previous year tax liability	(53.95)	603.70
Interest	-	1.16
Deferred Tax expenses/(income)	189.08	315.94
MAT credit entitlement	75.68	188.43
Total tax expense in the Statement of Profit and Loss	**630.65**	**1,493.69**

B. Tax losses carried forward

(₹ Crore)

Particulars	31st March, 2023	Expiry date	31st March, 2022	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 NLCIL have recommended the payment of final dividend @20% amounting to ₹ 2 per share for FY 2022-23 (31st March,2022:₹ 1.5 per share). As per IT act 1961 as amended by Finance Act 2020 dividend declared/distributed/ paid by the Company on or after 01.04.2020 shall be taxable in the hand of the shareholder and the Company shall be required to deduct tax at source (TDS) at the rate prescribed under Income Tax Act from the dividend amount to be paid to the shareholders at the time of distribution/payment of dividend.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 54- Information in respect of micro, small and medium enterprises as at 31 March 2023 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
a) Amount remaining unpaid to any supplier:		
Principal amount	53.57	33.81
Interest due thereon	-	-
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	-	-

Note 55- Thermal Power Station - I (Retired from Operations)

(₹ Crore)

Particulars	For the Period ended	
	31st March, 2023	31st March, 2022
INCOME		
Revenue from Operations	212.84	-
Other Income	31.09	3.33
Total Income	**243.93**	**3.33**
EXPENSES		
Employee Benefit Expenses	19.58	13.96
Finance Costs	0.37	0.40
Depreciation and Amortization Expenses	0.43	0.51
Other Expenses	17.23	22.42
Total Expenses	**37.61**	**37.29**
Profit / (Loss) before Exceptional & Rate Regulatory Activity	206.32	(33.96)
Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	(230.48)	1.14
Exceptional Items	-	94.87
Profit / (Loss) before Tax	**(24.16)**	**62.05**

Note : During the year CERC has issued truing up order for the period 2014-19 accordingly the differential impact has been recognized under revenue from operations. In addition to that, CERC has issued order against the wage revision petition, consequential impact has been recognized in revenue from operations and regulatory expenses.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 56- Disclosure as per Ind AS 33 'Earnings per Share'

(₹ Crore)

Particulars	31st March, 2023	31st March, 2022
(i) Basic and diluted earnings per share for the year ended		
From operations including regulatory deferral account balances (a)	10.28	8.05
From regulatory deferral account balances (b)	(11.84)	2.00
From operations excluding regulatory deferral account balances (a)-(b)	22.12	6.05
Nominal value per share (in ₹)	10.00	10.00
(ii) Profit attributable to equity shareholders (used as numerator)		
From operations including regulatory deferral account balances (a)	1,426.10	1,115.65
From regulatory deferral account balances-net of tax (b) (₹ in Crore)	(1,640.83)	277.21
From operations excluding regulatory deferral account balances (a)-(b) (₹ in Crore)	3,066.93	838.44
(iii) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares (Nos.)	1,38,66,36,609	1,38,66,36,609
Effect of shares issued during the year, if any (Nos.)	-	-
Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	**1,38,66,36,609**	**1,38,66,36,609**

Note 57- Additional Disclosures to the notification dated 24th March 2021, by Ministry of Corporate Affairs

a) **Title deeds/Assignment Deeds/Govt.Orders of Immovable Property not held in name of the Group :** As on the date of financials all the immovable properties are held in the name of the Group by way of Title deed /Assignment deed/Government Order. In certain cases the Group is in the process of updation of name in the revenue records.

b) **Loans and Advances to Directors, KMPs, & Related Parties :** The Group has a policy of loans and advances given to its employees including loans and advances given to Directors, KMPs and the related parties. All these loans are paid as in accordance with the Policy adopted by the Group and Repayments and interests to be charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the Group.

c) **Details of benami Properties :** There is no benami properties held by the Group as on date of financials . Hence the additional disclosure as specified in the said notification companies Act 2013 is not applicable to the Group.

d) **Wilful Defaulter :** As on date of financials or any of the previous years , the Group has not defaulted any of its loans paid to any Banks or Financial Institutions.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 57- Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

e) Relationship with Struck off Companies :

Name of the Struck off Company	Nature of Transactions with struck of Company	Balance Outstanding (₹ In Crore)	Relationship with the struck off Company, if any
BENNETT COLEMAN AND CO. Limited	Payables towards Goods and Services	0.01	Vendor for supply of Goods and Service
BERN ENGG PVT Limited	Payables towards Goods and Services	0.03	
GEO MINERAL WATERS PVT. Limited	Payables towards Goods and Services	0.01	
MANAVEA TECHNOLOGIES PRIVATE LIMITED	Payables towards Goods and Services	0.00	
MARINA INN	Payables towards Goods and Services	0.00	
MITRA S K (Insurance Survey) PRIVATE LIMITED	Payables towards Goods and Services	0.43	
SAIL SALEM SEZ PRIVATE LIMITED	Payables towards Goods and Services	0.79	
SCANSTAR INSPECTION TECHNOLOGY PRIV	Payables towards Goods and Services	0.00	
SKYNET TECHNOLOGIES PVT LIMITED	Payables towards Goods and Services	0.00	
SONAR COMMUNICATIONS PVT. LIMITED	Payables towards Goods and Services	0.00	

f) Compliance with number of layers of companies : Clause (87) of section 2, section 450 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 and section 2 Companies (Restriction on number of layers) Rules, 2017, government companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the Group.

g) Utilisation of Borrowed funds and share premium:

1) The Group has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall.
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

2) The Group has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the Group shall disclose the following. Hence both the above additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the Group.

h) Details of Crypto Currency or Virtual Currency : The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year or any of the previous financial years.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 57- Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

(i) Borrowings secured against current assets

The Group has availed working capital facility of ₹ 5000 Crore (₹ 4000 Crore Fund based and ₹ 1000 Crore non fund based.) agreed with SBI and is secured by Hypothecation of entire current assets of the Company i.e., raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. The outstanding Working Capital loan as on 31.03.2023 is ₹ 498 Crore in the form of T-bill linked WCL. This outstanding loan carries interest rate of 7.60 p.a. The group also availed working capital loan and cash credit facility agreed with Bank of India with Fund based Limit of ₹ 1300.00 Crore and Non-Fund based Limit of ₹ 200.00 Crore is subject to the availability of drawing power. The loan bears an interest rate of 6.85% p.a. (On the basis of Repo rate +Mark up 2.85% -BSD 2.50%) on Working capital demand loan and 8.15% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit. The loan is secured by pari passu charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project.

In addition to the above the group also availed State Bank of India Working Capital loan with Fund based Limit of ₹ 500 Crore and Non-Fund based Limit of ₹ 10 Crore (sub-limit of Fund based Limit of ₹ 500 Crore) is subject to the availability of drawing power. This loan was Secured by pari passu first charge over the entire current assets of the Group i.e., hypothecation of raw materials, stock in process, finished goods, consumable stores, spares and charge on the receivables. The outstanding Working Capital loan as on 31st March, 2023 is in the form of T-bill linked WCL. This outstanding loan carries interest rate of 6.89% p.a.

The Group has filed quarterly/monthly returns with the banks and financial institutions as per the terms of loans. These returns are in agreement with books of accounts of the Group. There are no material discrepancies in the returns filed by the Group during the FY 22-23 or any of previous financial years.

j) Registration of charges or satisfaction with Registrar of Companies (ROC) : Not Applicable

k) Trade Payable Ageing

(₹ Crore)

Particulars			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
FY 2022-23							
a) MSME	-	-	49.11	0.87	0.90	0.63	51.51
b) Other	-	-	1,408.20	153.54	8.51	223.46	1,793.71
c) Disputed Dues- MSME	-	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-	-
Unbilled:							
i. MSME	1.20	0.86	-	-	-	-	2.06
ii. Others	61.47	76.32	-	-	-	-	137.79
Total	62.67	77.18	1457.31	154.41	9.41	224.09	1,985.07

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 57- Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

(₹ Crore)

Particulars			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
FY 2021-22							
a) MSME	-	-	27.77	3.08	0.14	0.05	31.04
b) Other	-	-	909.77	46.21	60.64	421.68	1,438.29
c) Disputed Dues- MSME	-	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-	-
Unbilled:							
i. MSME	2.24	-	-	-	-	-	2.24
ii. Others	46.40	-	-	-	-	-	46.40
Total	48.64		937.54	49.29	60.78	421.73	1,517.97

l) Analytical Ratios :

Name of Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	Variation(%)	Reason for Variation
1.) Current Ratio	Current Assets	Current Liabilities	1.35	1.22	10.73	
2.) Debt - equity ratio	Total debt (current + noncurrent)	Share holders Equity (Equity + retained earnings - Preliminary project expenditure)	1.47	1.57	(6.34)	
3.) Debt Service Coverage Ratio	Earning Available for debt Service (EBDIT)	Interest + Principal Repayments	1.85	1.35	37.31	Repayment of MCL and project specific loans , the principal repayments has reduced when compared with the previous year
4.) Return on Equity	Profit for the period	Average Shareholders equity	10.05	8.06	24.70	
5.) Inventory Turnover Ratio	COGS or Sales (revenue from operation)	Average Inventory	13.56	8.44	60.69	Mainly due to increase in Revenue from operations when compared with the previous year
6.) Trade Receivable Turnover Ratio	Net credit Sales (Revenue from operation)	Average Trade Receivables	3.83	2.13	79.85	Net credit Sales (Revenue from operations) has increased when compared with the previous year. Consequent to billing of VSVS and various CERC orders received during the year and reduction in provision recognized under ECL has contributed for increase in the trade receivables.
7.) Trade Payable Turnover Ratio	Total Other Expenses excluding provisions	Average Trade Payables	2.36	1.84	28.25	Total expenses has increased mainly to due to consumption of stores/ Fuel and royalty expenditure

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 57- Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

(₹ Crore)

Name of Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	Variation(%)	Reason for Variation
8.) Net Capital Turn over ratio	Net Sales (Revenue from operation)	Working Capital (Current Asset - current Liability)	3.98	3.52	12.93	
9.) Net Profit Ratio	Profit for the period	Net Sales (revenue from operation)	8.82	9.34	(5.55)	
10.) Return on Capital Employed	Earning before interest and Taxes (EBIT)	Capital Employed (tangible net worth+ total debt+ deferred tax liability)	7.54	8.20	(8.07)	

Note 58

(A) Recent Pronouncement

Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting standards) Amendment Rules, 2023 dated 31st March, 2023 to amend the following Ind AS Which are effective from 1st April, 2023.

(i) Definition of Accounting estimates – Amendments to Ind AS 8 :

The amendments clarify the distinction between the changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1st April, 2023 and apply changes in accounting policies and changes in accounting estimates that occur on or after the start of the period.

The amendments are not expected to have a material impact on the Group's Financial statements.

(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirements for entities to disclose their 'significant' accounting policies with a requirement to disclosure their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1st April, 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from single transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transaction that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented, in addition, at the beginning of the earliest comparative period presented, a deferred tax asset (Provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual period beginning on or after 1st April, 2023.

The Group is currently assessing the impact of the amendments.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 58 (Contd.)

(B) The Code on Social Security, 2020 ('the Code') has been enacted, which would impact contribution by the Group towards employee benefits. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

(C) Rounding off & Regrouping in Financials

Amount in the financial statements are presented in ₹ Crore (up to two decimals) except for per share data and as otherwise stated. Certain amounts, which do not appear due to rounding off, are disclosed separately. Figures of previous year has been regrouped/reclassified wherever necessary

(D) Disclosure as per IND AS - 8 , Accounting Policies , Change in Estimates and Errors

During the year the Group has modified its accounting policy with respect to the following to align industry practice , Ind AS compliance and for better understanding.

a. Financial instruments
b. Prepaid Expenses
c. Revenue recognition.
d. Depreciation

The impact on account of these changes in accounting policies are immaterial.

Note 59

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 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 for sale of power and lignite is generally done on periodical 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. Loan outstanding balances of employees are also reconciled periodically.

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.

c) The Group is faced with significant deficit in availability of land at Neyveli for lignite mining, which is affecting the operations of the Group in the foreseeable future.

The Group has been initiating serious and deliberate efforts to acquire adequate lands but has to contend with significant challenges in the process which, inter alia, include:

i) Delay in requisite legislations being passed to facilitate smooth acquisition of lands.

ii) General resistance by landowners to cede possession of lands.

iii) Fresh demands by the landowners for additional compensation, employment opportunities and other benefits beyond agreed terms.

iv) Landowners' reluctance to cede possession of lands and continuing to retain and enjoy the possession of lands including benefits accruing owing to such possession despite having received the full compensation as agreed.

Notes to CONSOLIDATED FINANCIAL STATEMENTS

Note 59 (Contd.)

The combined effect of all the above factors had led to lower levels of production of lignite as well as uncertainties with regard to sustaining the production capabilities in future.

There have been also instances of shutdowns of power stations during the year besides difficulties encountered by the Group in meeting their commitments for supply of lignite to the customers.

Considering the huge requirement of lands, the Group has initiated the following measures:

i) Enhancing the compensation packages as well as offering very attractive and socially and environmentally compliant Rehabilitation and Resettlement and other welfare initiatives to adequately address the human side of the issues.

ii) Giving preferential treatment to all Project affected people in competitive examinations of recruitment adding 20 marks.

iii) Holding frequent meetings with authorities at both State and District level.

Initiating efforts to identify alternate sources of lignite to ensure continuous operations.

The Group is confident of overcoming the challenges on land acquisition at Neyveli mines with sustained efforts, in the near future

d) Due to Slow progress in Balance of Plant (BoP) package of Ghatampur Thermal Power Project, the Commissioning of the plant is delayed and may have corresponding impact on the project Cost. During the year the board of NUPPL has approved the revised schedule date of commissioning as 31st July, 2023, 31st October, 2023 and 31st December, 2023 for their 3 Units. Based on the revised COD dates, Govt. of India has approved the revised cost estimate of ₹ 19,406.12 Crore.

PART "A" : SUBSIDIARIES

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

Statement containing salient features of the financial statement of Subsidiaries

(₹ Crore)

Sl.no	Particulars	1	2
	Name of the Subsidiary	NLC Tamil Nadu Power Limited	Neyveli Uttar Pradesh Power Limited
1	Reporting Period	2022-23	2022-23
2	Reporting Currency	₹	₹
3	Share Capital	2,188.04	4,399.36
4	Reserves and Surplus	606.36	(12.74)
5	Total Assets	7,085.81	15,113.12
6	Total Liabilities	4,291.41	10,726.49
7	Investments	-	-
8	Total Income	3,577.91	0.22
9	Profit before taxation	433.08	(0.15)
10	Provision for taxation	(154.44)	(0.32)
11	Profit for the period	278.65	(0.47)
12	Total comprehensive income	278.65	(0.47)
13	% of Shareholding	89%	51%
	Remarks	NTPL has declared final dividend of 2.5% per share subject to the approval of shareholders at the AGM in addition to interim dividend of 5% paid for the FY 2022-23	Yet to commence the operations

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888

Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916

Date: 19th May, 2023

PART "B" : ASSOCIATE AND JOINT VENTURE

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014 related to Associate/Joint Venture)

(₹ Crore)

Sl. No.	Reporting period	FY 2022-23	FY 2022-23
	Particulars	Coal Lignite Urja Vikas Private Limited	MNH Shakti Limited
1	Status	Joint Venture	Associate
2	Share of the JV/Associate held by the Company on the year end	10,000	52,65,000
3	Amount of investment in JV/Associate (₹ in Crore)	0.01	5.27
4	Extent of holding	50%	15%
5	Description of how there is significant influence	Joint Management control	By way of representation on Board
6	Reason why the Joint Venture/Associate is not consolidated	NA	NA
7	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Crore)	1.33	6.26
8	Profit / (Loss) for the year :		
	i) Considered for consolidation (₹ in Crore)	0.94	0.03
	ii) Not Considered for consolidation	NA	NA
9	Remarks	-	-

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS:8591

Suresh Chandra Suman
CFO/ DIRECTOR (FINANCE) - Addl Charge
DIN: 09549424

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

For M/s R.Subramanian and Company LLP,
Chartered Accountants,
Firm Regn. No. 004137S/S200041

R. Kumarasubramanian
Partner
M No. 021888

Place: Chennai

For M/s Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M.S.N.M.Santosh
Partner
M No. 221916

Date: 19th May, 2023

INFORMATION ON SUBSIDIARY AND ASSOCIATE

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

(₹ 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)
(A) Parent								
NLC India Limited								
31st March 2023	96.47%	14,633.36	80.43%	1,146.95	94.34%	(0.02)	80.43%	1,146.93
31st March 2022	97.30%	13,806.64	81.05%	904.19	94.79%	26.76	81.39%	930.95
(B) Subsidiaries								
1. NTPL								
31st March 2023	3.55%	539.66	19.53%	278.65	2.83%	(0.00)	19.53%	278.65
31st March 2022	2.74%	389.03	18.94%	211.28	2.72%	0.77	18.54%	212.05
2. NUPPL								
31st March 2023	(0.04%)	(6.50)	(0.03%)	(0.47)	2.83%	(0.00)	(0.03%)	(0.47)
31st March 2022	(0.04%)	(6.26)	(0.03%)	(0.33)	2.48%	0.70	0.03%	0.37
(C) Joint Venture (Indian)								
Coal Lignite Urja Vikas (P) ltd.								
31st March 2023	0.01%	1.32	0.07%	0.94	0.00%	-	0.07%	0.94
31st March 2022	0.00%	0.38	0.03%	0.39	0.00%	-	0.03%	0.39
(D) Associate (Indian)								
MNH Shakti Ltd								
31st March 2023	0.01%	0.99	0.00%	0.03	0.00%	-	0.00%	0.03
31st March 2022	0.01%	0.97	0.01%	0.13	0.00%	-	0.01%	0.13
Total								
31st March 2023	100.00%	15,168.84	100.00%	1,426.10	100.00%	(0.02)	100.00%	1,426.08
31st March 2022	100.00%	14,189.18	100.00%	1,115.65	100.00%	28.23	100.00%	1,143.88

Initial Disclosure to be made by an entity identified as a Large Corporate

(Ref: Annexure XII-B2 of SEBI's Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dt. 10.08.2021 read with Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/049 dt. 31.03.2023)

<table>
<tr><th>Sr.No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1</td><td>Name of the Company</td><td>NLC India Limited</td></tr>
<tr><td>2</td><td>CIN</td><td>L93090TN1956GOI003507</td></tr>
<tr><td>3</td><td>Outstanding borrowing of company as on 31st March, 2023 (₹ Crore)</td><td>₹ 8,433.87 Crore</td></tr>
<tr><td>4</td><td>Highest Credit Rating During the previous FY along with name of the Credit Rating Agency</td><td>
<table>
<tr><th>Credit Rating Agency</th><th>Highest Rating</th></tr>
<tr><td>ICRA</td><td>AAA</td></tr>
<tr><td>CRISIL</td><td>AAA</td></tr>
<tr><td>CARE</td><td>AAA</td></tr>
<tr><td>INDIA RATINGS</td><td>AAA</td></tr>
<tr><td>Infomerics Ratings</td><td>AAA</td></tr>
</table>
</td></tr>
<tr><td>5</td><td>Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework</td><td>BSE</td></tr>
</table>

We confirm that we are a Large Corporate as per the applicability criteria given under the Chapter XII of SEBI Operational Circular dated August 10, 2021 as amended from time to time.

(sd/-)

Company Secretary

Date - 29th April, 2023

(sd/-)

Chief Financial Officer

Annual Disclosure to be made by an Entity identified as a Large Corporate

(Ref: Annexure XII-B2 of SEBI's Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dt. 10.08.2021 read with Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/049 dt. 31.03.2023)

1.	Name of the Company	:	NLC India Limited
2.	CIN	:	L93090TN1956GOI003507
3.	Report filed for FY: T	:	**FY 2022-23** (01.04.2022 to 31.03.2023)

4. Details of the current block (all figures in ₹ crore):

Sl. No.	Particulars	Details
1	3-year block period (specify financial years)	**(T) FY 2022-23 (T+1) FY 2023-24, and (T+2) FY 2024-25**
2	Incremental borrowing done in FY (T) **(a)**	**-**
3	Mandatory borrowing to be done through debt securities in FY (T) **(b)** = (25% of a)	**-**
4	Actual borrowing done through debt securities in FY (T) **(c)**	**-**
5	Shortfall in the borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T) **(d)**	**Nil**
6	Quantum of (d), which has been met from (c) **(e)**	**Nil**
7	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} **(f)= (b)-[(c)-(e)]** {If the calculated value is zero or negative, write "nil"}	**Nil**

5. Details of penalty to be paid, if any, in respect to previous block (all figures in ₹ Crore):

Sl. No.	Particulars	Details
1	3-year block period (specify financial years)	**FY 2021-22, FY 2022-23 and FY 2023-24**
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}#	**Nil**

*In cases, where an entity is not categorised as LC for FY (T), however was LC for FY (T- 1), and there was a shortfall in the mandatory bond borrowing for FY (T-1), which was carried forward to FY (T), the disclosures as prescribed in this annexure shall be made by the entity for FY (T).

(d) and (e) are the same as mentioned at sl. nos. 5 and 6 in the table given at point no. 4 of this annexure.

(sd/-)

Company Secretary

(sd/-)

Chief Financial Officer

Date - 29th April, 2023

SOCIAL OVERHEAD ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ Crore)

Description	Township		Library		Transport		Education		Sports & Cultural Activities		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Expenses:												
Consumption of Materials												
Stores & Spares	20.86	19.47	-	-	1.14	0.72	0.04	-	-	0.00	22.04	20.19
Power (A)	37.59	40.92	-	-	-	-	-	-	-	-	37.59	40.92
Employees' Remuneration and Benefits												
Salaries, Wages, Bonus and Incentives	99.70	104.01	3.96	4.36	13.85	17.24	15.71	14.72	3.70	4.25	136.92	144.58
Contribution to Provident and other Funds	17.95	17.26	0.69	0.74	2.33	2.67	1.77	1.58	0.65	0.68	23.39	22.93
Gratuity	1.32	1.45	-	-	-	-	-	-	-	-	1.32	1.45
Welfare expenses	6.40	6.45	0.42	0.11	0.59	0.57	0.43	0.21	0.34	0.14	8.19	7.48
Other Expenditures												
R&M-Buildings	17.10	16.18	-	-	-	-	-	0.02	-	-	17.10	16.20
R&M-Others	33.72	31.13	0.01	0.01	0.76	1.09	0.29	0.16	-	-	34.78	32.39
Depreciation	8.06	13.85	0.04	0.04	0.02	0.10	0.02	0.01	-	-	8.14	14.00
Travelling Expenses	0.73	0.61	-	-	-	-	0.03	0.04	0.01	-	0.78	0.65
Miscellaneous Expenses	7.29	10.20	0.01	0.04	1.00	0.59	2.41	0.17	0.03	0.01	10.74	11.01
Total Expenses	**250.71**	**261.53**	**5.13**	**5.30**	**19.70**	**22.98**	**20.70**	**16.91**	**4.73**	**5.08**	**300.97**	**311.82**
Receipts:												
Recoveries:												
Rent	25.66	21.51	-	-	-	-	-	-	-	-	25.66	21.51
Electricity Charges	15.22	15.59	-	-	-	-	-	-	-	-	15.22	15.59
Water Charges	1.05	1.06	-	-	-	-	-	-	-	-	1.05	1.06
Grant-in-Aid	-	-	-	-	-	-	6.77	5.23	-	-	6.77	5.23
Bus Receipts	-	-	-	-	-	0.49	-	-	-	-	-	0.49
Miscellaneous Receipts	6.76	4.80	0.01	0.00	0.90	0.00	-	-	0.03	-	7.70	4.80
Total Income	**48.69**	**42.96**	**0.01**	**0.00**	**0.90**	**0.49**	**6.77**	**5.23**	**0.03**	**-**	**56.40**	**48.68**
Net Expenditure	**202.03**	**218.57**	**5.11**	**5.30**	**18.80**	**22.49**	**13.93**	**11.69**	**4.70**	**5.09**	**244.57**	**263.15**

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


"POWERING A SUSTAINABLE FUTURE"

NLC India Limited

'Navratna' - A Government of India Enterprise

CREATING WEALTH FOR WELLBEING

044 - 28360027

www.nlcindia.in

CIN L93090TN1956GOI003507

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No-135, EVR Periyar High Road,
Kilpauk, Chennai - 600 010,
Tamil Nadu, India.

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Block-1, Neyveli - 607 801
Cuddalore District,
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