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. Secy/68th Annual Report/2024 Date: 02.09.2024

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: Intimation under Regulation 34 and Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Reg.

***

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 2023-24.

This is for your information and records.

Thanking You,

Yours faithfully,
for NLC India Limited
Udhayashankar Rajamanickam
Digitally signed by Udhayashankar Rajamanickam
Date: 2024.09.02 17:24:29 +05'30'
Company Secretary
& Compliance Officer

68th
INTEGRATED
ANNUAL REPORT
FY 2023-24

NLC India Limited
'Navratna' - Government of India Enterprise

POWERING **POSSIBILITIES** DELIVERING **SUSTAINABILITY**

OUR VISION MISSION AND CORE VALUES

Vision

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

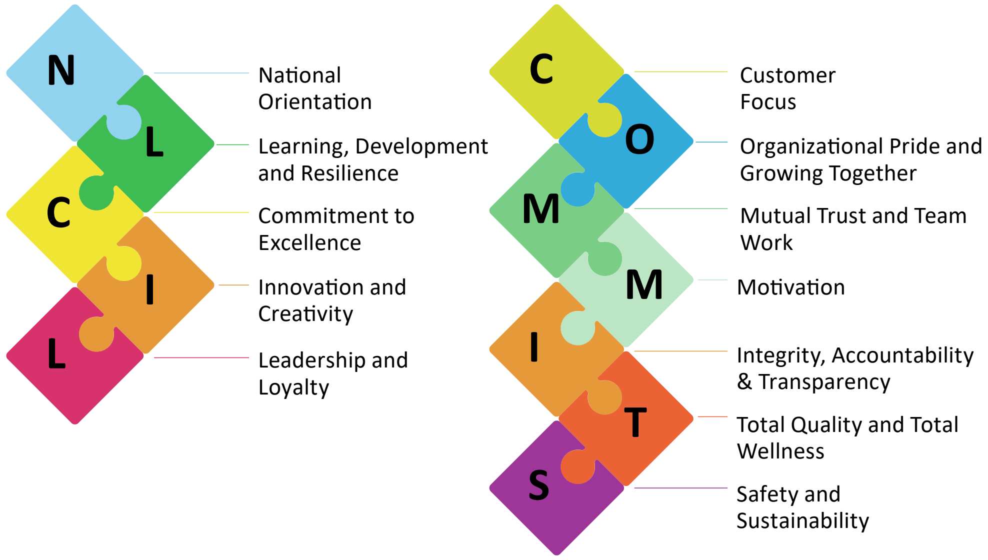
Our ESG Vision:
To continue to be a social responsiveness Company.

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 environmental issues

Core Values



CONTENTS

NLC India Limited (NLCIL) is committed to integrating environmental stewardship with community well-being. Through innovative practices in resource management, conservation efforts, and environmental restoration, NLCIL is creating a positive impact that enhances both the environment and the lives of the people. By powering possibilities and delivering sustainability, NLCIL ensures a greener, more sustainable future while supporting the growth and development of the communities they serve.

ABOUT THE REPORT

NLC India Limited (NLCIL), presents the organization's third Integrated Report comprising a comprehensive evaluation of its financial and non-financial performance for FY 2023-24. The in-depth narrative of the organization's achievements and progress in this report provides stakeholders with the information to make considered decisions about their engagement with the organization.

NLCIL's dedication to thorough reporting reflects its commitment to transparency, accountability, excellence, high governance standard, and sustained value creation.

Reporting Scope and Boundary

Covering the reporting period from 01 April 2023 to 31 March 2024, this report provides holistic information on 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)
- NLC India Green Energy Limited (NIGEL)

Joint Venture

- Coal Lignite Urja Vikas Private Limited (CLUVPL)
- MNH Shakti Limited

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Framework and Standards

This report has been prepared in alignment with the requirements of the globally established Integrated Reporting framework. NLCIL has also considered several statutory requirements, voluntary standards, and the United Nations Sustainable Development Goals (SDGs) in developing this report. By aligning with global standards and applicable regulatory requirements, NLCIL continues to set benchmarks in accountability and stakeholder engagement.

Statutory

- Companies Act, 2013 — The Companies Act, 2013
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
- Indian Accounting Standards
- Secretarial Standards

Voluntary

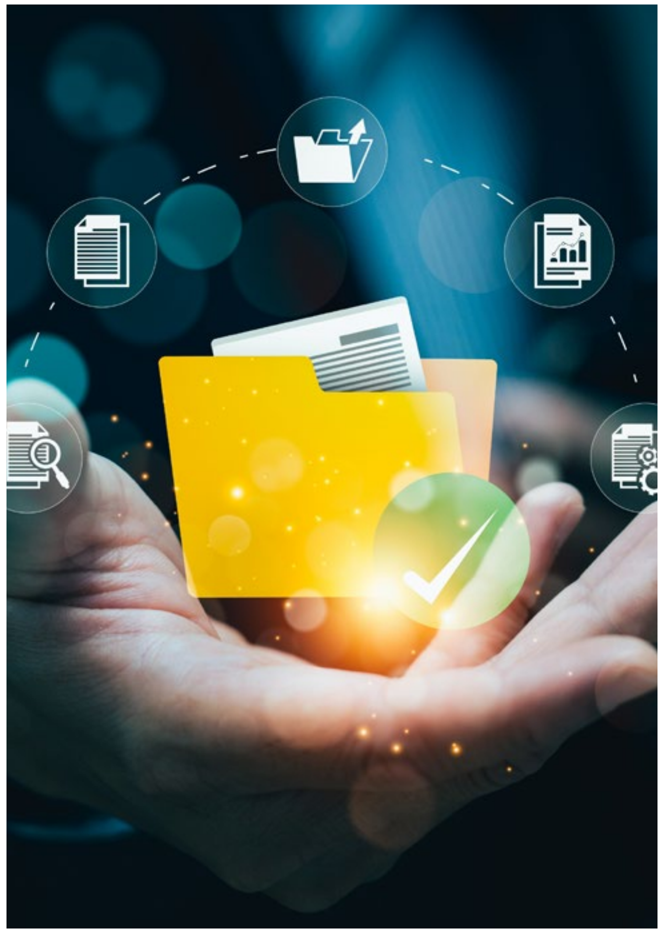
- The International Integrated Reporting Council's (IIRC) Reporting Framework
- Global Reporting Initiative (GRI) Standards (2021)
- Sustainability Accounting Standards Board
- Sustainable Development Goals of the United Nations (SDGs)
- National Guidelines on Responsible Business Conduct (NGRBC) Outlining 9 Principles

Approach to Materiality

NLCIL has identified material issues that significantly affect the organization and its stakeholders through a rigorous approach that involved in-depth engagements with internal and external stakeholders, evaluation of peer organizations, and analysis of industry-specific data. This process yielded 15 material topics categorized into six capitals of the Integrated Report framework. These capitals comprehensively cover the various aspects of NLCIL's operations, ensuring a thorough assessment of the organization's financial and non-financial performance. By aligning material topics with the Integrated Report framework, NLCIL aims to provide a complete 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 providing accurate and comprehensive information to stakeholders on its financial, ESG (Environmental, Social, and Governance), and operational performance. The development of this report includes extensive consultations across all business units and departments of the organization and incorporates governance insights. The Board and Management are jointly accountable for the integrity, fairness, transparency, and balanced representation of the information provided in this report.

Assurance

The report offers a comprehensive overview of the group's operations, integrating both financial and non-financial data. Financial information, including consolidated and standalone accounts, has been rigorously audited by M/s. Sundaram & Srinivasan Chartered Accountants and M/s. Manohar Chowdhry & Associates. This joint audit approach was adopted to ensure the accuracy and reliability of the financial information presented.

Forward-looking Statements

Some sections of this Report may include forward-looking statements, identified by terms like "may," "expects," "could," "intends," "aims," or similar expressions. These statements are based on assumptions and methodologies that involve judgments and uncertainties beyond our control. Actual outcomes may differ, and we cannot guarantee the accuracy or achievement of these statements due to inherent uncertainties. While we believe the assumptions underlying our forward-looking statements are reasonable, these assumptions may prove to be inaccurate due to inherent uncertainties, leading to different outcomes.

Feedback

NLCIL prioritizes consistent and transparent communication with stakeholders across all platforms and is committed to delivering efficient support and promptly addressing stakeholder needs and concerns. Shareholders and investors are encouraged to reach out to the Company Secretary at either the registered or corporate address. Additionally, for immediate complaint resolution, investors may also contact Integrated Registry Management Services Private Limited, who are NLCIL's trusted Depository Registrar & Share Transfer Agent.

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

Registrar
Integrated Registry Management Services Private Limited
II Floor, 'Kences Towers',
No. 1, Ramakrishna Street,
North Usman Road, T-Nagar, Chennai - 600 017
Tel. No.: 044-28140801-03
Fax No.: 044-28142479
Email ID: einward@integratedindia.in

Trustees to NLCIL Bonds
SBICAP Trustee Company Limited,
4th Floor, Mistry Bhawan,
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
Manohar Chowdhry & Associates
Chartered Accountants
No. 27, Subramanian Street,
Abhiramapuram,
Chennai - 600 018

Sundaram & Srinivasan
Chartered Accountants
#23, C.P.Ramasamy Road
Alwarpet,
Chennai – 600018

Branch Auditors
N. Sarda & Associates
Chartered Accountants
Gangashahar Road,
Bikaner, Rajasthan - 334001

K.D. Lath & Co
Chartered Accountants
Narmada Uditnagar,
Rourkela, Odisha - 769012

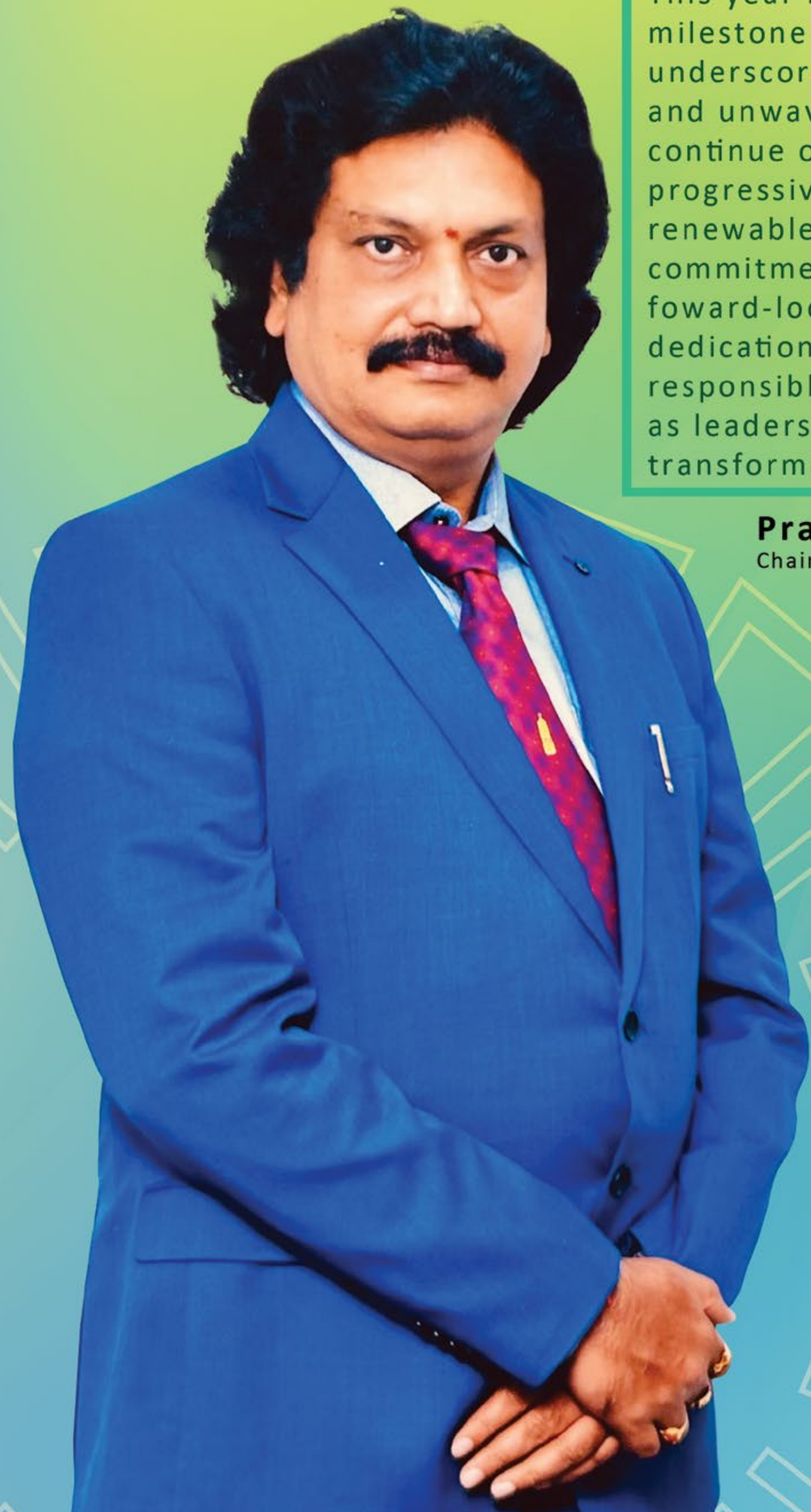
Secretarial Auditor
D. Hanumanta Raju & Co.
B-13, F-1, P.S. Nagar,
Hyderabad - 500057

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 | FEDERAL BANK | AXIS BANK | PFC | IndusInd Bank | Indian Overseas Bank | SOUTH INDIAN Bank | KFW

Message from CMD



This year marks a significant milestone for our company, underscored by remarkable growth and unwavering resilience. As we continue our journey, we are progressively advancing towards renewable energy, reflecting our commitment to a sustainable and foward-looking future. Our dedication to innovation and responsible stewardship positions us as leaders in this vital transformation.

Prasanna Kumar Motupalli
Chairman and Managing Director

LEADERSHIP MESSAGE

Prasanna Kumar Motupalli
Chairman and Managing Director

Dear Shareholders,

As we stand at a pivotal moment, we pause to reflect on the incredible support you have provided. Your belief in our mission has been the driving force behind our remarkable achievements, empowering us to navigate uncharted waters and emerge stronger than ever before. It is with great pride that we present Your Company's Integrated Annual Report for the financial year 2023-24.

This report is more than just a collection of numbers and milestones; it is a testament to our steadfast commitment to sustainability and our promise to create long-term value for all our stakeholders. Over the past year, we have taken bold strides in our undertaking to becoming a socially conscious business. We have not only adopted the ESG (Environmental, Social, and Governance) principles but have established an integrated approach that empowers us to disclose relevant insights to our stakeholders.

Our Corporate Plan 2030 continues to serve as a guiding framework for our decisions and actions, ensuring that they align with our sustainability goals and responsible business practices. This strategic roadmap represents a crucial step towards sustainable growth and will undoubtedly play a pivotal role in shaping our future. As we embark on this transformative path, we are confident that with your patronage, we will emerge as a beacon of sustainable progress in the energy sector.

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Operational Excellence:

We are thrilled to report that your Company's operational excellence has yielded remarkable results, setting new benchmarks in our industry. Our teams have worked tirelessly to push the boundaries of what is possible, and their efforts have been rewarded with a string of impressive achievements.

> "We are proud to announce that your Company has achieved record coal and lignite production, reaching an all-time high of 36.32 MT."

The Talabira Mine has been a standout performer, recording the highest ever coal production of 12.64 MT and dispatch of 11.76 MT. Barsingsar Mines and Mine-IA have also made significant contributions, reaching new heights in lignite production with 2.10 MT and 5.59 MT, respectively. Additionally, your Company successfully completed the permanent diversion of the Paravanar river which ensures the advancement of Neyveli Mine II.

Your Company's power generation assets have also demonstrated exceptional performance, with the TPS-II Expansion achieving its highest ever generation of 2153.41 MU and BTPS recording a generation of 1692.05 MU. We are particularly proud of our efforts in renewable energy, where we generated 2.1 BU of green power out of a total of 27.1 BU power. This achievement underscores our commitment to sustainability and our role in shaping a greener future.

Our zeal for high operational standards has been acknowledged by industry experts, with our mines receiving 13 Five Star Rating Awards. Our power generation assets have also been recognized for their outstanding performance, with NNTPS, TPS-I Expansion, and Barsingsar TPS being ranked the top three in India for Plant Load Factor (PLF).

Financial Milestones:

We are pleased to report significant financial growth that underscores our robust performance and strategic growth. Your Company's standalone Profit After Tax (PAT) surged to ₹ 1,847 Crore, reflecting a remarkable increase of 48% compared to the previous year. This achievement marks the highest Profit Before Tax (PBT) in the last decade, reaching ₹ 2,788 Crore, a substantial rise of 62%. Additionally, EBITDA climbed to ₹ 4,873 Crore, representing a 25% increase.

> "On a group level, your Company's PAT reached ₹ 1,868 Crore, up 31%, while the Group PBT increased to ₹ 2,882 Crore, a growth of 40%. The Group EBITDA also saw a healthy rise, reaching ₹ 5,556 Crore, up 14%."

Expanding Our Potential:

We are excited to share significant advancements in our strategic initiatives that position us for future growth and sustainability. This year, we established two new wholly-owned subsidiaries: NLC India Renewables Limited (NIRL) and NLC India Green Energy Limited (NIGEL). These entities are pivotal in our resolve to expanding our footprint in the renewable energy sector.

Our capital expenditure (CAPEX) reached an impressive ₹ 4,270 Crore, achieving 148% of our target. This investment reflects our dedication to enhancing our operational capabilities and infrastructure. Additionally, we won the North Dhadu (West) Coal Mine in Jharkhand and Machhakata (Revised) Coal block in Odisha at the commercial coal block auction, further strengthening our resource base.

> "Our market capitalization reached a record high of ₹ 407 billion during this financial year, with our share price standing at ₹ 293.75 per share. It reached an all time high of ₹ 311.80 per share on 16th July, 2024 with a market capitalization of ₹ 432 billion"

These milestones not only highlight our financial resilience but also reinforce our position as a leader in the energy sector, committed to sustainable growth and innovation.

Overview of Projects Under Implementation:

Your Company is actively advancing several strategic projects that reflect our commitment to innovation and sustainable growth. One of our key initiatives is the Lignite to Methanol Project, which aims to utilize lignite from Neyveli Mines with a capacity of 1,200 Tonnes per Day (TPD). This project, estimated at ₹4,395 Crore, is being executed on a Lump Sum Turnkey (LSTK) basis, with Engineers India Limited (EIL) appointed as the Project Management Consultant. We anticipate project completion within 42 months from the zero date, with environmental clearance currently in process.

In the renewable energy sector, your Company emerged as a successfully bidder for a 150 MW Hybrid (Solar + Wind) RE Power Project under the SECI framework, securing a tariff of ₹2.34/Unit. We have received the Letter of Award (LOA) from SECI and have submitted the Performance Bank Guarantee (PBG), with the Power Purchase Agreement (PPA) signed.

Additionally, we are progressing on a 510 MW Solar Power Project under the CPSU scheme, which will be executed in three phases across various locations, including Gujarat, Rajasthan and Neyveli. The project is currently in the implementation phase, with significant milestones already achieved.

NLC Talabira Thermal Power Project, a coal-based facility with a capacity of 2,400 MW at Odisha State, utilizing state-of-the-art Ultra Super-critical technology, has received all necessary approvals, including Environmental Clearance. Power Purchase Agreements have been signed with multiple state utilities, ensuring a robust off-take plan. LoA issued for EPC contract to BHEL on 12-01-2024 for a value of Rs.18,255 Cr and pre project activities are under progress. Foundation laid by Hon'ble Prime Minister on 03.02.2024.

Furthermore, the Thermal Power Station II Second Expansion project, which will add 1,000 MW of lignite-based capacity, is underway. The feasibility report for a 500 MW unit configuration is currently in progress, and the required land has already been secured. Additionally, Mine-III, with an 11.5 MTPA capacity, which serves as a fuel linkage for the TPS II Second Expansion, is under implementation in Neyveli, Tamil Nadu. The Ministry of Coal has granted in-principle approval for both the Mining Plan and the Mine Closure Plan for Mine-III.

NUPPL, the subsidiary company, has been allotted the Pachwara South Coal Block (PSCB) with a capacity of 9 MTPA in Jharkhand. The Ministry of Coal has approved both the mining plan and the mine closure plan for PSCB. The process of obtaining the necessary statutory clearances and land acquisition is currently underway.

Commitment to Renewable Energy and Diversification:

As we look to the future, your Company remains in alignment with India's ambitious renewable energy targets. We are dedicated to significantly enhancing our capacity in renewable energy, focusing on innovative technologies and infrastructure improvements.

Your Company is dedicated to enhancing our renewable energy portfolio, with plans to increase the capacity from 1,431 MW to 10,110 MW by 2030. In addition to our renewable energy efforts, we are prioritizing policy and regulatory changes that foster market liquidity and competitive pricing, further driving the transition to a sustainable energy mix. Our ongoing focus on modernizing our power infrastructure ensures that we will meet and exceed the evolving energy demands while maintaining adherence to sustainability. In our diversification efforts, we are also exploring innovative projects such as OB to M-Sand, Lignite to Methanol, and Green Hydrogen initiatives.

> "Our targeted initiatives, including the expansion of solar and wind power projects, are poised to make substantial contributions to the country's goal of achieving 500 GW of non-fossil fuel-based electricity capacity by 2030."

Empowering Communities:

At your Company, we firmly believe that lasting progress can only be achieved through inclusive growth that uplifts the communities we serve. As a socially responsible corporate citizen, we have been carrying out developmental works in the surrounding villages since our inception, focusing on the socio-economic development of our operating regions to achieve inclusive and sustainable growth. During the financial year 2023-24, we spent ₹47.36 Crore on CSR projects, with a significant focus on promoting healthcare and nutrition.

Some of our key initiatives include the construction of a Trauma Care Centre at the Government General Hospital in Kurinjipadi, benefiting 141 villages in 53 Panchayats, and the upgradation of Primary Health Centres (PHCs) in Marungur Village and near our Corporate Office in Perumathur Panchayat. Through these targeted interventions, we are making significant strides in improving the quality of life for the communities surrounding our operations, contributing to a more equitable future for all.

Towards a greener tomorrow:

In the past year, we have continued to intensify our mass tree plantation initiatives aimed at stabilizing the slopes of mine overburden dumps, transforming mine spoil into cultivable soil suitable for habitation.

Our investments in eco-care have resulted in the development of vibrant habitats, which have been converted into eco-parks and eco-tourism locations, enhancing biodiversity while serving as natural barriers against air pollution and soil erosion.

> "Aligned with India's Mission LiFE, a global mass movement aimed at encouraging individual and community action to safeguard our environment, your Company is dedicated to driving impactful positive change."

Your Company's strategic initiatives encompass a broad range of environmental improvement programs. These include eco-restoration in our mines, extensive afforestation efforts, and robust rainwater harvesting projects. We prioritize waste utilization and biodiversity conservation while implementing effective water and energy management practices. Our pollution control measures are stringent, and we are actively working to mitigate the impacts of climate change. Your Company is also in process of setting Net zero target in alignment with Science-based Targets and contributing to India's net zero goals.

By integrating these initiatives, your Company aims to contribute significantly to the Mission LiFE movement, driving a culture of environmental responsibility that extends from our operations to the communities we serve. Together, we can make a lasting difference in protecting and preserving our planet for future generations.

For our proactive measures in environmental management, we have received numerous accolades for our efforts, including the prestigious GEEF Global Environment Award 2024 in the Platinum category and the Greentech Environmental Excellence Award 2023. These recognitions reflect our dedication to maintaining high environmental standards and implementing effective management practices across all our operations.

Acknowledgement:

I extend my heartfelt gratitude to all our stakeholders whose contributions have been instrumental in driving the organization's progress and achievements this year. I would like to specifically acknowledge the support of the Ministry of Coal, Ministry of Power, Ministry of Environment, Forest and Climate Change, NITI Aayog, DPE, DIPAM, and various other ministries of the Government of India, as well as the State Governments, District Administration and other stakeholders, all of whom have played a vital role in facilitating our work. My sincere thanks also goes to the DISCOMs, customers, investors, bankers, auditors, CERC, APTEL, CEA, and other authorities and agencies for their continued trust and support.

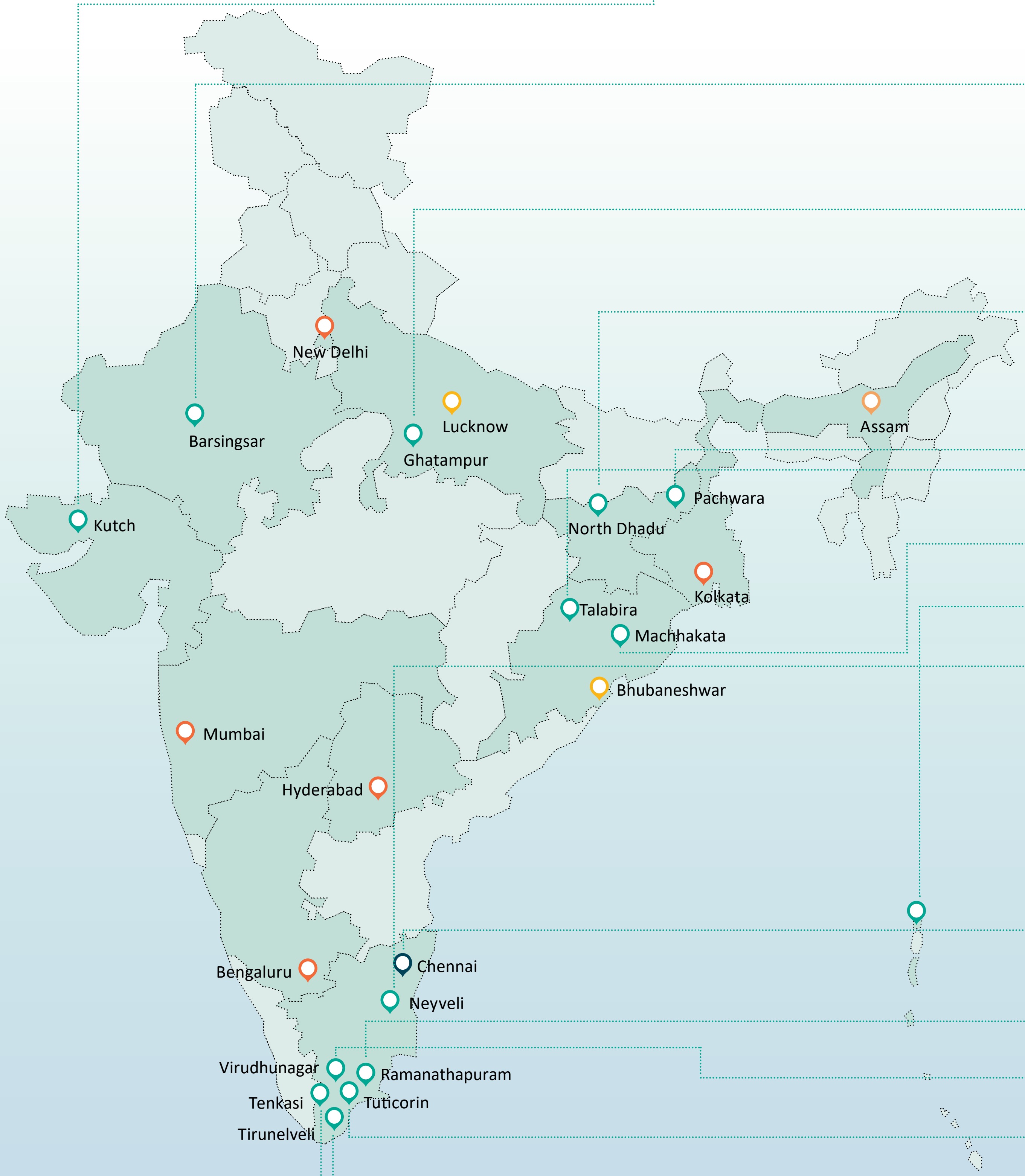
Lastly, I would like to express profound admiration and gratitude to our dedicated employees and the Associations of Officers and Recognized Unions for their unwavering commitment to the development and growth of your Company.

Our vision is centered on driving sustainable growth and creating exceptional value for your Company and stakeholders. As we look to the future, we are enthusiastic about the journey ahead and confident in our ability to achieve these objectives. This confidence is rooted in the unwavering support of our dedicated partners and well-wishers, whose collaboration and commitment are essential to our success. Together, we will continue to make a positive and lasting impact.

With best regards,

Prasanna Kumar Motupalli
Chairman and Managing Director

PAN INDIA PRESENCE



Plants · Registered Office · Liaison Offices · Project Liaison Offices · Projects Under Formulation

Note:- Map not to scale,
TPS - Thermal Power Station.

Gujarat

- 600 MW Khavda solar park
- 150 MW Hybrid RE, SECI (100 MW Solar & 50 MW wind)
- 200 MW Solar (Part of 510 MW CPSU Scheme, IREDA)

Rajasthan

- Lignite mines
- Barsingsar TPS
- 300MW Solar
- 810 MW Solar

Ghatampur, Uttar Pradesh

- Neyveli Uttar Pradesh Power Limited (JV with Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd)

North Dhadu (Western Part), Jharkhand

- Commercial Coal mine

Pachwara, Jharkhand

- Coal Mines

Talabira, Odisha

- Coal Mines
- Talabira Thermal Power Plant

Machhakata, Odisha

- Commercial Coal Mines

Andaman

- Solar

Neyveli, Tamil Nadu

- Corporate Office
- Lignite Mines
  - Mine I
  - Mine IA
  - Mine II
- Power Stations
  - TPS I Expn
  - TPS II
  - TPS II Expn
  - NNTPS
- Renewable Energy

Chennai

- NLC India Renewables Limited (NIRL)
- NLC India Green Energy Limited (NIGEL)

Ramanathapuram, Tamil Nadu

- Solar

Virudhunagar, Tamil Nadu

- Solar

Tuticorin, Tamil Nadu

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

Tirunelveli, Tamil Nadu

- Solar

Tenkasi, Tamil Nadu

- Wind

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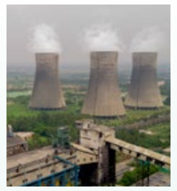
Thermal Power Plants



Barsingsar, Rajasthan
Barsingsar TPS

Ghatampur, Uttar Pradesh
NUPPL - GTPP (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

North Dhadu (Western Part), Jharkhand
Coal Mines

Machhakata, 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

NLCIL AT A GLANCE

NLC India Limited (NLCIL) is a premier Navratna enterprise of the Government of India (GoI),

dedicated to meet the nation's energy demands through responsible and sustainable practices. With a strong foothold in the mining and power sectors, NLCIL plays a vital role in enhancing resource sufficiency and driving economic growth.

As a leading Central Public Sector Enterprise (CPSE), NLCIL is pivotal in meeting the electricity demands of various states, including Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Telangana, Rajasthan, and the Union Territory of Puducherry and Andaman. The company's energy supply is instrumental in driving economic growth and development across these regions.

60+ years of operational excellence

First CPSE to surpass **1 GW** of renewable energy capacity

Total Workforce **10,368**

15 plants and **9** offices

Mining Capacity: **50.10** million tonnes per annum (MTPA)

Thermal Power Generation: **3,640** megawatts (MW)

Renewable Energy Capacity: **1,431.06** MW

KEY HIGHLIGHTS

Environmental Stewardship

1,50,005
Trees planted

2,44,17,395 kWh
Energy saved

6,824 tCO_2e
Emissions avoided

11.2%
Reduction in Scope 1 emissions from FY 2022-23

7%
Reduction in Scope 2 emissions from FY 2022-23

100%
Fly ash utilization

3 Star
Green Building certification from GRIHA

Social Impact

5,40,095
CSR beneficiaries

₹ 47.36 Crore
CSR expenditure

9%
Female permanent employees and workers

Talent pool of
200+
Differently-abled persons employed

3,27,128
Hours of training

1,251
Training courses

₹ 156.5 Crores
Spent on well-being measures

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Operational Excellence

All time Highest ever Coal & Lignite Production of
36.32 MT

CAPEX achieved is
₹ 4,270 Crore
i.e. 148% against the target of ₹ 2,880 Crore.

Market Capitalization touched
₹ 407 billion
on 5th Feb, 2024, when share price reached ₹ 293.75 per share, all time highest.

26.08% higher coal production from FY 2022-23

Out of 27.10 BU Power generation, green power constitutes 2.10 BU.

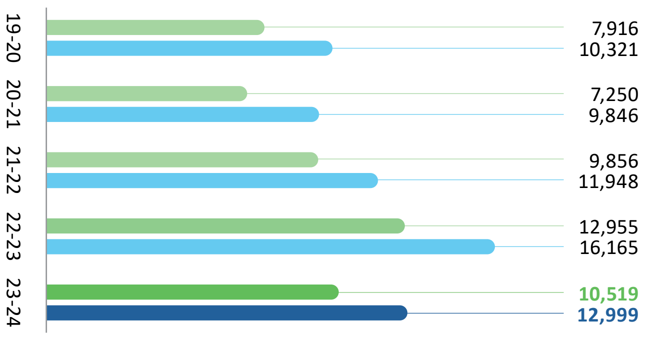
Powering Ahead

Key Financial Highlights

Standalone Consolidated

Revenue from Operations

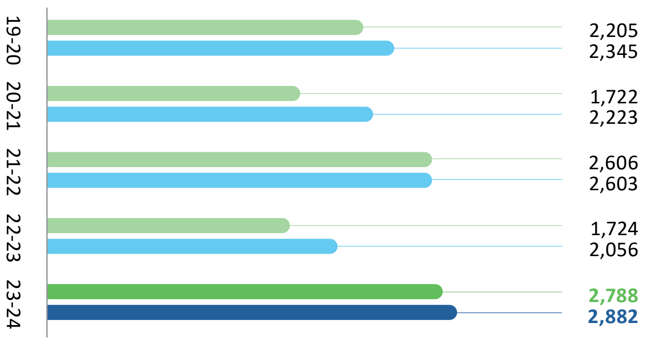
₹ Crore



FY 2023-24 standalone revenue was ₹ 10,519 Crore, reflecting an annual growth of 7.36% since FY 2019-20, whereas on consolidated basis, revenue was ₹12,999 Crore, reflecting an annual growth of 5.94% since FY 2019-20 which has strengthened the company's financial position.

PBT

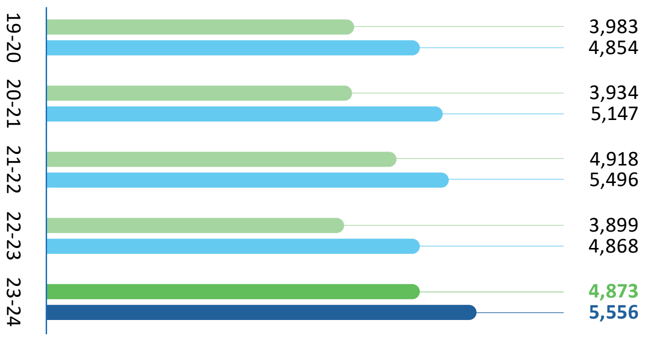
₹ Crore



NLCIL's PBT stood at ₹ 2,882 Crore in FY 2023-24 at consolidated level, representing a growth of 40%. PBT for standalone rose by 62%. The increase in PBT can be attributed to growth driven by regulatory changes and improved cost management.

EBITDA*

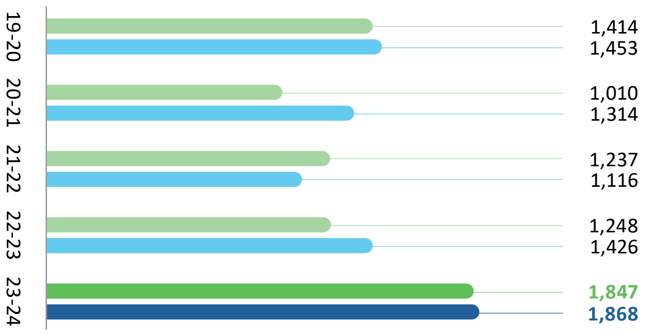
₹ Crore



EBITDA measures a company's earnings from core operations before interest, depreciation, taxes, and amortization. FY 2023-24 EBITDA saw a solid growth of 25% and 14% compared to FY 2022-23 on standalone and consolidated basis respectively highlighting a robust improvement in the company's operational efficiency.

PAT

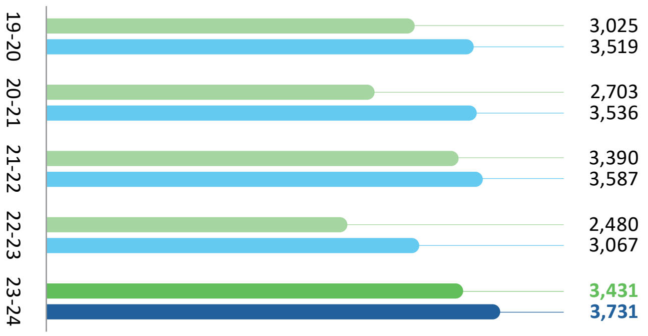
₹ Crore



NLCIL's PAT stood at ₹1,847 Crore in FY 2023-24, representing a growth of 48% for standalone and 31% for consolidated. The company's consistent profitability growth reflects its cost optimization strategies and effective management of market dynamics.

EBIT*

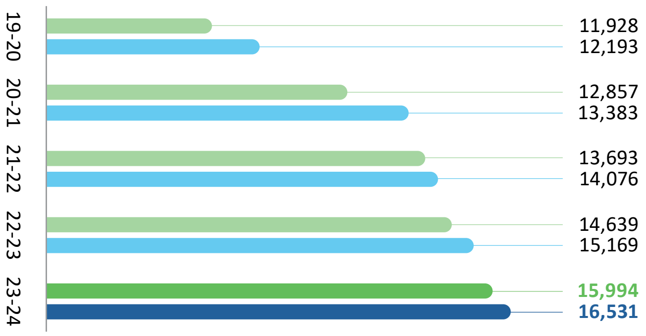
₹ Crore



EBIT measures profitability from core operations before interest and taxes, reflecting operational efficiency. During FY 2023-24, EBIT increased by 38% on standalone basis and 22% on consolidated basis, reflecting NLCIL's operational management and efficiency.

Networth

₹ Crore



Net Worth measures the total value of a company's assets minus its liabilities, reflecting its financial health and shareholder value.

*After exceptional

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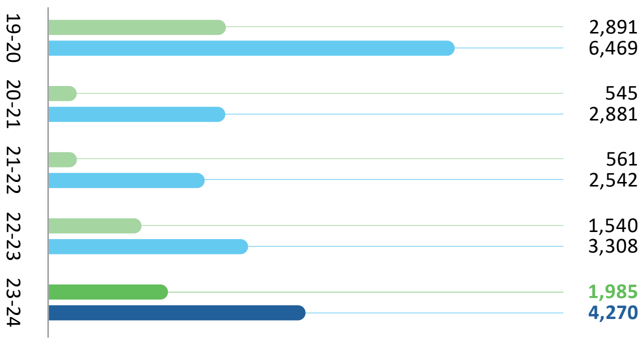
NLC INDIA
CREATING WEALTH FOR WELLBEING

Standalone Consolidated

CAPEX

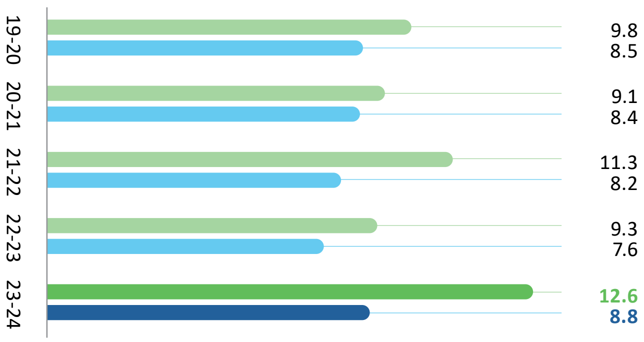
₹ Crore



CAPEX (Capital Expenditure) represents funds invested in acquiring, upgrading, or maintaining physical assets to drive future growth and operational efficiency. The rise in FY 2023-24 signals a strategic focus on investment and expansion, reflecting confidence in future prospects.

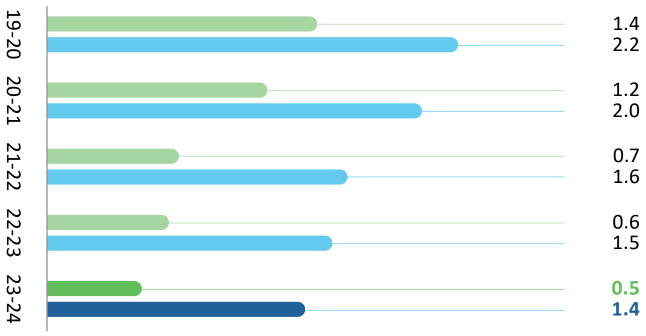
ROCE

%



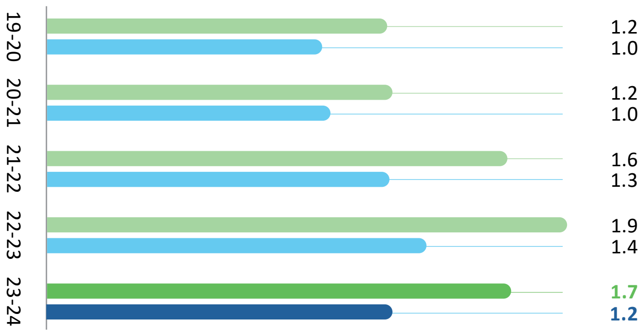
The consolidated ROCE shows an upward trend in recent years which indicates that the company is generating more profit per unit of capital employed, reflecting efficient use of its resources

Debt equity ratio



The **debt-equity ratio** of the company has shown a steady decline from FY 2019-20 to FY 2023-24, both in standalone and consolidated terms. This consistent decrease signifies a strengthened financial position, indicating reduced reliance on debt financing and improved equity base.

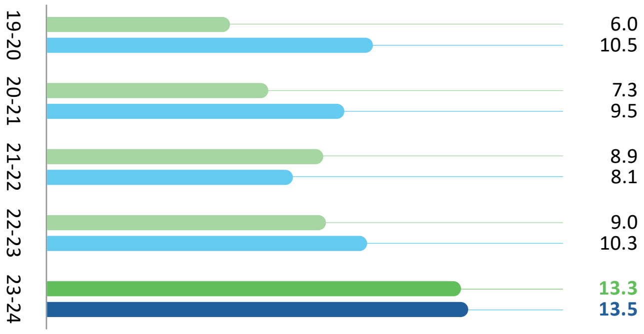
Current Ratio



The company's current ratio has improved from FY 2019-20 to FY 2023-24, indicating better liquidity management. Standalone ratios rose from 1.2 to 1.7. Consolidated ratios increased from 1.0 to 1.2, reflecting improved overall liquidity.

EPS

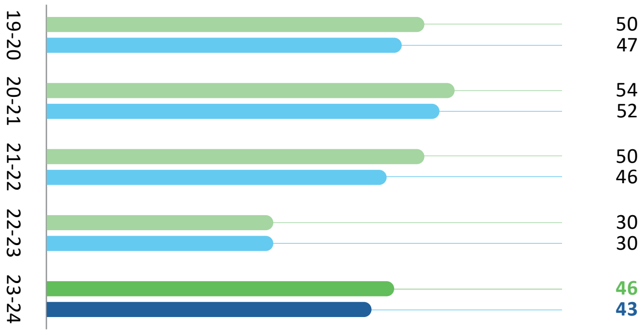
(₹)



EPS After Regulatory quantifies NLCIL's profitability per share, adjusted for regulatory impacts. FY 2023-24 EPS saw a growth of 48% and 31% compared to FY 2022-23 on standalone and consolidated basis respectively highlighting that the company is well managed and has solid growth prospects.

EBITDA/ Total Revenue*

%



From FY 2019-20 to FY 2021-22, the EBITDA margins were relatively stable, reflecting consistent operational efficiency. The FY 2023-24 figures show a strong rebound, with standalone EBITDA margins rising to 46% and consolidated margins raising to 43%.

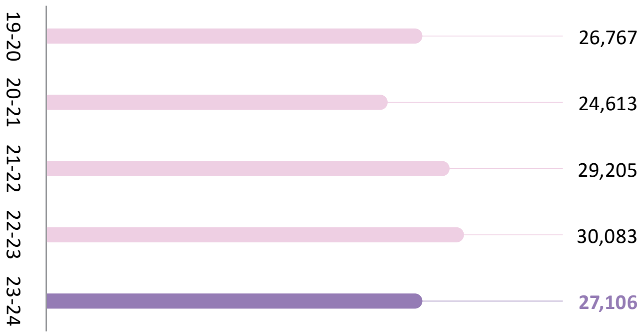
*After exceptional

Powering Ahead

Key Production Highlights

Power Generation - C

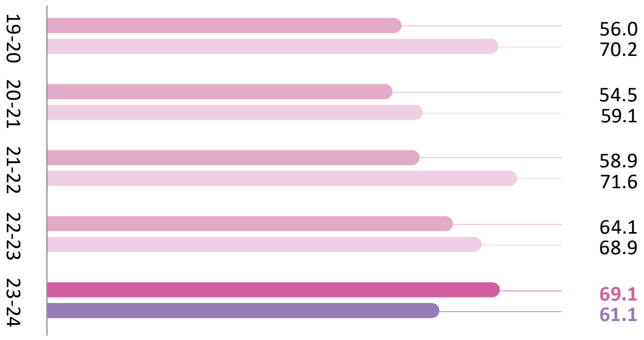
Million Units (MU)



NLCIL's power generation has exhibited slight fluctuating trend over the past five fiscal years. Despite the recent dip, NLCIL has consistently maintained power generation above a significant threshold since FY 2019-20, reflecting its resilience and goal to delivering reliable energy.

NLCIL PLF vs National PLF

%

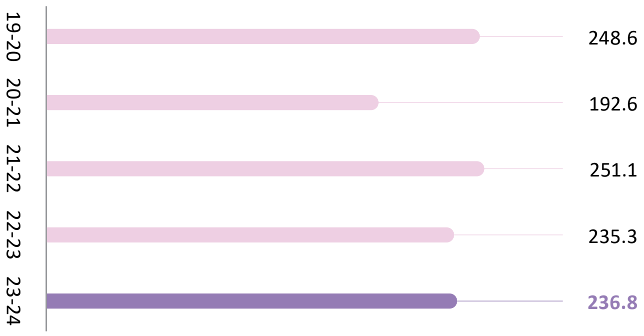


NLCIL's Plant Load Factor (PLF) has consistently outperformed the national average over the past five fiscal years. NLCIL has maintained a relatively stable performance.

National Average Avg PLF

Lignite Production

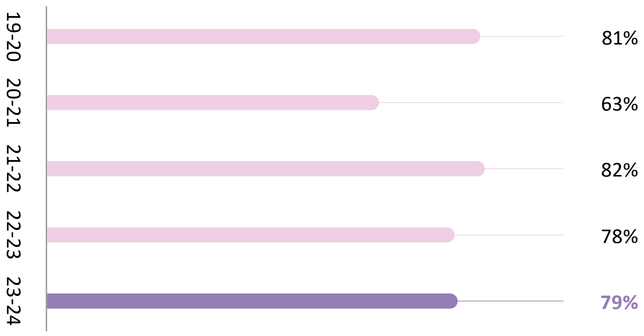
Lakh Tonne (LT)



NLCIL's lignite production has shown a notable recovery post FY 2019-20. This growth is the effect of the company's commitment to enhancing its lignite output, which is crucial for sustaining its power generation capabilities.

Lignite CUF

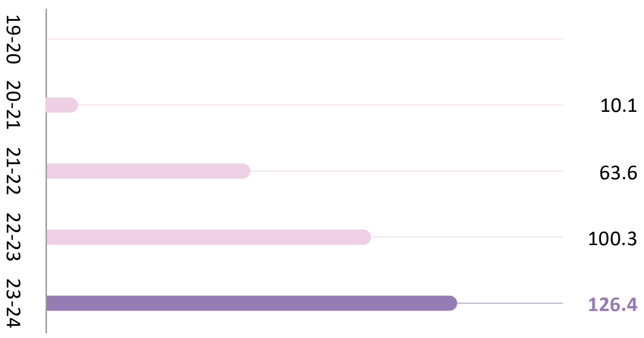
%



NLCIL's Lignite Capacity Utilization Factor (CUF) has consistently showcased remarkable resilience over the past five fiscal years. Despite a temporary setback in FY 2020-21, the CUF rebounded impressively, reaching significant levels in subsequent years.

Coal Production

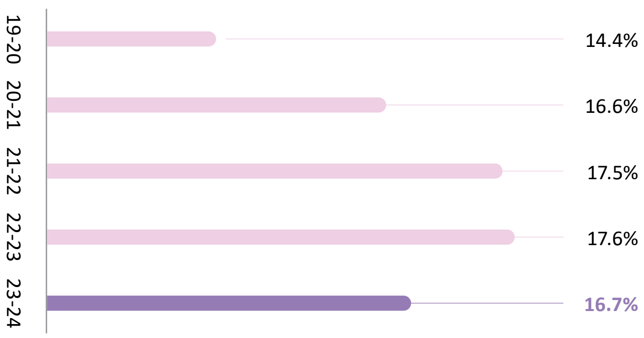
Lakh Tonne (LT)



Coal production at NLCIL has demonstrated a robust upward trajectory, with a remarkable increase in FY 2023-24. This growth reflects the company's successful efforts to diversify its energy portfolio and meet the rising demand for coal in the sector.

Renewable CUF

%



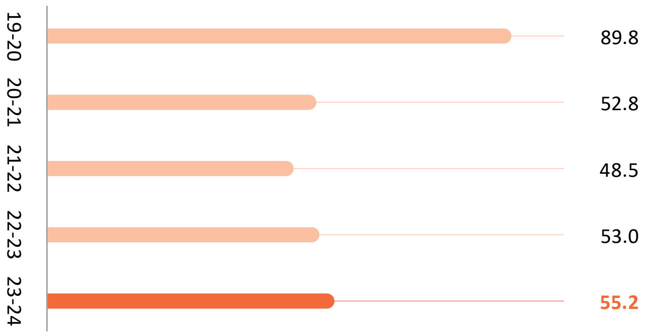
NLCIL's Renewable Capacity Utilization Factor (CUF) has exhibited a consistent upward trend over the past five fiscal years, highlighting the company's efforts to expand its renewable energy capabilities.

Note: C - Consolidated

Business Highlights

CSR Expenses -C

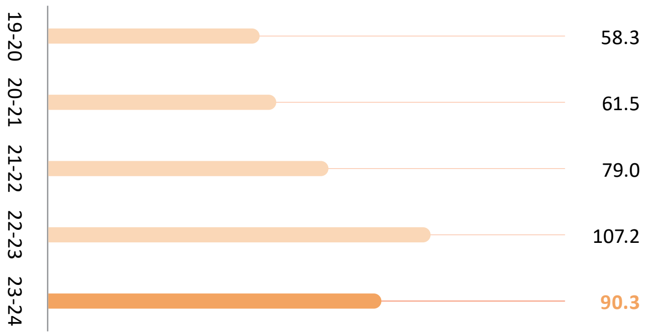
₹ Crore



Despite an initial decline, the recent upward trend in CSR expenses highlights NLCIL's ongoing commitment to social responsibility and community development.

Value added per employee - C

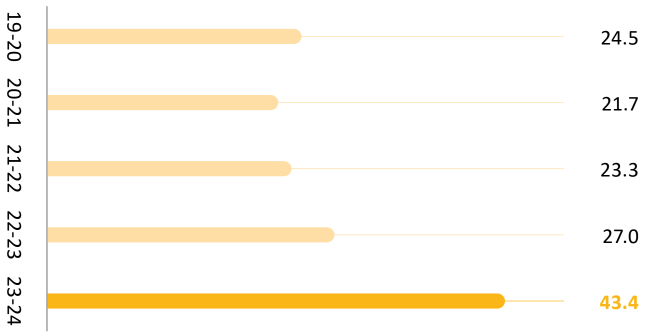
₹ Lakh



The Value Added per Employee continues to demonstrate substantial improvement.

R&D Expenses - C

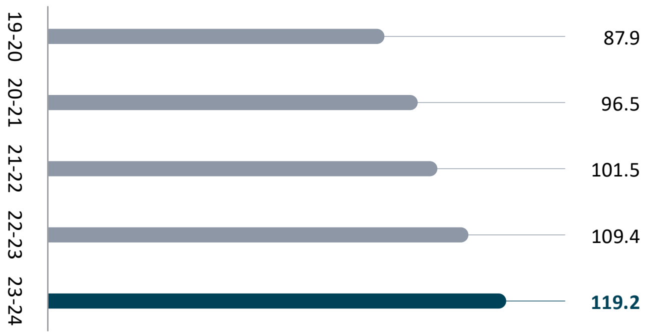
₹ Crore



The graph shows a steady increase in R&D expenses, notably rising to 43.4 Crore in FY 2023-24. This trend indicates NLCIL's focus on innovation, and technological advancement

Book Value per share - C

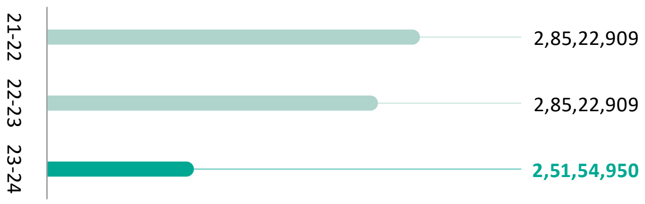
₹



The Book Value per Share has seen a considerable increase in the last five fiscal years. This graph demonstrates NLCIL's strong financial management and continuous value creation for shareholders.

Scope 1 Emissions

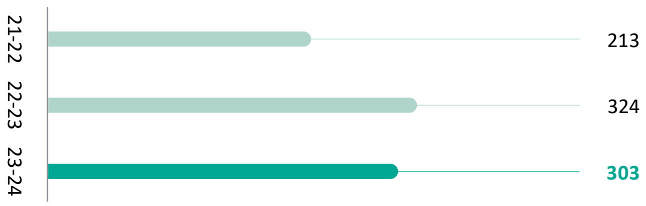
tCO_2e



From FY 2021-22 to FY 2023-24, Scope 1 emissions decreased to 25,154,950 tonnes of CO_2e. This represents a reduction of approximately 10% over the period. This positive trend in emission reductions is due to improved fuel efficiency measures.

Scope 2 Emissions

tCO_2e



From FY 2021-22 to FY 2023-24, Scope 2 emissions decreased to 303 tonnes of CO_2e. This positive trend in emission reductions is due to improved energy efficiency measures.

Note: C - Consolidated

5 Years Performance at a Glance - Physical

Particulars	Unit	2023-24	2022-23	2021-22	2020-21	2019-20
Production:						
Lignite						
Mine-I	LT	81.74	71.44	70.05	62.89	79.76
Mine-IA	LT	55.85	50.51	40.82	25.74	29.70
Mine-II	LT	78.21	93.24	125.48	91.62	125.70
Barsingsar Mine	LT	21.00	20.11	14.77	12.37	13.48
Total	LT	**236.80**	**235.30**	**251.13**	**192.62**	**248.64**
Coal						
Talabira	LT	126.41	100.26	63.58	10.13	-
Power						
T.P.S.I	G M.U	0.00	0.00	0.00	533.72	2710.81
	N M.U	0.00	0.00	0.00	446.85	2337.65
T.P.S.I EXPN	G M.U	2871.36	3113.80	3567.70	2785.51	3328.58
	N M.U	2605.54	2831.96	2984.93	2532.24	3047.59
T.P.S.II	G M.U	5752.25	7997.96	9724.21	6955.13	10425.38
	N M.U	5080.40	7139.57	8788.32	6270.82	9392.09
BTPS	G M.U	1692.05	1716.70	1627.86	1451.08	1527.82
	N M.U	1478.48	1504.59	1426.13	1260.86	1333.05
T.P.S.II EXPN	G M.U	2153.41	1974.00	2040.25	2095.70	1616.96
	N M.U	1803.22	1665.08	1724.76	1767.82	1345.89
NNTPS	G M.U	7074.69	7155.80	6178.74	3439.17	827.40
	N M.U	6637.81	6719.09	5758.70	3176.32	783.42
NTPL	G M.U	5462.36	5929.99	4182.46	5290.58	4844.40
	N M.U	5068.11	5523.90	3853.10	4900.15	4496.78
Wind Power	G M.U	19.35	50.64	85.23	96.91	84.61
	N M.U	19.06	49.73	84.01	94.52	81.18
Solar Power	G M.U	2080.74	2143.91	2098.38	1964.78	1401.42
	N M.U	2080.74	2143.91	2098.38	1964.78	1401.42
Total	**G M.U**	**27106.21**	**30082.80**	**29504.83**	**24612.58**	**26767.38**
	N M.U	**24773.36**	**27577.83**	**26718.33**	**22414.36**	**24219.07**
Sales:						
Lignite	LT	22.60	21.18	33.04	16.75	23.87
Coal	LT	117.62	98.98	63.69	7.00	-
Power	M.U	18890.09	21281.99	22041.04	16723.92	18840.84

LT-Lakh Tonnes

M.U-Million Units

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5 Year Financial Performance at a Glance - Standalone

(₹ in Crore *)

Particulars	2023-24	2022-23 (Reclassified)	2021-22	2020-21 (Restated)	2019-20 (Restated)
Income Statement					
Sales	10,518.64	12,955.00	9,856.48	7,249.63	7,916.30
Other Income	873.10	1,240.90	805.89	1,716.88	1,216.98
Total Income	**11,391.74**	**14,195.90**	**10,662.37**	**8,966.51**	**9,133.28**
Operating Expenses	7,472.30	7,991.45	6,407.40	5,300.12	5,142.07
Depreciation	1,441.76	1,419.69	1,528.13	1,231.62	958.39
Interest	642.89	755.63	783.78	980.63	820.38
Net Movement In Regulatory Deferral Account Balances - Income/(Expenses)	953.10	-2,292.66	273.53	314.72	-4.41
Profit/(Loss) Before Exceptional And Tax	**2,787.89**	**1,736.47**	**2,216.59**	**1,768.86**	**2,208.03**
Prior Period Adjustments(Net)	-	-	-	-	-
Exceptional Items- Income/(Expenses)	-	-12.32	389.83	-46.79	-3.44
Extra Ordinary Income	-	-	-	-	-
Profit Before Tax	**2,787.89**	**1,724.15**	**2,606.42**	**1,722.07**	**2,204.59**
Provision For Tax	941.31	475.91	1,369.64	711.61	790.74
Profit For The Year	**1,846.58**	**1,248.24**	**1,236.78**	**1,010.46**	**1,413.85**
Other Comprehensive Income	-6.20	-0.02	26.76	32.04	-125.36
Total Comprehensive Income	**1,840.38**	**1,248.22**	**1,263.54**	**1,042.50**	**1,288.49**
Earning Before Exception Item, Interest, Depreciation & Tax (Including Regulatory)	4,872.54	3,911.79	4,528.50	3,981.11	3,986.80
Dividend Paid	485.33	416.00	416.00	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	14,607.27	13,252.22	12,420.00	11,572.46	10,668.62
Free Reserves	13,736.93	12,384.08	11,580.46	10,776.08	9,928.16
Networth	15,993.91	14,638.86	13,693.06	12,857.42	11,927.59
Loans Outstanding	7,968.77	9,348.34	10,239.03	14,917.69	16,780.47
Net Fixed Assets	18,133.27	18,731.91	19,184.95	20,045.74	17,716.16
Investments	4,640.12	4,196.32	3,932.67	3,621.99	3,519.40
Net Current Assets	3,387.38	4,974.73	3,610.60	2,830.65	2,525.80
Capital Employed #	27,201.97	26,889.03	26,576.02	30,207.88	30,820.59
Ratios					
Operating Margin(OPM)(%)	22.30	11.73	21.66	13.65	22.90
Return On Capital Employed (ROCE)(%)	12.61	9.27	11.29	9.10	9.83
Return On Networth (RONW)(%)	11.55	8.53	9.03	7.86	11.85
Debt Equity (%)	0.50	0.64	0.75	1.16	1.41
Current Ratio	1.65	1.92	1.64	1.23	1.21
Quick Ratio	1.40	1.71	1.36	0.99	1.02
Value Added Per Employee (In ₹ Lakhs)	87.16	102.18	73.91	54.82	51.88
Book Value Per Share (In ₹)	115.34	105.57	98.75	92.72	86.02
Earning Per Share (In ₹) After Adjustment Of Net Regulatory Deferral Balances	13.32	9.00	8.92	7.29	5.98
Dividend - (%)**	30.00	35.00	30.00	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)

** Dividend on Accrual Basis

5 Year Financial Performance at a Glance - Consolidated

(₹ in Crore *)

Particulars	2023-24	2022-23 (Reclassified)	2021-22	2020-21 (Restated)	2019-20 (Restated)
Income Statement					
Sales	12,999.03	16,165.24	11,947.94	9,846.09	10,320.56
Other Income	947.41	1,217.98	598.02	1,952.33	1,272.14
Total Income	13,946.44	17,383.22	12,545.96	11,798.42	11,592.70
Operating Expenses	9,463.49	10,323.78	7,785.07	7,043.48	6,873.07
Depreciation	1,824.89	1,800.79	1,908.72	1,611.42	1,334.15
Interest	849.30	1,011.69	983.78	1,312.57	1,174.38
Net Movement In Regulatory Deferral Account Balances - Expenses/(Income)	-1,072.88	2,178.85	-344.92	-462.94	-137.45
Profit/(Loss) Before Exceptional And Tax	2,881.64	2,068.11	2,213.31	2,293.89	2,348.55
Prior Period Adjustments(Net)	-	-	-	-	-
Exceptional Items - Income/(Expenses)	-	-12.32	389.83	-70.82	-3.44
Extra Ordinary Income	-		-	-	-
Profit Before Tax	2,881.64	2,055.79	2,603.14	2,223.07	2,345.11
Provision For Tax	1,014.32	630.66	1,488.01	909.03	892.95
Profit/(Loss) After Tax Before Share Of Profit/(Loss) Of Associates	1,867.32	1,425.13	1,115.13	1,314.04	1,452.16
Share Of Profit/(Loss) Of Associates	0.25	0.97	0.52	0.07	0.82
Profit/ (Loss) For The Year	1,867.57	1,426.10	1,115.65	1,314.11	1,452.98
Other Comprehensive Income	-6.71	-0.02	28.23	26.61	-125.36
Total Comprehensive Income	**1,860.86**	**1,426.08**	**1,143.88**	**1,340.72**	**1,327.62**
Earning Before Int., Deprn.& Tax (In Cluding Regulatory)	5,555.83	4,880.59	5,105.81	5,217.88	4,857.08
Dividend Paid To Parent	485.33	416.00	416.00	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	15,144.41	13,782.20	12,802.54	12,098.17	10,934.24
Free Reserves	14,278.54	12,918.02	11,966.96	11,307.22	10,193.78
Networth	16,531.05	15,168.84	14,075.60	13,383.13	12,193.21
Loans Outstanding	22,379.45	22,305.72	22,058.37	27,230.18	27,226.23
Net Fixed Assets	23,390.84	24,058.18	24,874.92	25,823.77	23,517.14
Investments	7.84	7.59	6.62	13.59	13.51
Net Current Assets	2,163.18	4,091.91	3,221.64	1,756.79	876.12
Capital Employed #	42,472.21	40,676.44	38,998.45	43,204.12	41,597.33
Ratios					
Operating Margin(OPM)(%)	19.78	13.31	21.14	16.05	21.52
Return On Capital Employed (ROCE)(%)	8.79	7.57	8.20	8.35	8.47
Return On Networth (RONW)(%)	11.30	9.40	7.93	9.82	11.92
Debt Equity (%)	1.35	1.47	1.57	2.03	2.23
Current Ratio	1.15	1.38	1.28	1.04	1.00
Quick Ratio	0.95	1.20	1.07	0.89	0.86
Value Added Per Employee (In ₹ Lakh)	90.26	107.23	79.04	61.52	58.34
Book Value Per Share (In ₹)	119.22	109.39	101.51	96.51	87.93
Earning Per Share (In ₹) After Adjustment Of Net Regulatory Deferral Balances	13.47	10.28	8.05	9.48	10.48
Dividend - (%)**	30.00	35.00	30.00	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)

** Dividend on Accrual Basis

"Punaruthan Charkha Udyan" park, created as part of "Wealth from waste" campaign

AWARDS AND RECOGNITION

People Focussed CEO of the Year' from Economic Times

Scope Eminence Award

Star Rating awards for Coal and Lignite Mines

CSR Health Impact Award

Exceptional Employee experience Award by ET HR World

Greentech CSR award

Swachhata Pakhwada Award among Coal PSUs from Ministry of Coal

Best Public Sector Organization implementing CSR in 7th National Media Conclave

3 star rating by GRIHA

Mahatma Award

GEEF Global Environment Award 2024


NLC INDIA
CREATING WEAL
FOR WELLBEING

GOVERNANCE

At NLCIL, we are committed to upholding the highest standards of corporate governance, reinforcing the Company's reputation of responsible and ethical business. The Company's organizational values - transparency, integrity, accountability, diversity, social responsibility, and responsiveness - form the bedrock of its sustainable governance framework.

NLCIL's approach to ESG (Environmental, Social, Governance) is integrated into our operations, with a focus on continual improvement and monitoring. We engage in regular consultation with stakeholders on ESG topics, ensuring all perspectives are incorporated into the decision-making process.

Through our unwavering dedication to sustainable governance, we aim to create lasting value for all stakeholders, while maintaining the highest standards of ethical and responsible conduct. At NLCIL, we actively address stakeholder's needs and strive for inclusive growth, fostering an equitable environment.

Business Ethics and Standards

We are consistently uphold principles of equality and fairness in our interactions with suppliers, contractors and bidders of products and services. Our Integrity Pact Programme (implemented in collaboration with the globally recognized Central Vigilance Commission (CVC) and Transparency International India) is a testament to this. 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.

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. By adhering to these robust measures and policies, we are cultivating a culture of integrity and ensuring all our business activities are aligned with the highest ethical standards.

Anti-Corruption Processes and Practices

To guide our personnel in upholding ethical standards and actively participating in anti-corruption endeavors, we have developed a 'Personnel Manual'. This document outlines their responsibilities and enables collective efforts to combat corruption. We have also instituted a comprehensive code for our Top Management Personnel and Board-level executives to cultivate transparency and ensure efficient governance within the organization. This code of conduct serves as a catalyst for promoting high morale and fostering an inclusive and transparent management process.

NLCIL's pledge to anti-bribery measures and anti-corruption policies extends to all our employees within its corporate structure, encompassing the Board of Directors, 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 the company but also to its diverse range of business interests. By upholding these standards, we continue to showcase our commitment to responsible governance and ethical conduct across the organization and all affiliated entities.

Vigilance

We have a specialized Vigilance Department within the organization to preserve operational integrity and safeguard against corruption and misconduct. This department plays a pivotal role in ensuring adherence to stringent anti-corruption policies and practices.

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

Additionally, at NLCIL's Vigilance Department, we have established an 'Ethical Forum' in collaboration with students from Neyveli Schools 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.

Governance Structure

At NLCIL, the Board of Directors assumes primary accountability for the comprehensive Corporate Governance framework. Through regular meetings and discussions, the Board of Directors provides strategic oversight and ensures that the company's governance practices align with the highest standards of transparency, accountability, and ethical conduct.

The Audit Committee, a key sub-committee of the Board, plays a crucial role in ensuring the integrity of NLCIL's financial reporting and internal control systems. The Audit Committee adheres to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the DPE Guidelines on Corporate Governance. While there may be occasional exceptions mentioned in the Certificate on Corporate Governance and the Secretarial Audit Report, NLCIL has duly complied with the Corporate Governance requisites specified in the SEBI Regulations and DPE guidelines. We recognize the importance of adhering to these guidelines as a means of fostering investor confidence, enhancing stakeholder trust and promoting sustainable growth.

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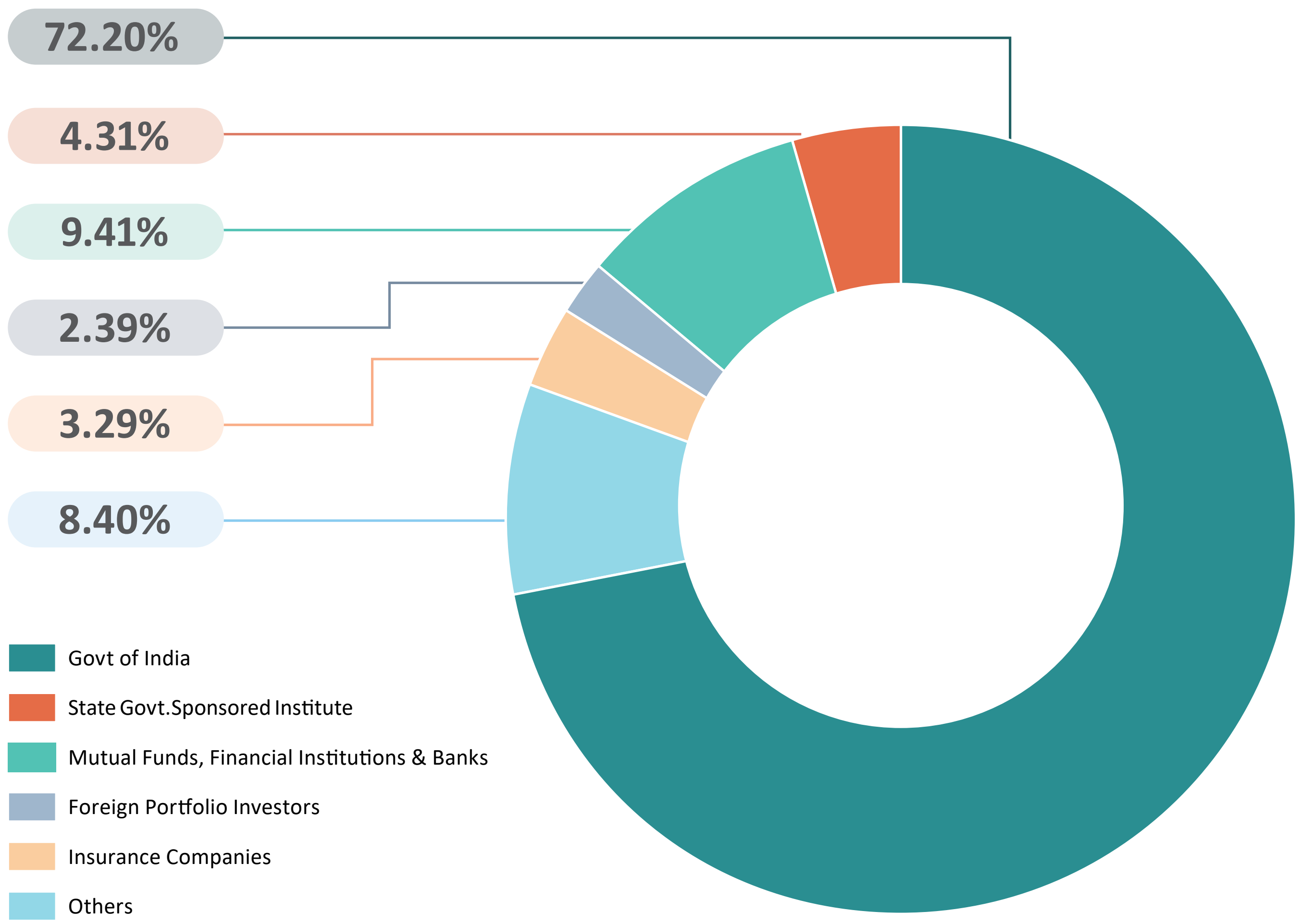
Shareholding pattern as on 31.03.2024



Shri. Prasanna Kumar Motupalli, CMD, NLC India Limited expressing his warm wishes to Hon'ble Shri. G. Kishan Reddy as the Union Minister of Coal and Mines and Hon'ble Shri. Satish Chandra Dubey as the Minister of State for Coal and Mines on their officially assuming charge.

Board Members

NLCIL's Board of Directors is the cornerstone of its robust corporate governance framework. Comprising the Chairman and Managing Director, four Functional Directors, two Non-Executive Directors, and three Independent Directors, the Board brings extensive, well-balanced expertise to the table. Each Board member contributes specialized knowledge in areas such as mining, engineering, power generation, human resources, commerce, ensuring a comprehensive range of skills to guide the company effectively. By leveraging the collective expertise and diverse perspectives of its Board, NLCIL ensures that its governance practices are aligned with the highest standards of transparency, accountability, and ethical conduct.

Prasanna Kumar Motupalli
Chairman and Managing Director

Vismita Tej
Government Nominee Director

Dr. Beela Venkatesan
Government Nominee Director

Dr. Suresh Chandra Suman
Director / Mines & Director / Planning & Projects (Addl. Charge)

Samir Swarup
Director / Human Resources

M Venkatachalam
Director / Power

Dr. Prasanna Kumar Acharya
Director / Finance & Chief Financial Officer

Subrata Chaudhuri
Independent Director

Prakash Mishra
Independent Director

Prof. Nivedita Srivastava
Independent Director

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Board Profile

Prasanna Kumar Motupalli - Chairman and Managing Director (CMD) of NLCIL

Shri Prasanna Kumar Motupalli assumed charge of Chairman and Managing Director (CMD) 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 of more than 3 decades in the energy sector including power sector, Coal industry including heading Regulatory positions, Shri Prasanna Kumar Motupalli had held many prestigious positions including Executive Director at NTPC (Corporate Fuel Management), Director of CNUPL (CIL NTPC Urja Pvt. Ltd.), Joint Managing Director of MGCL (MahaGuj Collieries Limited) and also served as the Chairman of the prestigious Western Region Power Committee (WRPC) and achieved remarkable performance even during challenging times.

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. Operation 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. He has received applauds for his technical/leadership contributions from many reputed global institutions TUNRA, Australia, USAID, USA, IIM Ahmedabad, IIM Lucknow etc

His expertise lies in power plant erection, operations and maintenance, Fuel management & handling, maintenance of heavy earth moving equipment, rolling stock operations and maintenance, Renewables, and all green initiatives. 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 Capacity Addition, operational excellence and safety through constant innovation and initiatives - received Outstanding Performance Appreciation accolades from Govt. of Gujarat

After his assumption of charge as CMD, NLCIL has ventured into first time RE in business at PAN India Level and also into Commercial Mining. Currently more than 2 GW RE projects are under implementation, 2 commercial coal blocks of 33 MTPA capacity won in competitive bidding conducted by Ministry of Coal, MOU signed with two State Governments for setting up of 2 GW RE projects and also putting Thermal power Projects. Company has diversified its operations into wealth from waste including extraction M-Sand from Mine Overburden, putting up of RE projects in mined out lands. Successfully carried diversion of Paravanar river including taking possession of more than 500 Ha of acquired land in Neyveli mines which is pending more than a decade resulted in sustainable operations of mines for the balance life. Also successfully received much awaited approvals from GoI for RCE for Ghatampur Thermal Project and Pachwara Coal Projects. He ensured all round performance improvement of the Company in all fronts including building Stakeholders confidence and enhancing the market capitalization to multi fold.

He has been honoured with the prestigious "People-Focussed CEO of the Year" award by ET Human Capital Awards 2024 and best CEO Corporate Management innovative leadership award 2023.

Vismita Tej - Government Nominee Director

Smt. Vismita Tej belongs to the Indian Revenue Service (Income Tax) 1990 Batch. She holds MA (Political Science, Utkal University, Odisha), MA (Gender Studies, University of Essex, UK), MA, Diploma, (Public Policy and Sustainable Development, TERI University, New Delhi) and MPhil (International Studies, Jawaharlal Nehru University, New Delhi). Smt. Vismita Tej was posted in various capacities in the Income Tax Department at Bhubaneshwar, Patna, Hyderabad, Ranchi and Delhi. Has wide experience in assessment, investigation, administration and policy. She was also posted as Chief Vigilance Officer (CVO), Central Coalfields Limited, Ranchi (2009-2014). Presently posted on deputation as Additional Secretary, Ministry of Coal, Govt of India.

Dr. Beela Venkatesan - Government Nominee Director

Dr. Beela Venkatesan is a 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 Venkatesan is presently serving as the Principal Secretary to Government of Tamil Nadu, Energy Department.

Dr. Suresh Chandra Suman - Director (Mines), Director (Planning & Projects) (Additional Charge)

Dr. Suresh Chandra Suman, a Mining Engineer, assumed the position of Director (Mines) at NLC India Limited on 11^{th} 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.

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.

Samir Swarup - Director (Human Resources)

Shri. Samir Swarup became the Director (Human Resources) of NLC India Limited on February 27, 2023. Before joining NLCIL, he was the Executive Director (P&A) at the Corporate Office of Steel Authority of India Limited (SAIL). With over three decades of experience, he has excelled in various human resource functions, including recruitment, Industrial relations and CSR. since Joining NLCIL, he has implemented a number of new initiatives / policies.

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M. Venkatachalam - Director (Power)

Shri. M. Venkatachalam, Director (Power), NLCIL is a Distinguished Scientist and a Mechanical Engineer from University of Madras. Before joining NLCIL he was an Executive Director at NPCIL possessing 35 years of rich experience of Nuclear station operations, project construction and commissioning, implementation of robust safety systems, versatile site activities and corporate functions. He has major expertise in upgradation and life extension activities of nuclear power plants and has showcased resilience in handling tsunami event at Madras Atomic Power Station and bringing back units after natural calamities. He was Station Director at Kakrapar Atomic Power Project, Gujarat where he was instrumental in erection and commissioning India's first indigenous 700 MW nuclear power plant. He is a recipient of the prestigious NPCIL excellence award and several meritorious group awards. He is an identified World Association Nuclear Operators (WANO) expert, served as Public Awareness Committee Chairman and delivered TEDx talks and UGC Edusat lectures on Nuclear Power Courses.

Dr. Prasanna Kumar Acharya - Director (Finance) and Chief Financial Officer

Dr. Prasanna Kumar Acharya is a seasoned professional with over 28 years of experience in Central, State and Private-owned Organizations. Dr. Acharya is a Fellow member of the Institute of Cost and Management Accountant and an Associate Member of the Institute of Company Secretaries of India. He also holds a Bachelor's degree in Commerce (Honors) from Utkal University, Odisha, a Bachelor's in Law (LLB) from MS Law College, Cuttack, Odisha, Master's in Commerce from Ravenshaw University, Odisha and obtained a Master's in Business Administration (MBA).

Dr. Acharya's professional journey encompasses diverse roles in Power Generation, Transmission, Distribution, Mining and Transport Sector.

His expertise lies in areas such as Accounts, Taxation, Project Finance, Fund Raising and Automation. His professional exposure extends to system improvement, digitisation, empowerment and collaboration initiatives.

Subrata Chaudhuri - Independent Director

Subrata Chaudhuri is an MBA (PGDRM) from the Institute of Rural Management, (IRMA), Anand, Gujarat. He did his under-graduation in Agriculture from BCKV, Kalyani, West Bengal. He has been an alumnus of Purulia Ramkrishna Mission Vidyapith, West Bengal. As an entrepreneur, he has over 24 years of experience in the fields of exports, imports, International marketing of commodities, purchase & procurement, Agribusiness, business development & strategy, start-ups, FMCG, Commercial Contracts and international logistics. With hands-on experience of starting a business from scratch, he has wide International experience in purchase, imports and exports, from and to the Asian and African nations. Post-1999, as the promoter of Indica Exports, Mumbai, he gathered the unique experience of manufacturing, exporting and importing edible oil, copra, agri produce, coal, rubber, basmati rice, cocoa-butter-substitute oil, home appliances, caustic soda and other chemicals. Between 2007 and 2013, he took painstaking effort in setting up a Coconut processing manufacturing unit in Sulawesi Island an Eastern island of Indonesia. As the managing director of PT Subrato, Indonesia, at a point in time, he has been one of the world s top ten coconut-related/ Laurics commercial professionals. During 2016-19, he had been an advisor with NCDEX e-Market Ltd, Mumbai and helped in the business development of an electronic market for the farmers produce in the eastern India. As a Director of Brihaspati Pvt Ltd., he has exported cheese and various agri produce to Bangladesh. A multilingual novelist, Subrata Chaudhuri also keeps deep penchants for myriad of socio-economic issues, farmers causes, global economy, employment creation, commodity markets, Forex and political and Corporate Good Governance. He is a regular Television Debater on economy, petrol and energy, inflation and monetary policies.

Prakash Mishra - Independent Director

Shri Prakash Mishra is a post graduate in Applied Economics from Utkal University and is also a Bachelor in Law. He joined the Indian Police Service in the year 1977 and was born in Odisha Cadre. He held important assignments in Odisha and Govt. of India. He served with distinction as SP of Mayurbhanj and Rourkela Districts, DIG of Bhubaneswar Range, DIG to the Chief Minister, Odisha, IG Headquarters, CMD of the Orissa Police Housing Corporation, Director Intelligence and DGP Odisha. In Government of India, he held important assignments as SP and DIG in CBI for about 7 years in Delhi, Bhubaneswar, Hyderabad and Chennai, as IG in the South Eastern Railway, Kolkata, Joint Director of the National Police Academy, Hyderabad, Special DG NIA, New Delhi, DG, NDRF, Special Secretary, Internal Security, Ministry of Home Affairs, New Delhi and DG of CRPF. He retired in February 2016 and thereafter was employed as Advisor to the Governor, Uttarakhand and as DG of Civil Defense and Fire Services, Government of India for 2 years till September 2018. He is a recipient of the Indian Police Medal for Meritorious Service and the President Police Medal for Distinguished Service. Since 2018 he is engaged in public life and social service. He is Chairman of a Trust, Aastha Alok, engaged in feeding the underprivileged in Cuttack, Odisha.

Nivedita Srivastava - Independent Director

Prof. Nivedita Srivastava, a post graduate in Chemistry and holding a Doctorate from Central Drug Research Institute, Lucknow is presently the Head and Professor of 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.

Prof. Nivedita Srivastava has published several Research Papers in prestigious National and International Journals and has presented Papers in various Seminars / Conferences. 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 Gyan Swaroop Kumud Smriti Samman Samiti.

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Chief Vigilance Officer

Appakannu Govindarajan
Chief Vigilance Officer

Executive Directors

Hemant Kumar
Corporate Safety

Jagadish Chandra Mazumdar
PBD, CARD & I.E Wing

Mathi K
PH/NTTP

Jasper Rose I S
Mines, Services, Land & LTM

Ranialli G
Corporate Contracts, MM & Disposal

Prabhu Kishore K
CRM, Regional & Liaison offices, CCD, L&DC

Santhosh C S
CEO/NUPPL

Ashok Dattatraya Keote
SME, Conveyors, Transport, Mine-III and Long Term Mine Planning

Hariramakrishnan N
Finance & Commercial

Anbuchelvan B
REPP, Civil Br. – CTO & Corp. Env.Cell

Rajmohan S
Coal coordination

Surianarayanan B
Thermal

Venkata Suryanarayana Murthy D
Legal, CSR & General Hospital

Board Committees

NLCIL has established a comprehensive system of 17 Board committees to aid the Board of Directors in fulfilling its responsibilities effectively. These committees efficiently distribute responsibilities to operational teams and actively contribute to the decision-making process of the Board.

The multi-tiered committee structure ensures the overall success and prosperity of the company, fostering a governance framework that enhances transparency, accountability, and 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. The committees' collective efforts, coupled with the Board's strategic vision, drive the company towards sustainable growth and enhanced success while safeguarding the interests of all stakeholders.

- Audit Committee
- Committee of Directors for Augmentation of Skill Development
- Committee of Directors
- Committee of Directors for Issue of Share/ Bond Certificates
- Risk Management Committee
- Nomination and Remuneration Committee
- Committee of Directors for Disbursement of Fund to Retired employees
- Project Sub-Committee
- Sub-Committee for Short-term Investment
- CSR Committee
- Sub-Committee for Resource Mobilization
- Stakeholder's Relationship Committee
- Sub-Committee for Contribution/ Donation/ Sponsorship
- Sub-Committee for Pricing of Lignite/Coal and Power
- Sub-Committee for Purchase/ Contracts
- Empowered Committee of Directors on Purchase and Contracts
- ESG Committee

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Empowering Resilience with Strategic Risk Management

As a leader in the mining and power generation sectors with a pan-Indian footprint, NLCIL faces a diverse range of risks. We understand the profound impact of these factors on our operations, stability, and long-term growth. To navigate these challenges effectively, we employ a multi-layered risk management system designed to both mitigate risks and capitalize on opportunities. Further, our robust governance framework ensures that our operating controls align with the Group's overarching vision and mission, promoting long-term sustainability and meeting the risk-reward expectations of our stakeholders.

Risk Governance and Management Framework

Our risk management approach is aligned with internationally recognized standards, including COSO's internal control (Integrated framework and enterprise risk management) and ISO 31000:2018 (Risk management guidelines). This adherence to established frameworks, ensures that our risk management practices are in line with global best practices and contribute to the organization's overall resilience.

Internal Control Systems

We implement 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.

Regular Audits and External Expertise

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 and consults with Internal and Statutory auditors to evaluate the robustness of the internal control systems and identify any potential issues or areas requiring attention, thus reinforcing the integrity and reliability of our financial systems.

Continuous Improvement and Training

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, ensuring that our approach remains relevant and effective in the face of evolving challenges.

By embedding risk management into our culture and operations, we demonstrate our commitment to responsible decision-making and safeguarding the interests of our stakeholders. This commitment is underpinned by our robust risk management framework, that enables us to navigate potential challenges and create value while prioritizing environmental, social, and governance considerations.

Risk Identification and Analysis

NLCIL's dedicated Corporate Risk Cell diligently gathers risks from across the organization, consolidating them into a comprehensive risk register. This register is then periodically reviewed by the Risk Management Committee (RMC) ensuring informed decision-making at the highest level.

With a view to enhancing effective risk management, risks are categorized as Strategic, Business, and Operational. This classification allows us to deeply understand the nature and scope of each risk, enabling us to align our mitigation strategies with precision without compromising NLCIL's sustainable growth

Post identification of risks, we meticulously collect data and information for each risk, capturing both qualitative and quantitative aspects of risk impact and occurrence. This enables us to prioritize risks that presents the strongest threat or potentially cause significant adverse outcomes.

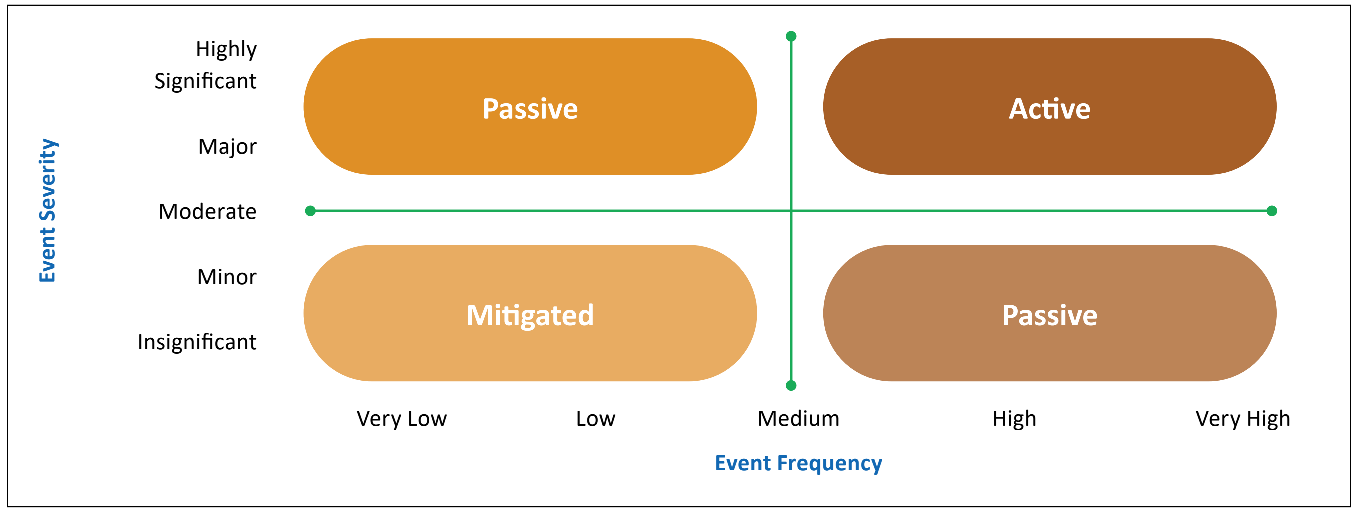
Through this comprehensive risk profiling, we gain deep insights into the significance and likelihood of each risk materializing. This targeted approach ensures that our risk mitigation strategies are aligned with the organization's key areas of concern, enabling us to enhance overall organizational resilience and drive sustainable growth.

Risk Prioritization

Following comprehensive risk analysis, we categorize risks into different levels to ensure effective management and mitigation. Risks with high severity and occurrence are classified as the following -

- Active Risks requiring continuous monitoring and mitigation at the highest level
- Passive Risks requiring monitoring and mitigation at the risk owner level
- Mitigated Risks for which mitigation plans are already in place, or the risks are no longer valid due to effective risk management measures

In addition, we have Merged Risks, which are those that have been combined or consolidated for streamlined management and oversight. By leveraging this classification, we allocate appropriate resources and attention to effectively address and control risks in a structured and targeted manner.



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Robust Risk Mitigation Strategies

Our comprehensive risk assessment process has yielded 9 active risks, for which we have formulated tailored mitigation strategies. These strategies are designed to address and minimize the potential impact and occurrence of these high-priority risks.

By proactively implementing these robust mitigation measures, we aim to enhance the organization's resilience and ensure optimal risk management. This approach empowers us to navigate the dynamic business landscape with confidence, safeguarding our long-term sustainability and growth.

1 Strategic Risks

Land Acquisition and Availability

Delays in land acquisition for mining operations can hamper NLCIL's expansion plans and disrupt operations. Acquiring land for large-scale mining projects is a significant challenge due to complex land ownership patterns and compensation negotiations.

Mitigation strategy - To mitigate this risk, NLCIL has revised the minimum land compensation in consultation with the District Administration and Public Representatives, ensuring fair and equitable compensation for affected stakeholders.

2 Operational Risks

Safety in Operations

Ensuring the safety and well-being of our employees is NLCIL's utmost priority. Non-compliance with safety protocols and statutory recommendations can expose workers to potential hazards, leading to accidents and operational disruptions.

Mitigation strategy - To prevent accidents, NLCIL strictly adheres to all safety protocols and recommendations stipulated by statutory authorities. The company has adopted comprehensive SOPs as part of inculcating global best practices in safety. Additionally, we conduct regular safety audits, risk assessments, and training programs to ensure a safe working environment.

Project Progress Monitoring

Ineffective monitoring mechanisms can lead to delays in project progress, cost overruns, and non-compliance with regulatory requirements for NLCIL's capital expenditure (capex) projects.

Mitigation Strategy - (i) We implement strong monitoring mechanisms, including legal safeguards to ensure progress and compliance with capex projects.

(ii) NLCIL awards tenders to qualified professionals and creates Special Purpose Vehicles (SPVs) to deliver targeted project support.

(iii) In order to avert delays, we follow up proactively with the respective ministries to obtain all statutory environmental and forest clearances in a timely manner.

Non-Compliance to New Environmental Emission Norms

NLCIL's Neyveli Thermal Power Station faces the risk of non-compliance with new, stricter environmental emission norms set by regulatory authorities. Failure to meet these norms can lead to penalties, operational disruptions, and reputational damage.

Mitigation Strategy - To address this risk, NLCIL is proactively installing Flue Gas De-sulfurization (FGD) systems through tenders awarded to reputed service providers. FGD technology helps reduce the emission of sulfur oxides and other pollutants, enabling the company to comply with the new environmental norms and maintain operational efficiency.

Sustained Operation of CFBC Boiler in TPS II Expansion

NLCIL faces technical challenges in the sustained operation of the Circulating Fluidized Bed Combustion (CFBC) boilers at the TPS II Expansion plant. These technical problems are causing heavy generation losses for the plant.

Mitigation Strategy – We are closely scrutinizing the draft study report submitted by M/s. Doosan Lentjes to understand the root causes of the technical issues and to develop appropriate solutions. The company is working with global experts to address the boiler tube puncture problem and ensure the sustained and reliable operation of the CFBC boilers at the TPS II Expansion plant.

3 Business Risks

Non-Realization of Electricity Board (EB) Dues

NLCIL faces the risk of non-realization of electricity dues from customers, primarily electricity boards and other consumers. Delayed or non-payment of bills can disrupt the company's revenue stream and cash flow.

Mitigation Strategy - (i) We have employed effective treasury management practices, such as the use of Letters of Credit, Direct Debit Mechanisms, and Bill Discounting, to ensure timely collection of dues.

(ii) In cases of late payments, the company considers imposing a surcharge to compensate for any credit delays and to maintain financial stability.

Increasing Trend of Power Surrender

The company is witnessing an increasing trend of power surrender by customers, primarily electricity boards and other consumers. This trend can lead to a loss of revenue for NLCIL and underutilization of our power generation assets.

Mitigation Strategy - To mitigate this risk, we actively participate in power exchanges and bilateral contracts, with the aim of identifying alternative avenues to sell surplus power and minimize the impact of power surrender on the company's revenue and profitability.

Forfeiture of Agreed Tariff Due to Delay in Commissioning of Renewable projects

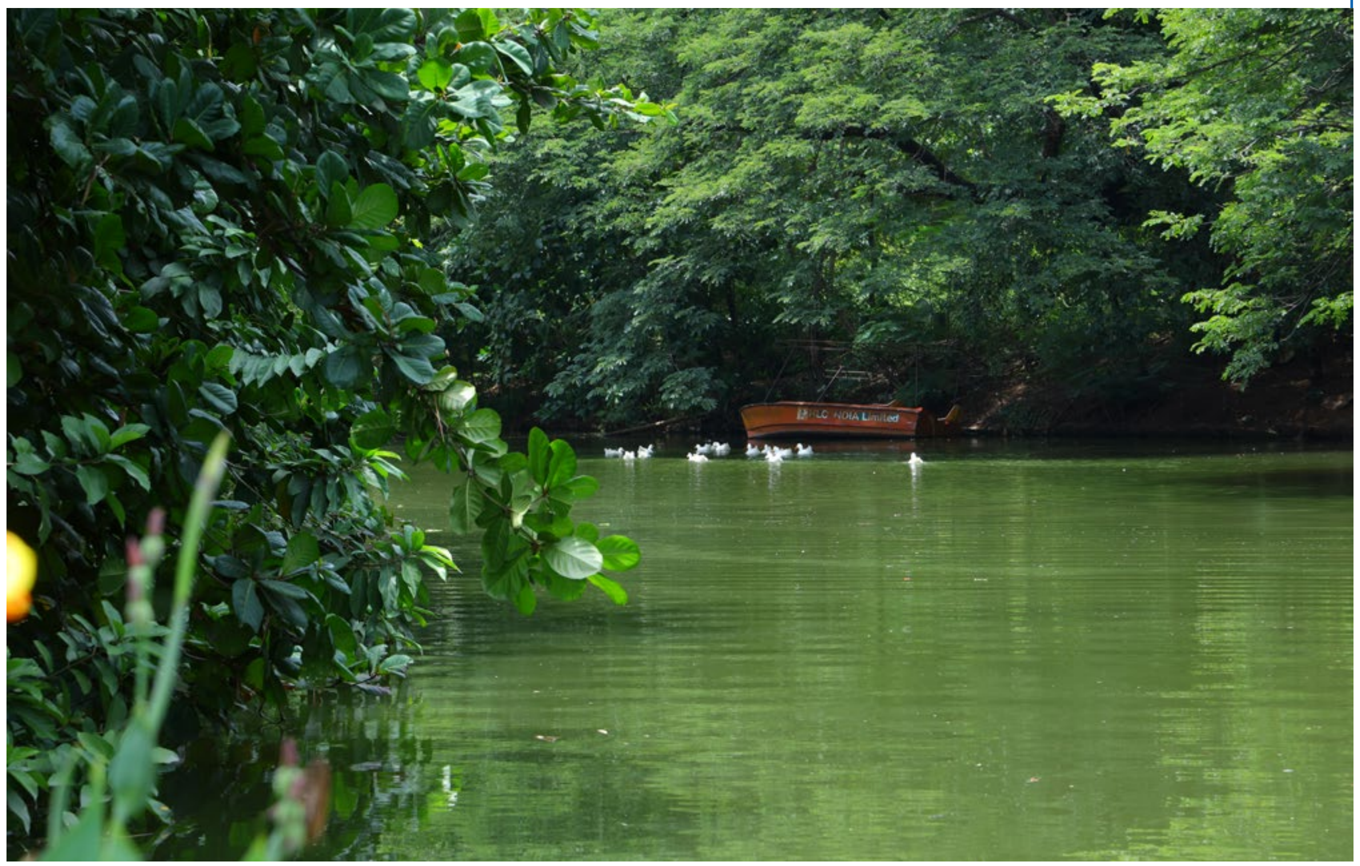
NLCIL faces the risk of forfeiting the agreed tariff for projects executed under the preferential tariff scheme of the Tamil Nadu Electricity Regulatory Commission (TNERC). This risk arises when projects are delayed beyond the control period prescribed by TNERC for tariff purposes, leading to a loss of the preferential tariff and outstanding dues.

Mitigation Strategy- To mitigate this risk, we are actively seeking legal solutions to ensure the realization of outstanding dues and to protect NLCIL's interests. The company is also exploring legal avenues to secure the agreed tariff and recover outstanding payments from relevant authorities.

Implication of BTTP and BTPSE Projects on Hold

The Barsingsar Thermal Power Project (BTTP) and Barsingsar Thermal Power Station Expansion (BTPSE) projects being put on hold can have a significant impact on the company's operations and financial performance.

Mitigation Strategy - To mitigate the risks associated with the BTTP and BTPSE projects being put on hold, NLCIL is actively pursuing legal arbitration. We are exploring legal avenues to resolve the issues and minimize the adverse business implications arising from the suspension of these projects.



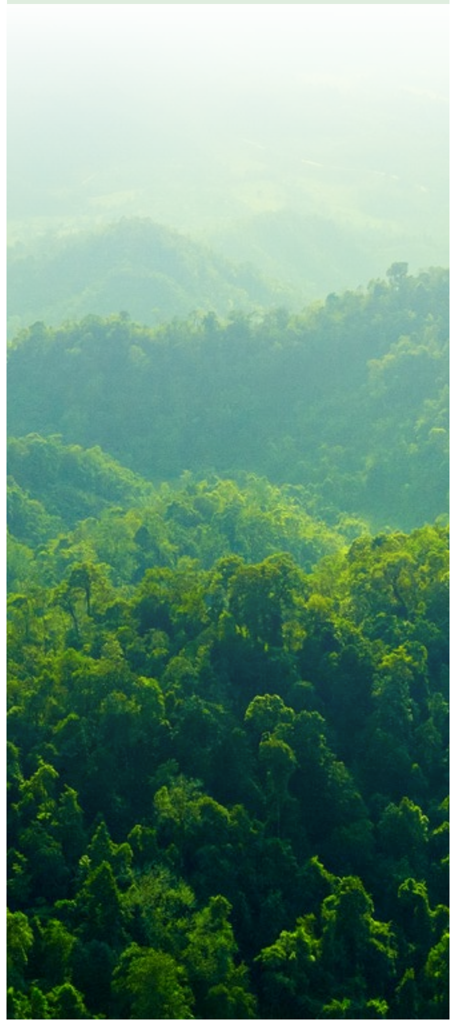
Our Policy Framework

At NLCIL, 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.

E — Environmental Policies

- Environment Policy
- Waste Management Policy
- ESG Policy



S — Social Policies

- Prevention of Sexual Harassment
- Mentoring Policy
- Parental Leave and Maternity Policy
- Learning and Development Policy
- Rehabilitation and Resettlement Policy
- Corporate Social Responsibility Policy
- Health and Safety Policy
- Recruitment Policy
- Sabbatical Leave Policy
- Nomination and Remuneration Policy
- Complaint Handling Policy

G — Governance Policies

- Code of Conduct for Board Members, Senior Management Personnel
- Whistle Blower Policy
- Dividend Distribution Policy
- Knowledge Management Policy
- Cyber Security Policy
- Code of Conduct for Prevention of Insider Trading
- Policy on Material Subsidiary
- Risk Management Policy
- IT Policy
- Policy for Investments of Surplus Funds

VALUE CREATION

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Value Creation Model

Inputs

ESG Vision
To continue to be a social responsiveness company

ESG Mission
To play an active role in society and be sensitive to emerging environmental issues

50.1 MTPA
Coal and Lignite Mining

3640 MW
Thermal Power Generation

1431 MW
Renewable Power Generation

Power Trading

Consultancy
for Mining and Power

Inputs	Outputs	Stakeholders Impacted
Financial Capital • Net Worth: ₹ 15,994 Crore • Debt: ₹ 7,969 Crore • CAPEX: ₹ 4,270 Crore	• Revenue: ₹ 10,519 Crore • PBT: ₹2,788 Crore • PAT: ₹ 1,847 Crore • Dividend paid: 35% • EPS: ₹ 13.32	Investors Government and Regulatory authorities
Manufactured Capital • Thermal Capacity: 3,640 MW • RE Capacity: 1,431.06 MW • Lignite Capacity: 30.10 MTPA • Coal Capacity: 20 MTPA	• Average PLF for thermal plants: 61% • Average CUF for RE plants: 16.7% • Certified for ISO 9001, 14001, 45001, 17025 • Highest ever coal production of 12.64 MT and dispatch of 11.76 MT • All-time high lignite production of 2.10 MT (Barsingsar Mines) and 5.59 MT (Mine-IA)	Investors Government and Regulatory authorities Employees Suppliers Customers
Intellectual Capital • R&D Expenses: ₹ 43.37 Crore • Dedicated CARD Centre • Institutional Research Team, IIT Madras, NIT Trichy, BHEL, Anna University, Annamalai University, TNAU, SID-IISC, ICRISAT	• 10 Ongoing Projects on Green Hydrogen, Lignite to Diesel, Integrated Gasification Combined Cycle etc.	Investors Government and Regulatory authorities Employees Suppliers Customers Institutions
Human Capital • Total workforce: 10,368 • Man-hours of training: 3,27,128	• % of women workforce: 9% • Employees covered in safety training: 4034 • Employees hired: 677	Employees
Social and Relationship Capital • Total CSR expenditure: ₹ 47.36 Crore • Supplies sourced directly from MSMEs - 50.53% • OEDC DAC Framework to assess CSR impact	• Number of beneficiaries through CSR Initiatives: 5,40,095 • Dividend paid: 35.0% • Stronger Relation with value chain partners	Communities Investors Customers Government and Regulatory authorities
Natural Capital • Water consumed: 1,29,648 ML • Energy consumed: 24,85,63,645 GJ • RE Capacity: 1,431.06 MW	• Scope 1 emissions: 2,51,54,950 tCO_2e • Scope 2 emissions: 303 tCO_2e • Planted 1.5 lakh trees	Employees Customers Investors Communities

SDG Alignment

Stakeholder Management

Stakeholder-Centric Value Creation

At NLCIL, we consider our stakeholders as the driving force behind our success. We are deeply committed to delivering value to all our stakeholders by aligning our operations and business processes with their diverse expectations. We have identified seven pivotal internal and external stakeholder groups, including Employees, Government and Regulatory Authorities, Customers, Communities, Suppliers, Institutions, and Investors, and engage with them continuously to gain valuable insights that shape our sustainable business strategy. This stakeholder-centric approach is at the core of our long-term value creation, enabling us to build successful and lasting relationships across various industries and geographies. By identifying and addressing material issues, we can anticipate emerging risks, opportunities, and challenges, ensuring that our business activities create value for all our stakeholders and the wider society we serve.

The table below illustrates our engagement with various stakeholders to address their concerns and meet their expectations.

Hon'ble Secretary(Coal), Shri Amrit Lal Meena , along with CMD and FDs taking review of the performance of NLCIL

Home | Overview | Value Creation | Statutory Reports | Financial Statements

Employees - The backbone of our organization	• Mode of Engagement - Direct communication, e-mail communication • Frequency - Engaged on need-basis depending upon the purpose • Emphasis Areas - Training and awareness on relevant topics, welfare programme, open and transparent performance evaluation programs, promotion cycle and professional growth
Suppliers - Partners in our success	• Mode of Engagement - E-mail communication, conferences and seminars • Frequency - Engaged as necessary and appropriate • Emphasis Areas - Business-related conversations, workshops, seminars, a wareness-raising initiatives
Institutions - Collaborators in innovation and growth	• Mode of Engagement - E-mail communication, industry associations' conference • Frequency - As necessary and appropriate • Emphasis Areas - Program for talent cooperation and training
Communities and Civil Societies / NGOs - The communities we serve and support	• Mode of Engagement - CSR activities, community meetings, e-mail communication, Public hearings • Frequency - As necessary and appropriate • Emphasis Areas - CSR and welfare activities, employment opportunities, development of infrastructure
Investors - Providers of capital and trust	• Mode of Engagement - Annual General Meetings, quarterly results, investor meetings, stock exchange intimations,e-mails communication, advertisements, website communication • Frequency - Engaged through several regulatory meetings and other interactions as appropriate • Emphasis Areas - Gather and analyze information on financial and other key parameters, incorporating critical inputs from our shareholders, increased disclosure on ESG aspects
Customers - Valued partners in our business	• Mode of Engagement - Customer meetings, website communication, conferences, e-mail communication, and advertisements • Frequency - As necessary and appropriate • Emphasis Areas - Business-related conversations, workshops, seminars, and awareness-raising initiatives
Government and Regulatory authorities - Compliance Stewards and Policy Enforcers	• Mode of Engagement - Compliance meetings, comments given on regulatory matters, industry associations, e-mail communication • Frequency - As per statutory provisions • Emphasis Areas - Policy advocacy statutory meetings

Materiality Assessment: Aligning Strategy with Key Priorities

At NLCIL, we 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 ensure this, we have executed a comprehensive four-step process to identify and prioritize the key material issues that bear high relevance to our business operations:

Step 1 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 trends, business objectives, peer analysis, global concerns, regulatory policies, statutory requirements, and stakeholder feedback. We carefully evaluate the impact of our business activities on these issues and classify them according to their alignment with the different components of ESG and compliance with GRI standards.

Step 2 Prioritization

After identifying the material issues, we evaluate their risk, opportunity, and financial impact on the business to determine the most critical ones. We then engage in extensive consultation with key internal and external stakeholders, including suppliers, communities, NGOs, customers, institutions, investors, employees, and senior management, to gather feedback on the priority issues.

Step 3 Alignment with Core Strategy

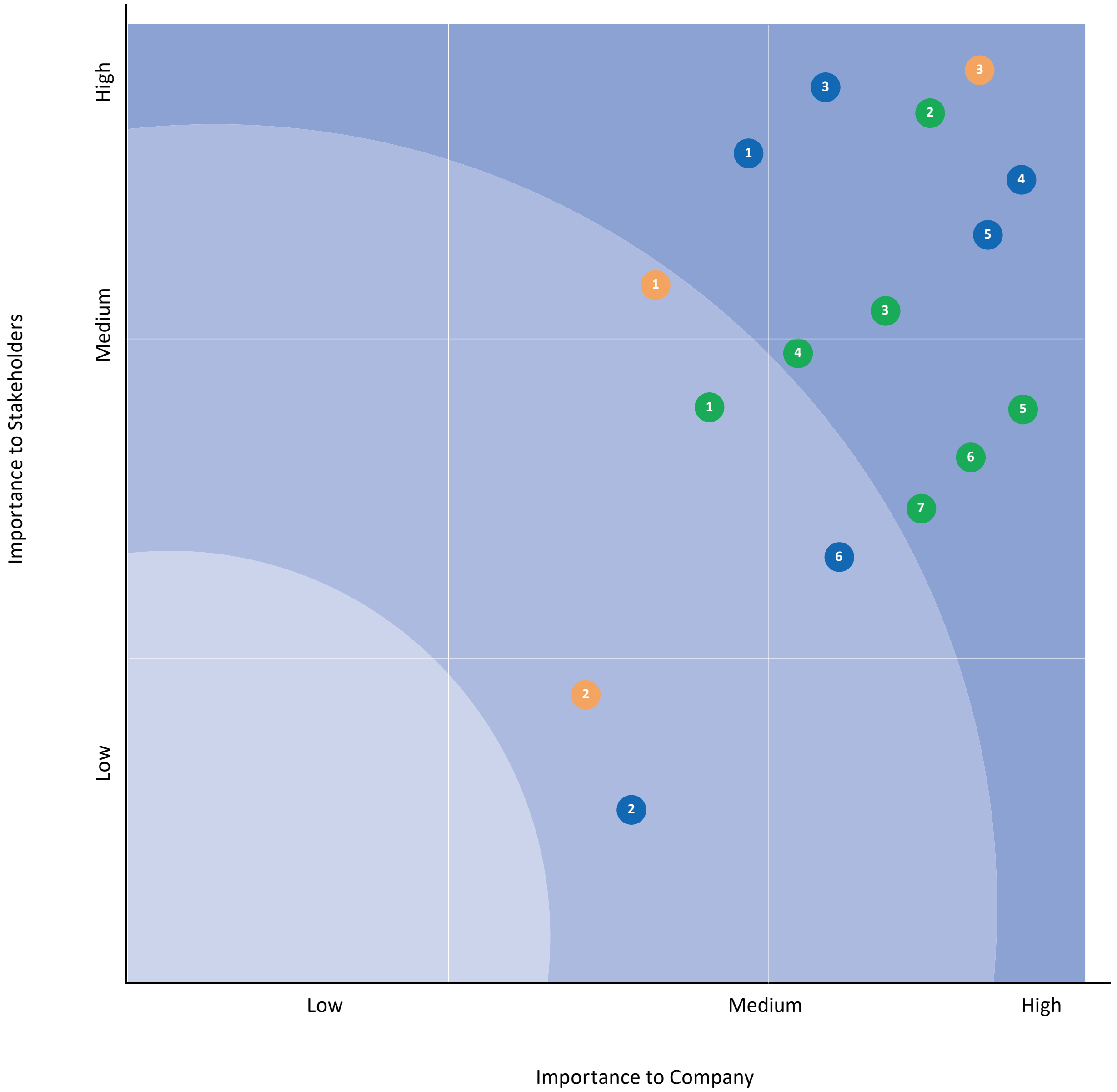
The identified key material issues undergo further refinement, taking into account their impact on our business strategy while being mindful of enterprise risk management considerations. This rigorous process ensures that the material issues that hold the utmost significance to our business are thoughtfully and definitively finalized.

Step 4 Validation

Following the prioritization and alignment of identified material issues with strategic importance, the critical material issues undergo 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.

By executing this comprehensive materiality assessment process, we are able to proactively address challenges and capitalize on opportunities that harmonize with our strategic direction, ultimately fostering the long-term success and resilience of our organization.

High priority materiality issues (FY 2023-24)



Relevant to Business

Environment

1. Resource Availability
2. Air Emissions
3. Water and Effluent Management
4. Biodiversity Preservation
5. Renewable Energy
6. Operational Efficiency and Plant Reliability
7. Climate Strategy

Governance

1. Community Engagement
2. Decommissioning of Plants
3. Land
4. Governance
5. Ethics and Integrity
6. Innovation and Digitization

Social

1. Training, Education and Development
2. Sustainable Supply Chain
3. Health and Safety

Material Issues

Community Engagement

At NLCIL, we are dedicated to fostering strong relationships with the communities in which we operate and creating shared value through targeted interventions such as CSR programs, contract work, public sanitation, infrastructure development, health camps and skill development.

SDG Alignment

Capital Linkage
Social

Health and Safety

We have implemented a comprehensive set of measures to prevent and mitigate incidents that might negatively influence the health and safety of the relevant stakeholders across our industrial units –

- Rigorous testing and weekly inspections of our fire detection and suppression systems, ensuring their readiness at all times.
- Empowering our employees and contractors to object to perform any dangerous activities, in line with our robust Safety and Health policy.
- Providing free medical facilities to all our workforce, safeguarding their health and well-being.
- Adopting the OHSAS 45001-2018 standard, a globally recognized framework for occupational health and safety management.
- Collaborating with the CISF fire crew to conduct annual joint fire safety programs and hands-on training for our staff and contractors.
- Regularly performing comprehensive safety audits to identify and address potential hazards.

SDG Alignment

Capital Linkage
Social Human

Air Emissions

Key sources of emissions in our operations include: Excavation work, Drilling operations, Lignite/coal transportation, Storage yards and haul roads, CO_2 emissions, Fly ash transportation and handling systems

To effectively control these emissions, we have deployed a range of technologies and strategies, such as:

- Sprinkler and fog systems
- Greenbelt development around bunker areas and prominent locations
- Pressurized mobile water sprinkling systems for roadways within mines
- Fog cannon dust suppression systems in coal stock yards
- Flue Gas Desulfurization (FGD) systems

SDG Alignment

Capital Linkage
Natural Manufactured Intellectual

Renewable Energy

As part of our long-term strategy, we have made renewable energy one of our core focus areas, dedicating significant resources and efforts towards its development. Our commitment to renewable energy is evident in our ambitious targets and ongoing projects such as:

- Setting up large-scale renewable power plants
- Investing in innovative technologies
- Expanding renewable energy capacity across the Nation

SDG Alignment

Capital Linkage
Natural Manufactured

Land Acquisition

Our "Rehabilitation and Resettlement" (R&R) policy that goes above and beyond the Statutory criteria, ensuring that the affected stakeholders are treated with the utmost care and consideration, with a range of supportive measures, including:

- Opportunities for skill development to enhance their employability
- Temporary employment placement to support their immediate needs

SDG Alignment

Capital Linkage
Natural

Resource Availability

At NLCIL, we are fortunate to have access to abundant natural resources, which are essential for powering our operations. However, we recognize the importance of responsible resource management to ensure the long-term sustainability of our business. For this, we are continuously exploring ways to optimize our resource utilization and minimize our environmental impact. This includes:

- Adopting cutting-edge technologies that enhance resource efficiency across our operation

SDG Alignment

Capital Linkage
Natural Manufactured

Operational Efficiency and Plant Reliability

At NLCIL, we are committed to driving operational efficiency and plant reliability to preserve our valuable resources. This is exemplified by –

- Deployment of supercritical boilers (of 800 MW) at our Talabira thermal power station, which boast lower specific fuel consumption and reduced CO_2 emissions.
- Adopting green mining techniques as an integral part of our sustainable operations

SDG Alignment 8, 9, 13

Capital Linkage Natural, Intellectual

Water and Effluent Management

We tackle the issue of suspended solids in seepage and surface water depletion with a range of targeted treatment solutions –

- Our units are equipped with state-of-the-art STPs and ETPs to meet the criteria for treated wastewater reuse in greenbelt development.
- We employ rainwater harvesting and artificial recharge techniques (gravity approach & injection wells) to replenish groundwater levels.

SDG Alignment 6, 13, 14

Capital Linkage Natural, Intellectual

Training, Education & Development

We are committed to maintain a skilled and adaptable workforce, ensuring operational excellence and safety. Continuous learning equips employees with the latest industry knowledge and skills.

SDG Alignment 4, 8

Capital Linkage Social, Human

Governance

As a regulated organization, we are committed to the highest standards of compliance across all areas of our operations.

- Development of ESG policy to address critical sustainability issues and guide our progress towards sustainable development.
- Periodic Anti-corruption and anti-competitive training & awareness campaigns
- Ensure our stakeholders are educated on regulatory changes.
- Board oversight for risk management practices
- Training and guidance on our code of conduct to all our stakeholders

SDG Alignment 5, 8, 10, 16, 17

Capital Linkage Social

Innovation and Digitization

Innovation and digitization are crucial to enhance operational efficiency and reduce overall costs. By adopting cutting-edge technologies and digital solutions, the company can optimize energy production, minimize environmental impact, and remain competitive in an evolving market.

SDG Alignment 9

Capital Linkage Intellectual

Biodiversity Conservation

In the areas we have mined, we are dedicated to preserving and enhancing biodiversity through comprehensive biological reclamation efforts. We have also implemented measures to optimize our operational parameters, reducing coal and water consumption.

SDG Alignment 13, 14, 15

Capital Linkage Natural

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Climate Strategy

As a carbon-intensive organization, we recognize the imperative of developing a comprehensive climate strategy to navigate the evolving regulatory landscape and compliance requirements for carbon markets. Our key focus areas include:

- Augmenting our renewable energy capacity to diversify our portfolio
- Leveraging our R&D team to create innovative solutions that lower our carbon footprint

SDG Alignment 7, 12, 13, 14, 15

Capital Linkage Natural

Sustainable Supply Chain

We recognize the increasing importance of sustainable supply chains and the need to raise supplier awareness of sustainable practices. We are actively working towards ESG disclosure across our value chain and conducting capacity-building sessions for our suppliers

- Capturing ESG data from suppliers on a voluntary basis
- Conducting capacity-building activities to promote shared value creation.

SDG Alignment 8, 11, 12

Capital Linkage Social, Intellectual

Responsible Decommissioning

As some of our plants reach the end of their useful lives, we are committed to adhering to the Ministry of Power (MoP) regulations and the guidelines set by the MoEF&CC during the decommissioning process. Our focus is on ensuring public safety, mitigating environmental impact, and safeguarding human well-being.

SDG Alignment 9, 11

Capital Linkage Manufactured

Ethics and Integrity

As a regulated institution, we are dedicated to uphold the highest standards of ethics and integrity in our business practices. To reinforce our ethical commitment, we have implemented robust policies and mechanisms to ensure compliance and accountability.

- Policies for managing complaints, processing whistle-blower requests, and prohibiting commercial transactions that could compromise our integrity.
- Complete adherence to rules and regulations, creating a work environment that is devoid of corruption.

SDG Alignment 4, 5, 8, 16

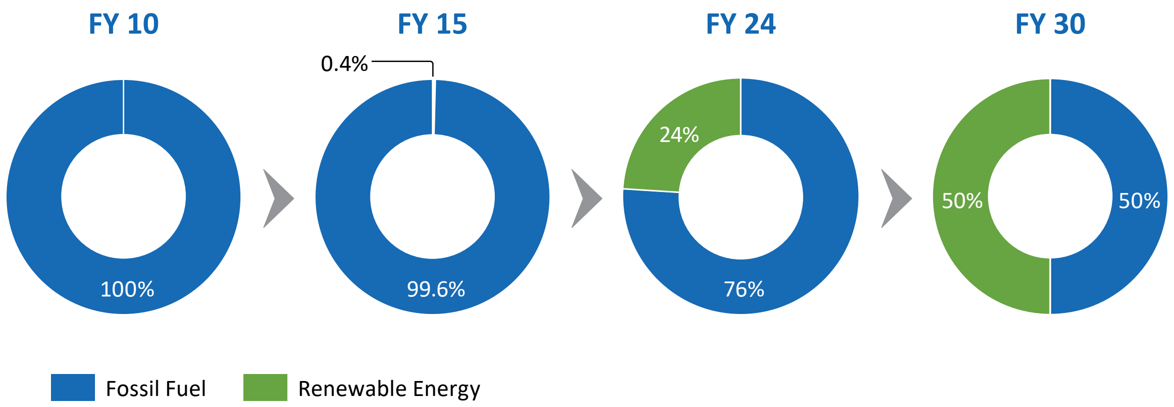
Capital Linkage Human

SUSTAINABILITY AT NLCIL

NLCIL is committed to creating sustainable value through our comprehensive approach to environmental, social, and governance (ESG) management. As a leading company in the sector, we recognize the critical role we play in driving economic growth of the nation while addressing the pressing environmental and social challenges of our time.

India has committed to a low-carbon emission trajectory while pursuing its development objectives, as pledged at COP 26. The nation is on course to achieve an ambitious target of 500 GW of non-fossil fuel energy capacity by 2030. In alignment with this national goal, NLCIL has put forth an ambitious plan to triple its total power generation capacity by 2030.

> Through capacity development in the RE sector, NLCIL will be able to offset approximately 16 million tonnes of CO_2 by 2030.



NLCIL's strategy includes a significant shift towards renewable energy (RE). Currently, the company boasts an RE capacity of 1.43 GW. However, in line with the national vision, NLCIL aims to expand this capacity to 10.11 GW, ensuring that renewable energy constitutes 50% of its total planned power generation capacity by 2030.

> NLCIL is making a significant investment of approximately ₹50,000 crore in its renewable energy portfolio. This substantial investment will support India's ambitious target of achieving 'Net Zero' emissions by 2070.

This enhanced commitment aligns seamlessly with the Government's 'Panchamrit' initiative, announced at the COP 26 Summit, highlighting India's dedicated contribution to global climate action.

NLCIL's strategies for Emission Reduction

- Flue Gas Desulfurization (FGD)
- Selective Catalytic Reduction (SCR)
- Carbon Capture, Utilization, and Storage (CCUS)
- Gasification technologies, and energy storage solutions

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Aerial view of Corporate Office and Solar Plant in Neyveli

NLC India Green Energy Limited (NIGEL), a subsidiary of NLCIL, is poised to spearhead the Company's renewable energy initiatives. Currently, NIGEL has 2 GW of renewable energy assets under implementation. To further expand its renewable energy footprint, NIGEL plans to participate in competitive bidding and explore emerging opportunities within the green energy sector. This strategic expansion aims to reduce India's reliance on conventional energy sources, diversify the energy generation mix and decrease coal imports. Moreover, it will contribute to ensuring a consistent and reliable power supply across the country.

In a forward-looking move, NLCIL has also outlined its vision to halt the development of new conventional fossil fuel assets beyond 2030. This decision underscores the company's commitment to a sustainable and environmentally responsible energy future, reinforcing its role as a key player in India's transition towards cleaner energy sources.

ESG Committee

NLCIL has constituted the Environmental, Social, and Governance (ESG) Committee. This Committee will report directly to the Board of Directors, reinforcing NLCIL's dedication to sustainable development and responsible corporate governance. This strategic initiative will enable integrating ESG principles into our core operations, ensuring that our growth is aligned with environmental stewardship, social responsibility, and transparent governance. The ESG Committee will play a pivotal role in guiding our policies and practices to achieve long-term sustainability and create value for all stakeholders.

SDG alignment

FINANCIAL CAPITAL

At NLCIL, we aim to grow our business sustainably while delivering long-term value to all stakeholders. Balancing financial stability with sustainability principles, we maximize shareholder profit and align our objectives with ethical practices. Our consistent focus on optimal capital allocation aims to achieve long-term sustainable returns for our stakeholders. We prioritize maintaining a strong balance sheet and generating robust free cash flows, ensuring that all investments are reviewed critically to maximize returns for our shareholders.

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

Interlinkage with Capital

- Intellectual
- Human
- Nature
- Manufactured
- Social

FY 2023-24 Highlights

Increase in PAT by 48%

Registered growth of 62% - Highest ever PBT in the last decade

CAPEX Success: Achieved ₹ 4,270 Crore, 148% of the target

Market Capitalization Record: Reached ₹ 407 billion with a share price of ₹ 293.75 per share

Strategic Focus and Financial Performance

At NLCIL, our strategic focus centers around maximizing asset utilization, driving sustainable development, fostering inclusive growth, and ensuring financial stability to create long-term value for all stakeholders. We prioritize the efficient and responsible use of our assets, implementing advanced technologies and best practices to enhance productivity and efficiency. Sustainability is at the core of our business strategy, as we invest in renewable energy projects, engage in afforestation and biodiversity conservation programs, and support local communities through social welfare initiatives. Our inclusive growth approach empowers local communities, supports small and medium enterprises, and enables collaboration with governments and NGOs. We maintain a strong balance sheet and generate robust cash flows through disciplined capital allocation, diversified revenue streams, and prudent debt management. Collaboration and partnerships are essential to our success, enabling us to expand our presence, optimize expenses, and invest in non-fossil fuel ventures. As part of our commitment to sustainability, we are actively investing in large-scale solar and wind power projects, exploring opportunities in emerging technologies, and driving innovation through industry collaborations. By focusing on these strategic priorities, we aim to create a resilient and sustainable future while navigating the evolving energy landscape.

Long Term Value

(₹ in crore)

Economic Value Generated and Distributed	FY 2022-23	FY 2023-24
1.Economic Value Generated		
a) Revenues	11,903	12,345
2. Direct economic value distributed		
a) Operating Costs	5,154	4,968
b) Employee wages and benefits	2,526	2,647
c) Payment to providers of capital	1,172	1,128
d) Payments to governments by country	5	577
e) Community Investments	43	46
3. Economic Value Retained	3,003	2,978

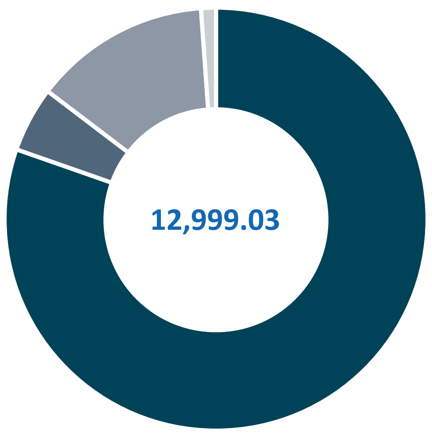
We aim to create lasting value and strengthen relationships with all stakeholders through strategic financial practices. Committed to continuous improvement, we refine our resource allocation processes to deliver exceptional outcomes. Our focus is on generating shared value for our diverse stakeholders. The table above outlines the economic value generated and distributed, reflecting our dedication to positive results and sustainable growth for all.

Strong Financial Indicators

Key Financial Performance Indicators (KPIs):

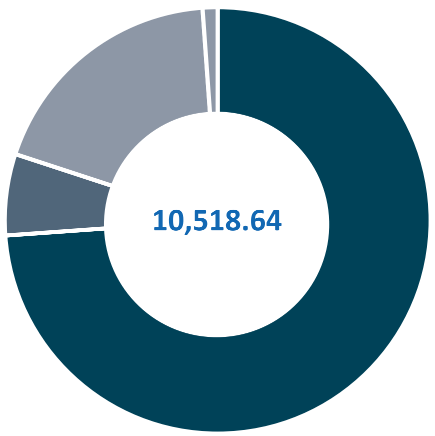
KPIs are quantifiable metrics used to assess and monitor NLCIL's financial health and operational efficiency. These metrics help stakeholders evaluate the effectiveness of management strategies, guide decision-making, and ensure alignment with NLCIL's financial objectives.

Revenue Consolidated ₹ Crore



- Power - ₹ 10,444.64
- Lignite - ₹ 648.68
- Coal - ₹ 1,757.58
- Others - ₹ 148.13

Revenue Standalone ₹ Crore



- Power - ₹ 7,769.91
- Lignite - ₹ 648.68
- Coal - ₹ 1,980.49
- Others - ₹ 119.56

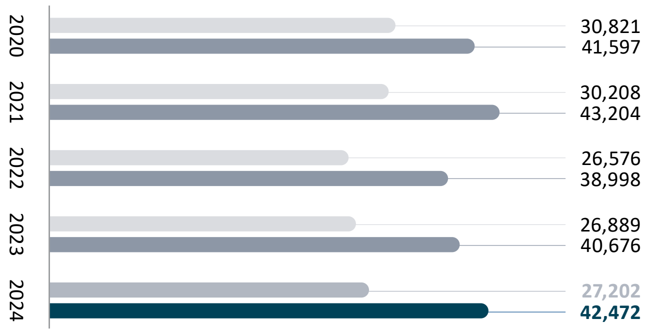
Operating Profit margin %

Operating Profit Margin (OPM) measures the percentage of revenue remaining after operating expenses, excluding interest and taxes. The graph reveals an increase in OPM during the FY 2023-24 on standalone and consolidated basis when compared to the previous year. This rebound highlights NLCIL's improved operational efficiency and cost management, demonstrating resilience and a return to stronger profitability.

Formula: [Operating Profit/ (Revenue - Regulatory Deferral)]

(As at 31st March) ₹ Crore

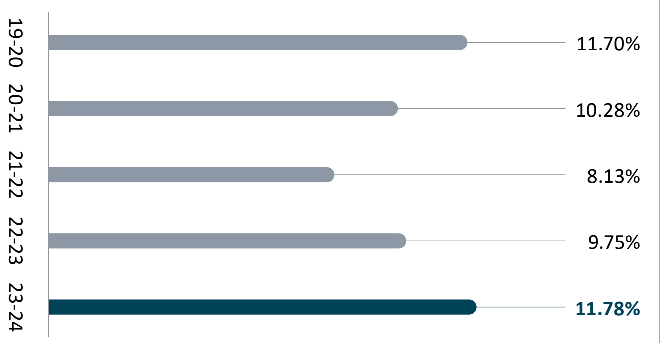
Capital Employed



In FY 2023-24, the group's Capital Employed was ₹42,472.21 Crore, a 4% increase from the previous fiscal year. Standalone capital rose by 1.2%. This reflects NLCIL's focus on efficient capital deployment and asset optimization. Effective capital resource management has strengthened the company's financial position and flexibility while reducing its debt burden.

Formula: [Net Worth + Outstanding Debt + Deferred Tax Liabilities - Intangible Assets]

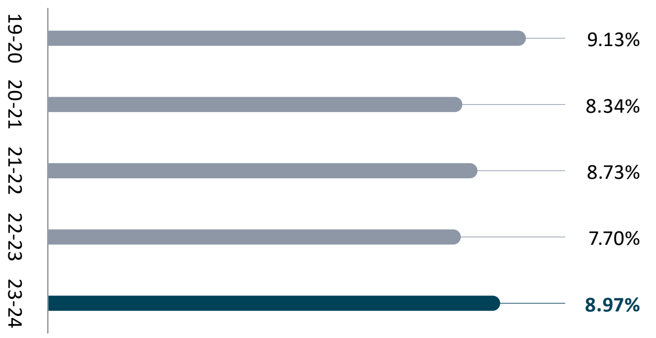
ROAE %



NLCIL's Consolidated Return on Average Equity (ROAE) has increased by 21% during FY 2023-24 when compared to the previous year. With initial profitability challenges there has been a recovery and improvement in utilizing equity to generate returns in the later years.

Formula: [Profit After Tax / Average Net Worth]

ROACE %



NLCIL's Return on Average Capital Employed (ROACE) shows an increase of 16.6% during FY 2023-24 when compared to the previous year. This indicates consistent efficiency in generating returns from its capital, despite some mid-period challenges.

Formula: [Earnings Before Interest exceptional and Taxes (EBIT)/ Average Capital Employed]

Fund Management:

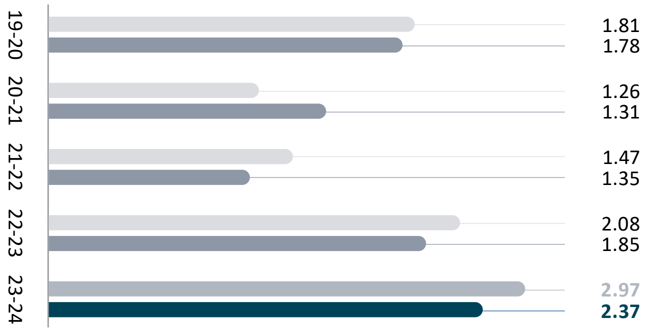
NLCIL's effective fund management is vital to sustaining its large-scale operations, driving innovation, and ensuring the company's financial health and competitiveness in the energy sector. NLCILs fund management refers to the strategic planning, allocation, and oversight of financial resources to ensure the company's long-term growth, operational efficiency, and financial stability.

(As at 31st March) ₹ Crore

Debtors

NLCIL's debtors value shows a decreasing trend from FY 2019-20 to FY 2023-24, with standalone figures dropping from ₹ 6,692 Crore to ₹ 3,536 Crore and consolidated figures from ₹ 8,510 Crore to ₹ 4,046 Crore. This indicates improved efficiency in managing receivables, reflecting better credit control and collection practices over the period.

DSCR

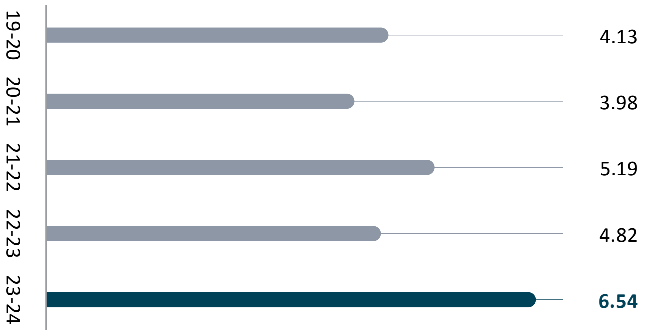


The graph displays NLCIL's Debt Service Coverage Ratio (DSCR) - a crucial metric indicating the company's ability to service debt using its operating income. A DSCR above 1 signifies sufficient income to cover debt obligations. Throughout this period, NLCIL consistently maintained a DSCR above 1, demonstrating its capacity to meet debt payments. Notably, the increase in FY 2023-24 marks a recovery and improved financial stability, highlighting enhanced debt servicing capability.

Formula: [Earning Available for Debt Service (EBDIT)/ (Interest + Principal Repayments)]

ISCR

Consolidated

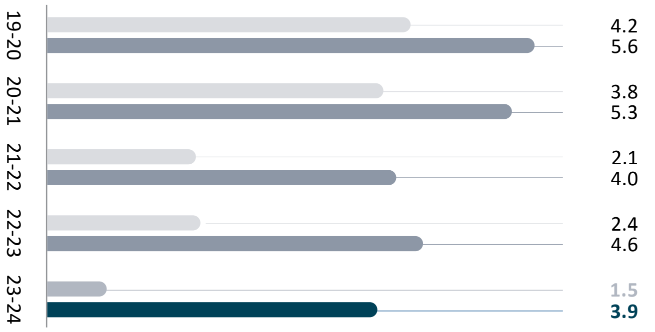


NLCIL's consolidated Interest Service Coverage Ratio (ISCR) is indictive of its adeptness in managing its debt obligations. This robust performance underscores the company's capacity to generate strong cash flows and its steadfast commitment to upholding a sound balance sheet.

Formula: [Earning Available for Debt Service (EBDIT)/Interest Expense]

Net Debt to Reported EBITDA

Standalone
Consolidated



Net Debt to Reported EBITDA has shown a sharp decline in both standalone and consolidated level. A lower ratio indicates that the company is in a better position to meet its debt obligations, reflecting stronger financial stability.

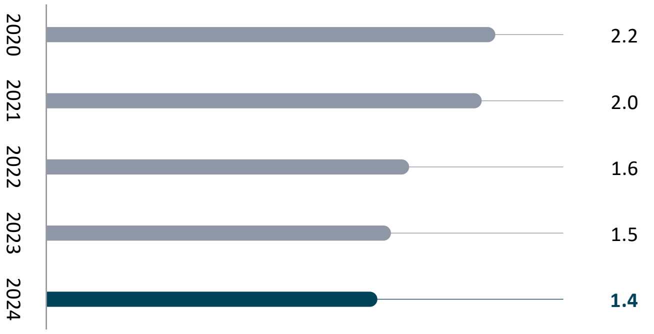
Formula: [Net Debt (Current and Non-Current Borrowings - Cash and Cash Equivalents)/Earning before interest, tax, depreciation and exceptional

%

Debt to Equity

(As at 31st March)

Consolidated



The declining trend in net debt is further reflected in NLCIL's improving Net Debt to Equity ratio. These favorable ratio movements indicate NLCIL's enhanced ability to generate sufficient EBITDA to service its debt obligations, strengthening its debt-servicing capacity.

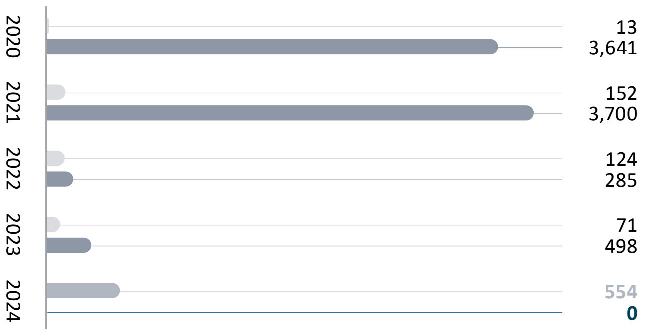
Formula: [Debt (Current and Non-Current Borrowings / Shareholders Equity]

(As at 31st March)

₹ Crore

WC & Cash Balance - S

Cash and Cash Equivalents
Working Capital loan



NLCIL's working capital loan (including Commercial paper) decreased significantly from ₹ 3,641 Crore in FY 2019-20 to 0 by FY 2023-24, indicating a reduction in reliance on external funding for operational needs. Concurrently, the cash and cash equivalents balance fluctuated but showed a substantial increase from ₹ 13 in FY 2019-20 to ₹ 554 Crore in FY 2023-24, reflecting improved cash management and liquidity position.

C- Consolidated
S- Standalone

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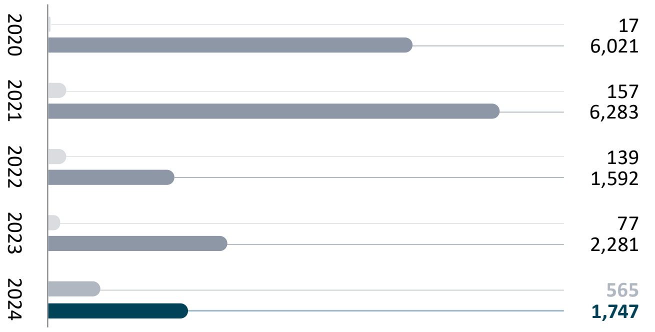
(As at 31st March)

₹ Crore

WC & Cash Balance - C

Cash and Cash Equivalents
Working Capital loan

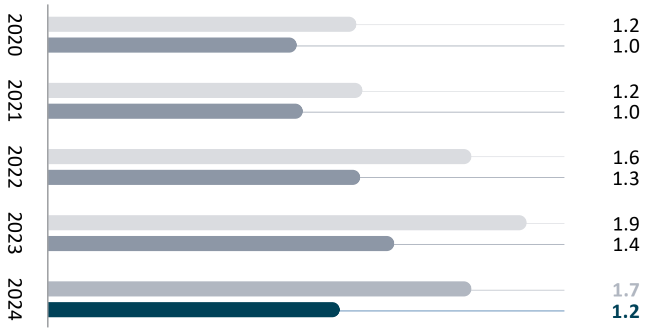


NLCIL's consolidated working capital loan (including Commercial paper) showed a significant decrease from ₹ 6,021 Crore in FY 2019-20 to ₹ 1,747 Crore in FY 2023-24, indicating better management of short-term financial obligations. Meanwhile, the cash balance increased markedly from ₹ 17 Crore in FY 2019-20 to ₹ 565 Crore in FY 2023-24.

(As at 31st March)

Current ratio

Standalone Consolidated

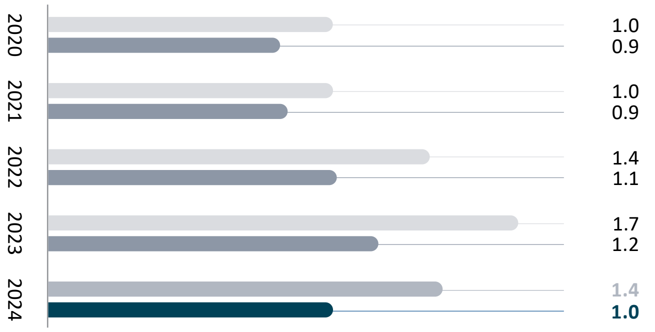


NLCIL's current ratio shows an improvement over the period, with standalone figures increasing from 1.2 to 1.7 and consolidated figures rising from 1.0 to 1.2. This trend indicates an overall enhancement in the company's short-term liquidity and its ability to cover current liabilities with current assets, reflecting better financial health and operational efficiency.

(As at 31st March)

Quick ratio

Standalone Consolidated

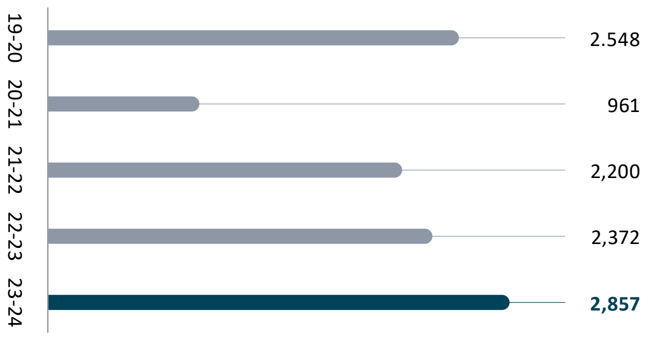


NLCIL's quick ratio shows an improvement over the period, with standalone figures increasing from 1.0 to 1.4 and consolidated figures rising from 0.9 to 1.0. This indicates a stronger ability to meet short-term obligations without relying on inventory, reflecting enhanced liquidity management, and financial stability.

₹ Crore

Exchequer

Consolidated



Exchequer represents revenue or funds contributed to the government or public finances, including taxes and dividends. The graph reveals fluctuations, with a significant drop in FY 2020-21 followed by a robust recovery. The upward trend in FY 2022-23 and FY 2023-24, reaching ₹ 2,857 Crore, reflects improved financial health and operational success, demonstrating NLCIL's enhanced role in supporting public finances and its significant economic contribution.

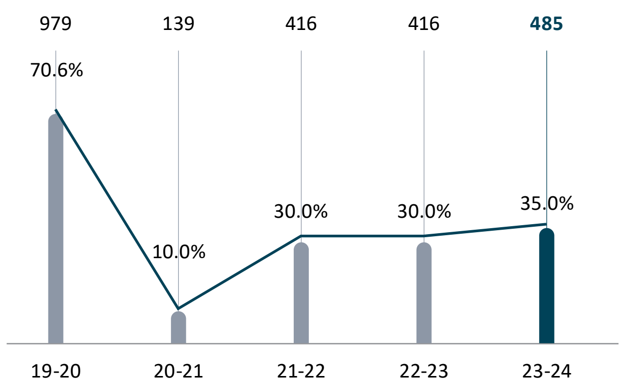
C- Consolidated
S- Standalone

Return to Stakeholders:

Value provided by the NLCIL to all stakeholders including shareholders, employees, customers, suppliers, the community, and the government is not limited to financial returns and encompasses the overall benefits and value that NLCIL delivers to its stakeholders. NLCIL emphasizes a holistic approach to stakeholder returns, focusing on long-term value creation, ethical business practices, and sustainable growth that benefits all stakeholders.

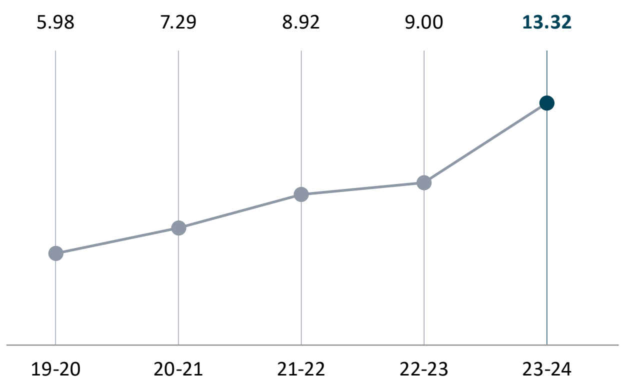
Dividend Trend*

₹ Crore



Earnings per share - S

₹

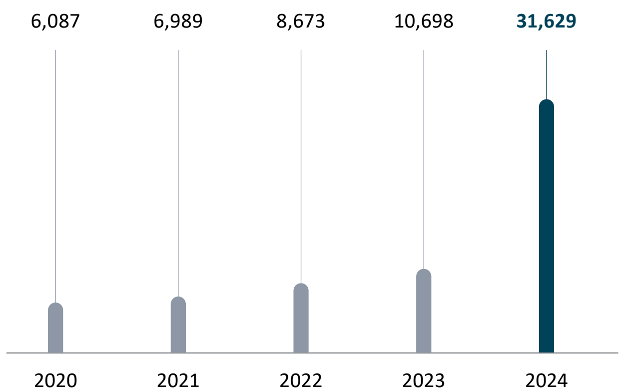


* Cash basis

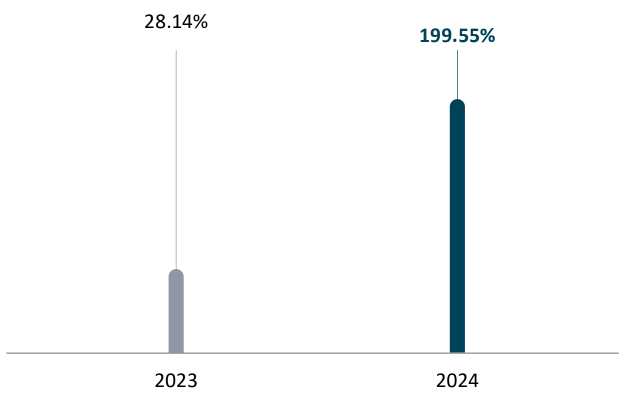
(As at 31st March)

Market Capitalization

₹ Crore



Total Return to Share holders (TRS)



(Change In Market Capitalization + Dividend)/ (Opening Market capitalization)

NLCIL's financial performance has demonstrated consistent growth in market capitalization over the past five financial years. Starting at ₹ 6,087 Crore in FY 2019-20, the market capitalization increased moderately in the following years, reaching ₹ 10,698 Crore by FY 2022-23. The highlight of this period is the substantial surge in FY 2023-24, during which market capitalization increased substantially to ₹ 31,629 Crore, nearly tripling from the previous year. This significant increase indicates a period of remarkable growth and transformative developments within NLCIL, reflecting strong financial performance, enhanced investor confidence, and major strategic advancements.

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Credit Ratings

We proudly hold the highest credit ratings (AAA/Stable) from esteemed agencies CRISIL, India Ratings, ICRA, CARE, Infomerics Ratings and Acuité Ratings & Research. These ratings reflect our strong financial position, prudent management, and credibility in the financial markets.

Long Term Borrowings

Agency	Ratings
CRISIL	AAA/Stable
ICRA	AAA/Stable
CARE Ratings	AAA/Stable
Infomerics Ratings	AAA/Stable
India Ratings & Research	AAA/Stable
Acuité Ratings & Research	AAA/Stable

Commercial Paper

Agency	Ratings
CARE Ratings	A1+
India Ratings & Research	A1+

Bill Discounting

Agency	Ratings
India Ratings & Research	A1+

Strategic Initiatives

At NLCIL, our strategic initiatives for financial capital are centered around embracing innovation, driving sustainability, and ensuring operational excellence. We are committed to creating long-term value for our stakeholders while contributing to a greener future.

Embracing Innovation and Sustainability

We have made a deliberate shift in our capital allocation towards cleaner energy solutions, reflecting our commitment to sustainability and meeting the evolving needs of our customers. This strategic reallocation includes:

- Investing in renewable energy projects, such as large-scale solar and wind power plants, to diversify our energy mix and reduce our carbon footprint
- Exploring innovative ventures like green hydrogen production, and renewable energy projects to drive growth in emerging markets
- Collaborating with industry partners, research institutions, and government agencies to develop and implement cutting-edge technologies that support our sustainability goals

Operational Excellence and Capacity Expansion

We prioritize judicious resource consumption, efficient operations, and capacity addition using the best available technologies. Our focus on operational excellence includes:

- Implementing advanced mining techniques and equipment to optimize productivity and minimize environmental impact
- Investing in R&D to improve the quality of our lignite resources and reduce emissions
- Enhancing our working capital management to optimize financial resources and ensure smooth business operations

SDG alignment

MANUFACTURED CAPITAL

Material Issues

- Land Acquisition
- Resource Availability

Interlinkage with Capital

Intellectual
Human
Natural
Financial
Social

Pioneering Progress through Efficient Operations

With an unyielding focus on operational excellence and innovation, NLCIL continues to set industry benchmarks, unequivocally demonstrating how responsible practices and cutting-edge technologies drive progress and sustainability. We are poised for substantial capacity expansion by 2030, targeting a diverse energy mix that includes lignite, coal-based, and renewable sources. Our resounding achievements in FY 2023-24 underscore our unwavering commitment to sustainable growth, firmly establishing us as a leading force in the mining and power sectors.

FY 2023-24 Highlights

All time highest ever coal & lignite production of 36.32 MT

13 Five Star Rating Awards for the exceptional performance of coal and lignite mines.

Secured the renewable power capacity of 1,410 MW through competitive bidding in 2023-24.

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FY 2023-24 Performance

Lignite Production (FY 2023-24)	23.68 million tonnes, marginally higher than 23.53 million tonnes in FY 2022-23.
Renewable Energy Generation	2,100.10 million units, contributing to the overall power generation.
Coal Production (FY 2023-24)	12.64 million tonnes from Talabira Mine, marking the highest production since inception.
Plant Load Factor (PLF)	Average PLF of thermal power plants during FY 2023-24 was 61.12%.
Power Generation	21,643.86 MU (including contributions from wind and solar sources).
Productivity (Output per Man-Shift)	Mines: 17.33 tonnes of lignite. TPS: 36,478 kWh of power.

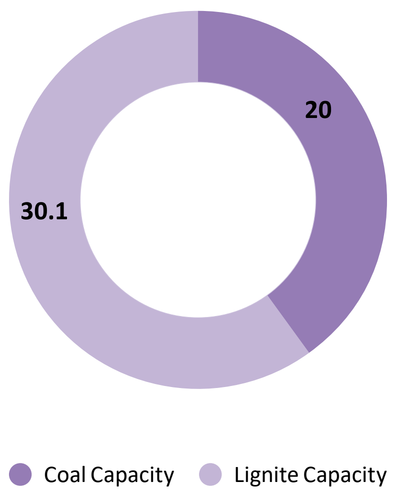
Operational Performance

Mining Operations

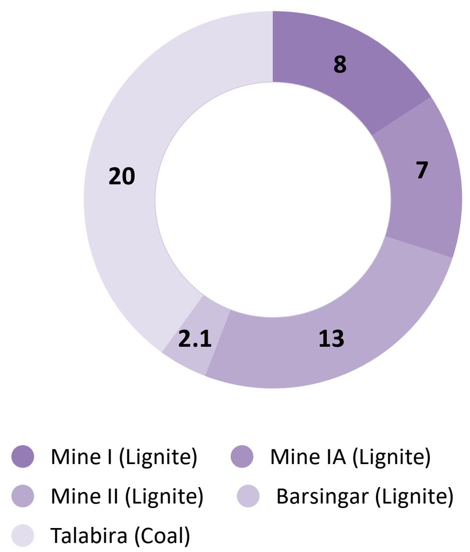
NLCIL operates three opencast lignite mines in Tamil Nadu and one in Rajasthan, collectively boasting a total mining capacity of 30.1 million tonnes per annum (MTPA). This robust infrastructure allows us to efficiently extract and manage lignite resources, which are essential for our power generation capabilities. Additionally, our coal mining operations at Talabira II & III in Odisha have further augmented our capacity by an impressive 20.0 MTPA.

Talabira Mines

Mining Capacity (MTPA) - FY 2023-24



Mine - wise breakup (MTPA) - FY 2023-24



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During FY 2023-24, we achieved significant milestones in our mining operations:

Lignite Production:

We recorded a total lignite production of 23.68 million tonnes, showcasing our commitment to maximizing resource utilization and operational efficiency.

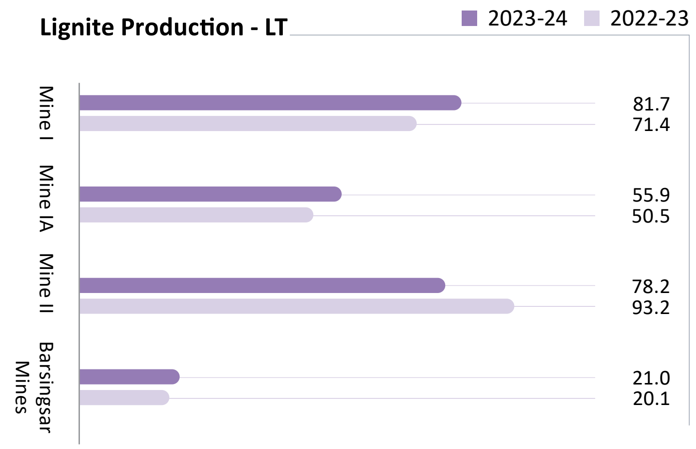
Coal Production:

Our coal production reached 12.64 million tonnes from the Talabira Mine, marking the highest output since its inception. This achievement reflects our strategic focus on meeting the growing demand for coal, especially for power generation.

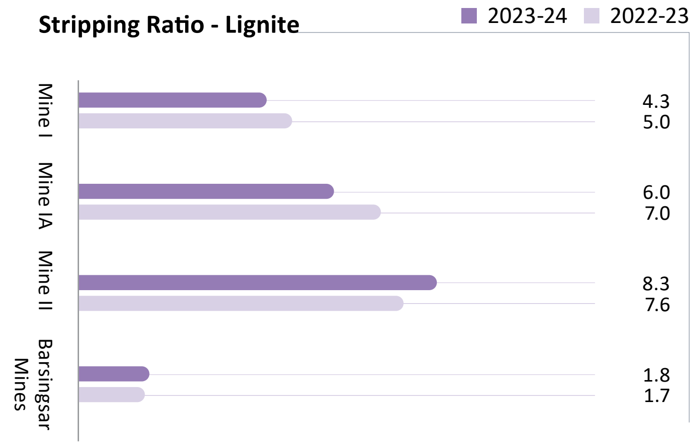
Overburden Removal:

We removed 1,380.63 lakh cubic meters (LCM) of overburden in our lignite mines and 128.96 LCM from our coal mines,demonstrating our commitment to responsible mining practices and effective resource management.

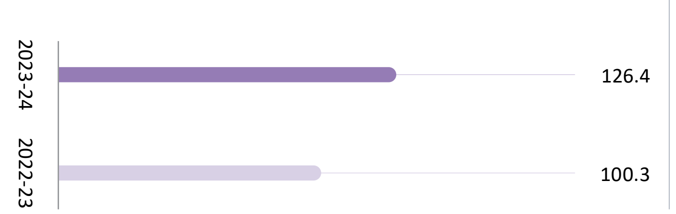
Lignite Production - LT



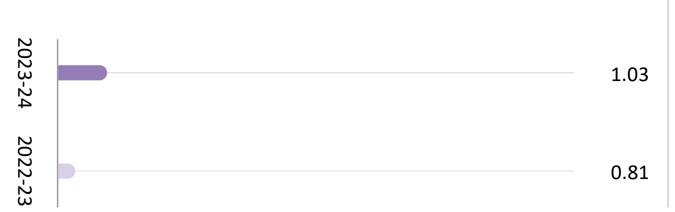
Stripping Ratio - Lignite



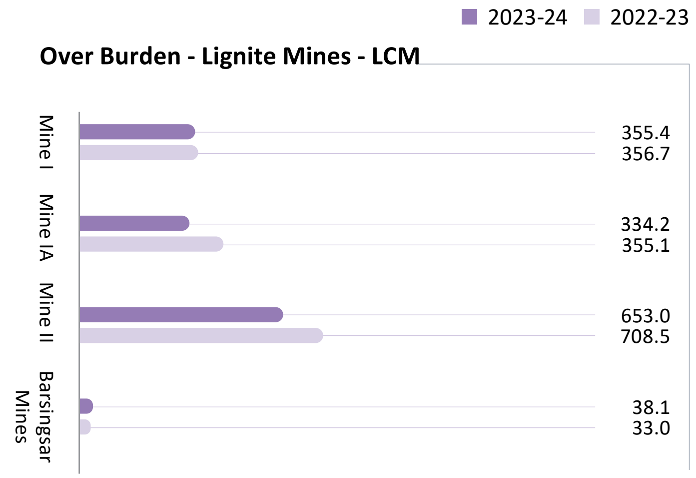
Coal Production - LT



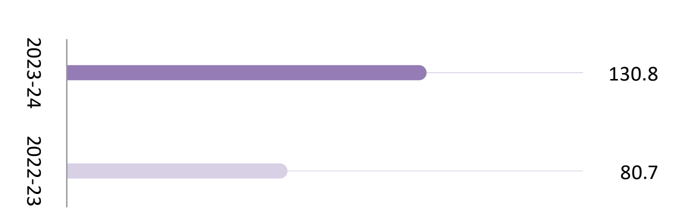
Stripping Ratio - Coal



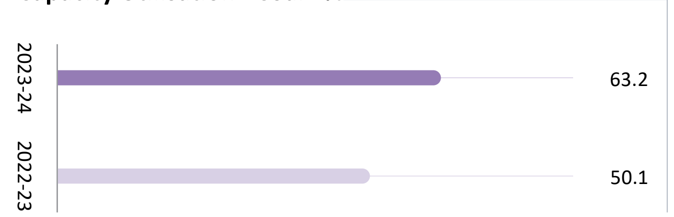
Over Burden - Lignite Mines - LCM



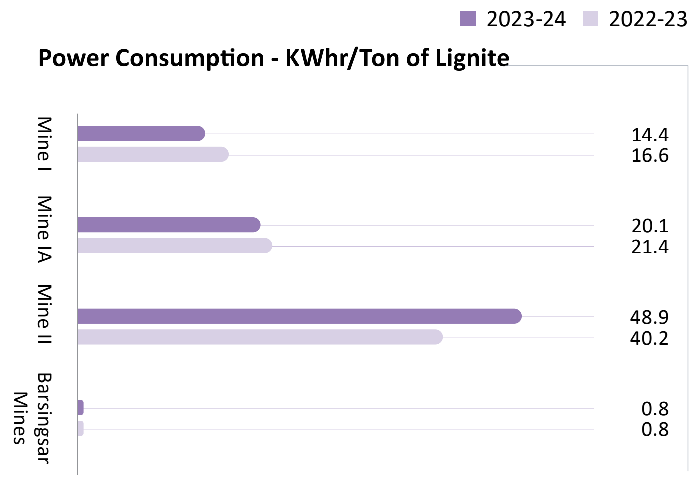
Over Burden - Coal Mine - LCM



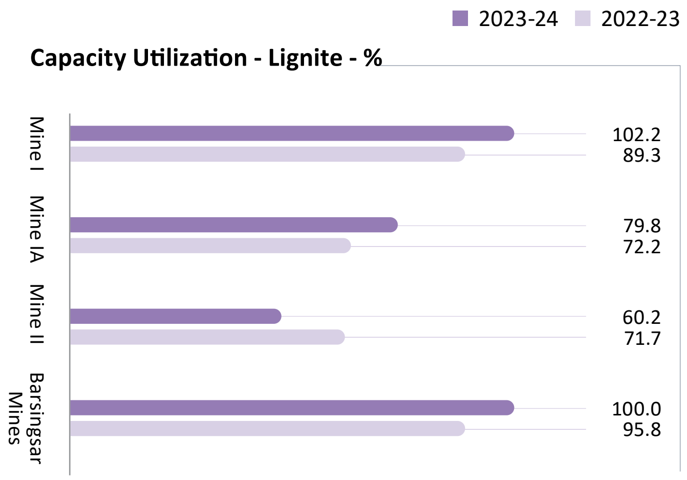
Capacity Utilisation - Coal - %



Power Consumption - KWhr/Ton of Lignite



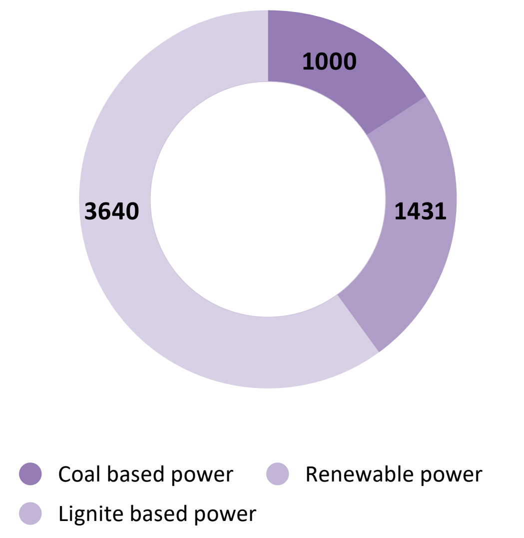
Capacity Utilization - Lignite - %



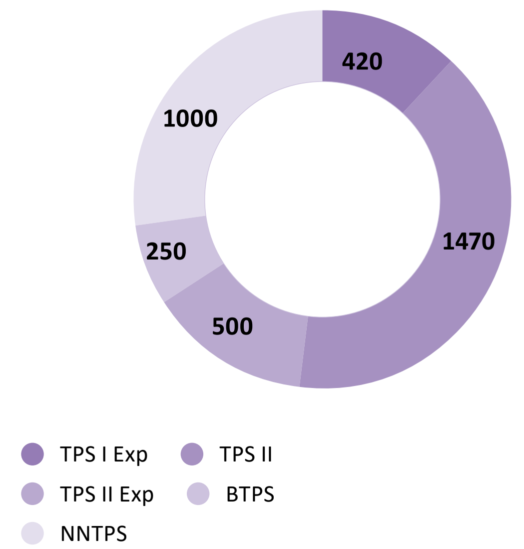
Thermal Energy Generation

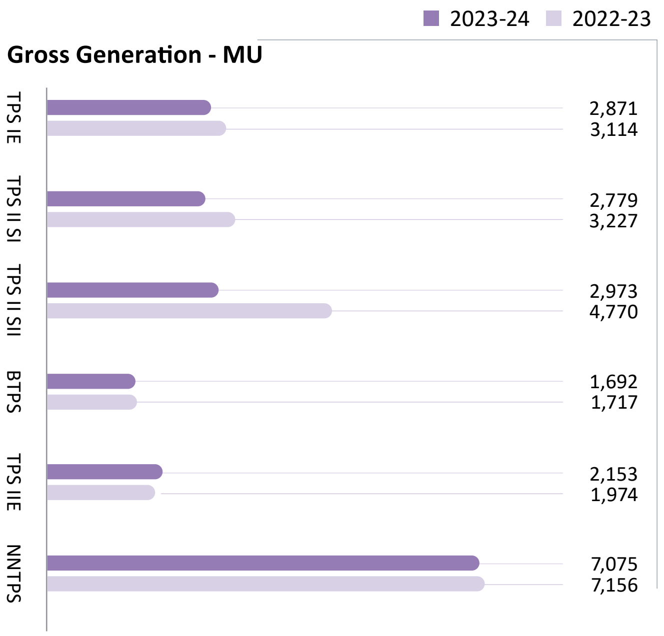
Power generation is central to our operations, with a primary reliance on lignite-based thermal energy followed by coal-based thermal energy. In alignment with the government's sustainability goals, we have undertaken substantial initiatives to expand our renewable energy capacity. This strategic shift towards sustainability not only diversifies our energy portfolio but also focuses on improving the efficiency of our thermal power generation assets. Our commitment to this dual approach allows us to consistently provide reliable power to our valued clients while delivering enhanced value to all our stakeholders. This progress underscores our dedication to integrating environmentally responsible practices with our core energy production activities.

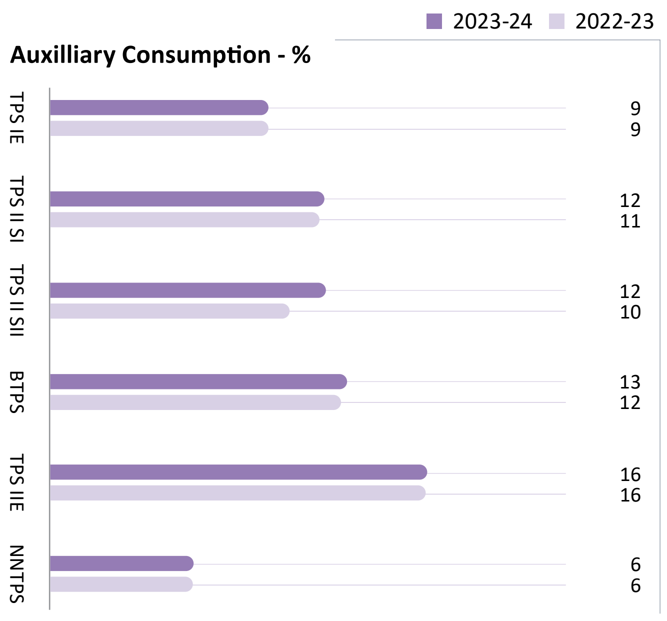
Energy Generation Capacity (MW)- FY 2023-24

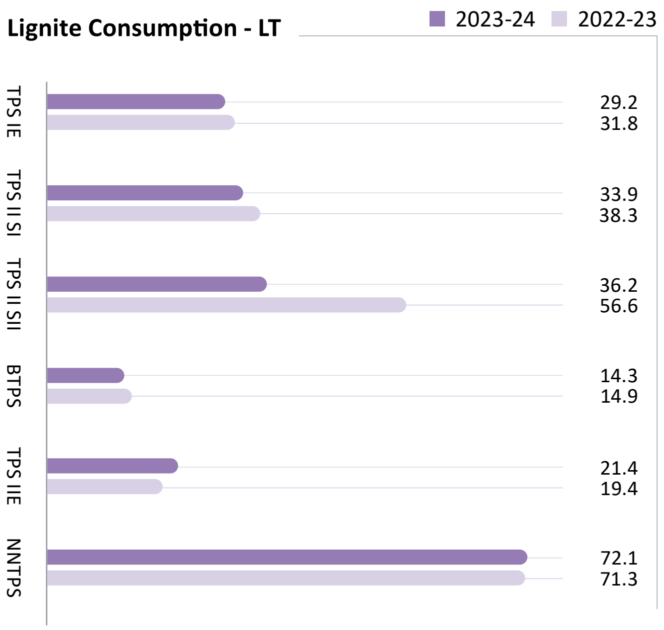


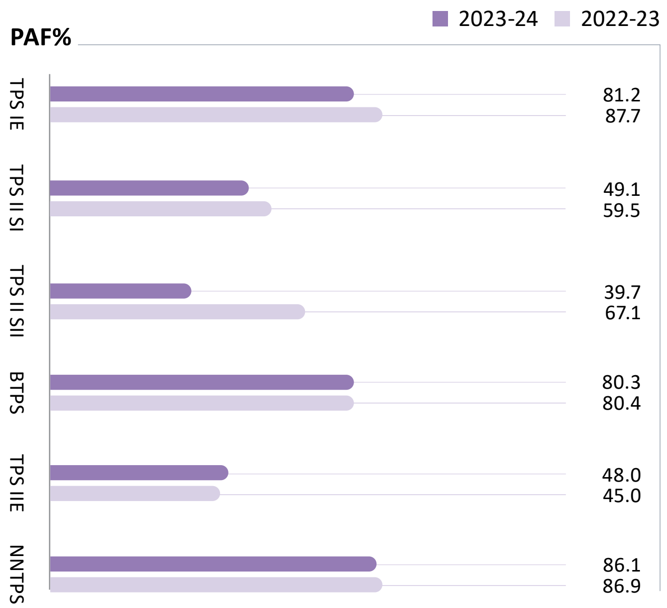
Thermal Power station - wise Breakup (MW) - FY 2023-24

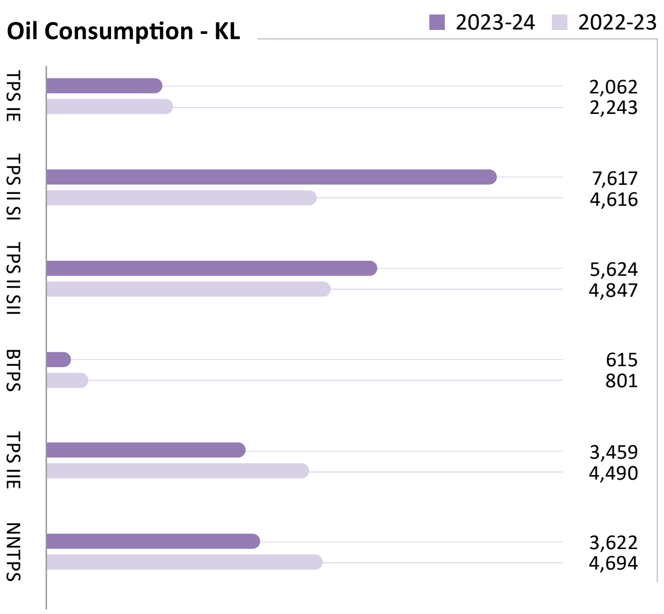


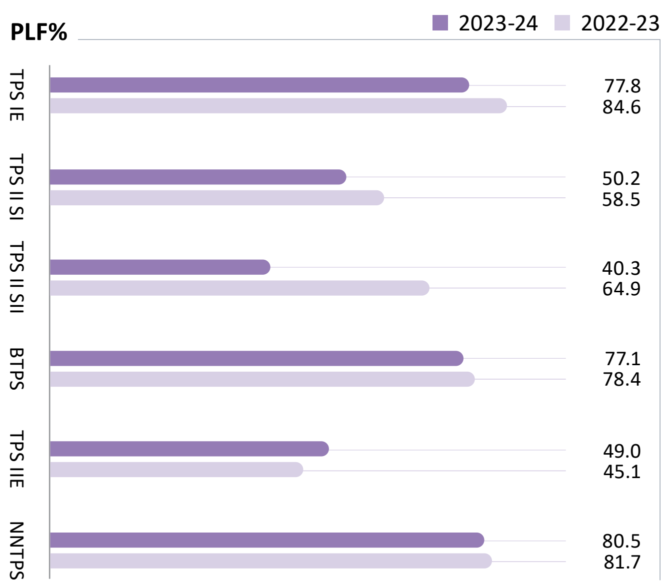












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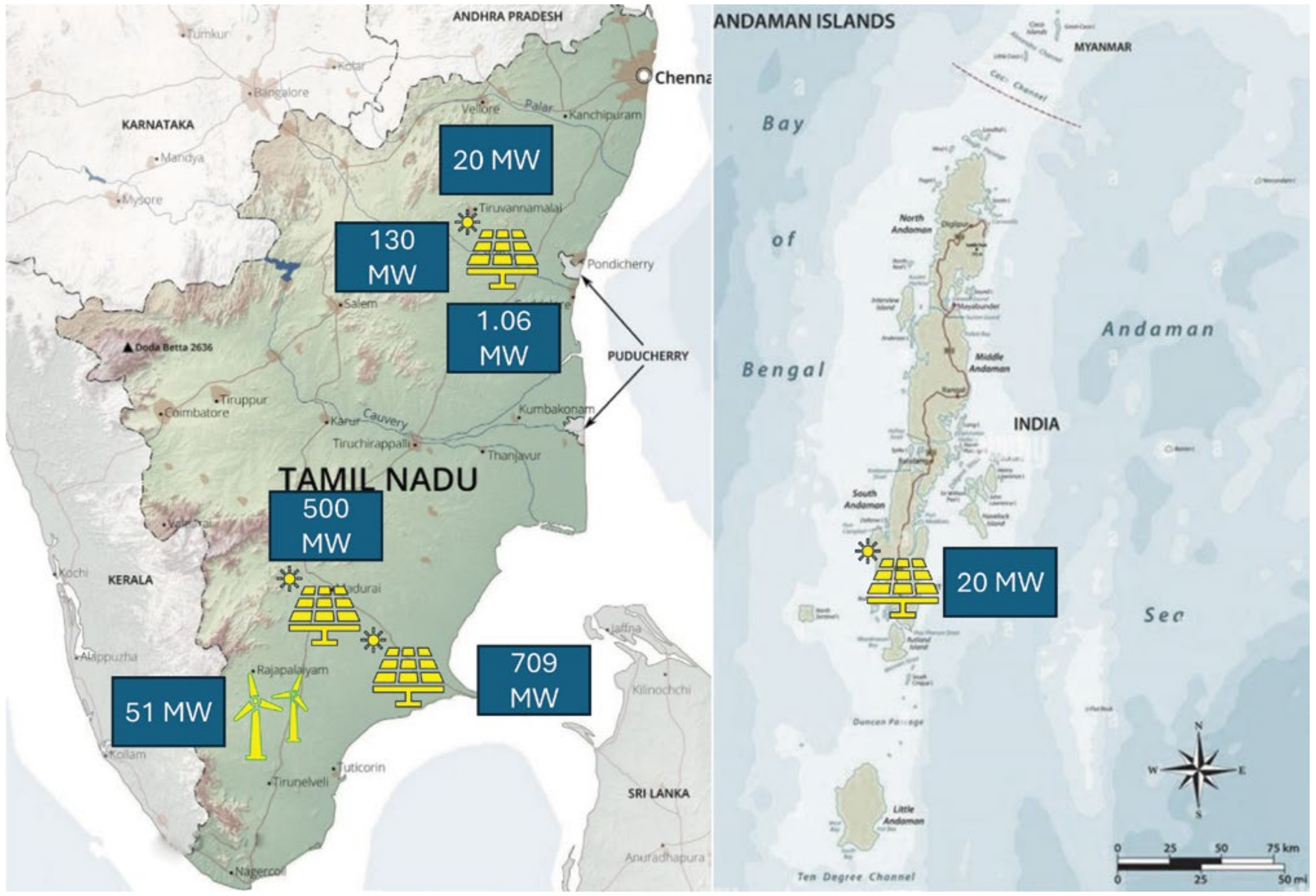
Renewable Energy

Our dedicated efforts in advancing renewable energy have led to a significant boost in our overall capacity, which now stands at an impressive 1,431.06 MW. This capacity is primarily driven by solar energy, contributing 1,380.06 MW, complemented by 51 MW generated from wind energy sources.



NLCIL's Renewable Energy footprint

As we look to the future, our ambitious vision for 2030 is to elevate our renewable energy capacity from the current 1.43 GW to a remarkable 10.11 GW. Achieving this goal will mark a monumental step in our commitment to a sustainable future.

51 MW plant in Alangulam, Tenkasi

20 MW plant in Port Blair, Andaman and Nicobar Islands

NLCIL is operating 2X10 MW (AC) Grid Interactive Solar (PV) Power Project integrated with 8 MWhr Battery Energy Storage System (BESS) in Andaman. Our strategy to expand our renewable energy portfolio reflects our belief in the transformative power of clean energy. By significantly increasing our reliance on renewable sources, we aim to reduce our carbon footprint, mitigate the impacts of climate change, and lead the charge towards a greener, more sustainable planet.

By 2030, we aspire to not only meet but exceed our targets, setting a new benchmark in the sector. NLCIL's total power generation capacity has reached an impressive 6,071 megawatts (MW), which includes contributions from both wind and solar sources. In FY 2023-24, a total of 21,643.87 million units of power was generated, underscoring our commitment to providing reliable energy solutions.

Key highlights from our power generation performance include:

Thermal Power Generation:

Our thermal power plants generate a substantial amount of electricity, contributing significantly to the national grid and ensuring energy security.

Renewable Energy Contribution:

Out of the total power generated, approximately 2,100.10 million units were sourced from renewable energy, reflecting our ongoing efforts to diversify our energy portfolio and reduce our carbon footprint.

Plant Load Factor (PLF):

The average PLF of our thermal power plants during the year was 61.12%, indicating our operational efficiency in generating power relative to capacity.

These accomplishments demonstrate NLCIL's proactive approach to energy generation, balancing traditional power sources with a growing emphasis on renewable energy to meet the evolving needs of the market.

Forging the Path to Energy Excellence

As we look to the future, NLCIL aims to significantly expand its capacity by 2030, incorporating a diverse energy mix that includes lignite, coal, and renewable sources. Our strategic growth initiatives are designed to ensure that we remain at the forefront of the energy sector while contributing to national sustainability goals. We are committed to integrating advanced technologies into our operations to minimize environmental impact and enhance resource efficiency. This includes investments in renewable energy, energy-efficient processes, and innovative mining techniques.

Project	Existing Capacity	Proposed Capacity Addition	Total Capacity
Lignite Production	30.10 MTPA	11.25 MTPA	41.35 MTPA
Coal Production	20.00 MTPA	42.00 MTPA	62.00 MTPA
Critical Mineral	-	1.00 MTPA	1.00 MTPA
Total Mining Capacity	50.10 MTPA	54.25 MTPA	104.35 MTPA
Power - Lignite Based	3,640 MW	1,000 MW	4,640 MW
Power - Coal Based	1,000 MW	4,380 MW	5,380 MW
Power - Renewable	1,431 MW	8,679 MW	10,110 MW
Total Power Capacity	6,071 MW	14,059 MW	20,130 MW

1. **Expansion of Lignite and Coal Production Capacities:** We plan to enhance our lignite production capacity from 30.10 MTPA to 41.35 MTPA and our coal production capacity from 20.00 MTPA to 62.00 MTPA by 2030. This expansion will enable us to meet the increasing energy demands of the country while ensuring a stable supply of fuel for our power generation facilities.

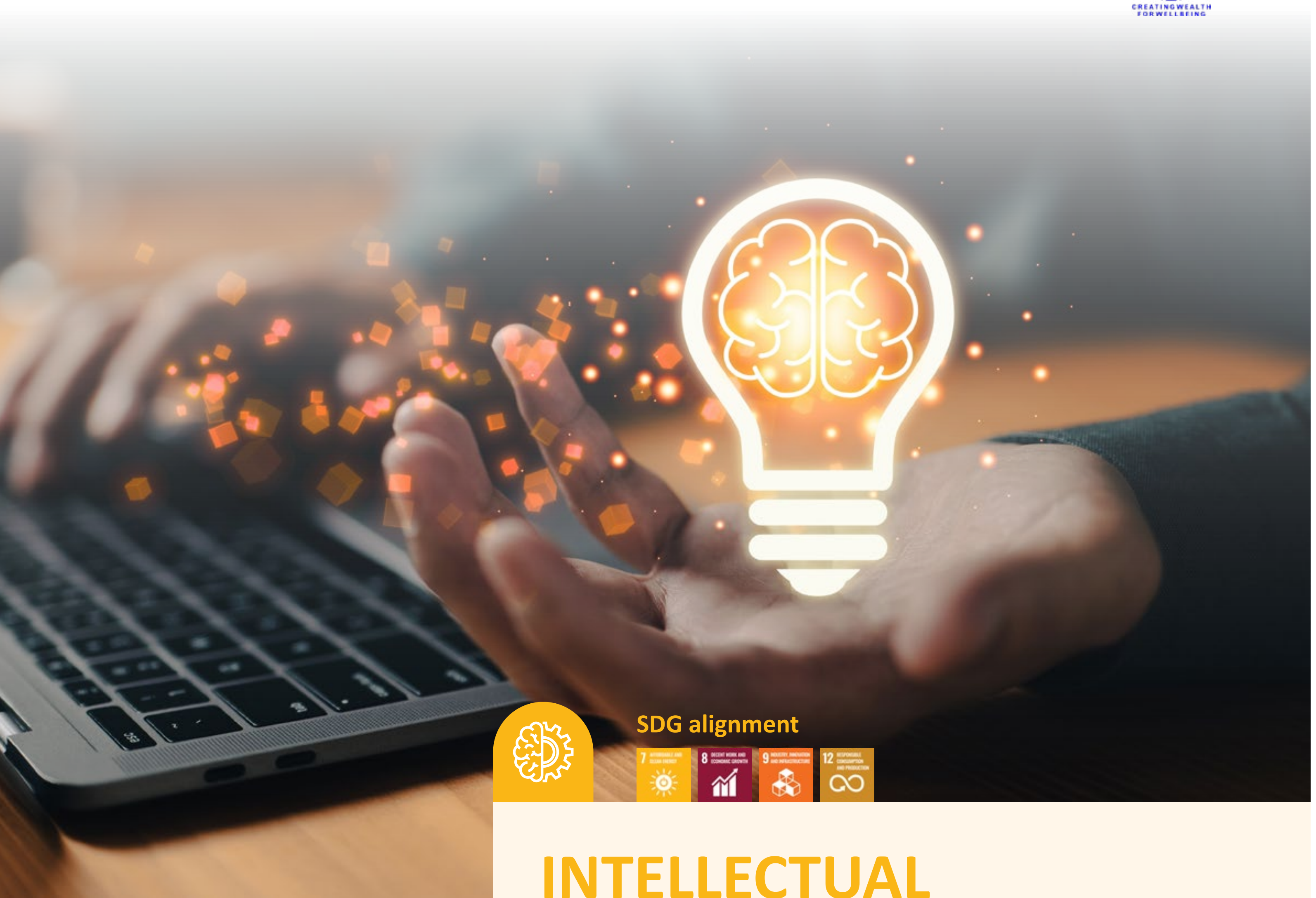
2. **Development of Renewable Energy Projects:** Our commitment to sustainability drives us to develop new renewable energy projects, including solar and wind power. We aim to increase our renewable energy capacity to over 10,110 MW by 2030, significantly contributing to India's clean energy objectives.

3. **Innovative Technologies:** We are exploring the implementation of cutting-edge technologies, such as green hydrogen production, lignite-to-methanol, OB to M-sand, Battery Energy Storage System, Zeolites from Fly Ash projects, Carbon Capture Utilization & Storage (CCS/CCUS) and EV charging stations. These initiatives not only enhance our operational efficiency but also align with global efforts to combat climate change.

4. **Pumped Storage and Hydro-Power Projects:** We are actively pursuing the development of pumped storage systems and hydro-power projects to diversify our energy generation capabilities and improve grid stability.

5. **Critical Minerals:** With the recent developments in Renewable energy sector and the strategic importance of the critical minerals required for RE, we are in the process of participating in upcoming auctions and envision achieving a critical mineral mining capacity of 1.0 MTPA by 2029-30

These future growth plans reflect our unwavering commitment to innovation and sustainability, positioning NLCIL as a leader in the transition to a cleaner energy future. By continuously striving for excellence and embracing innovation, we are poised to power a sustainable future that meets the needs of our customers and contributes to the well-being of society as a whole.



SDG alignment

INTELLECTUAL CAPITAL

Championing Innovation for Sustainable Growth

At the heart of our success lies our unwavering commitment to innovation. By embracing innovation as a core value, we relentlessly pursue new and creative solutions to elevate our mining operations. We invest heavily in research and development to explore cutting-edge technologies, refine mining techniques, and discover sustainable alternatives. Our focus on intellectual capital enables us to generate value for the company, our stakeholders, the communities we serve, and the environment we cherish.

Material Issues

- Resource Availability
- Renewable Energy
- Air Emissions
- Operational Efficiency and Plant Reliability
- Innovation and Digitization

Interlinkage with Capital

- Manufactured
- Financial
- Nature

FY 2023-24 Highlights

₹ 43.37 Crore
R&D Expenditure

9
Ongoing Projects

5
Collaboration with Institutes/Organizations

24 %
of R&D Investments towards Environmental and Social Impacts

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FY 2023-24 R&D Initiatives

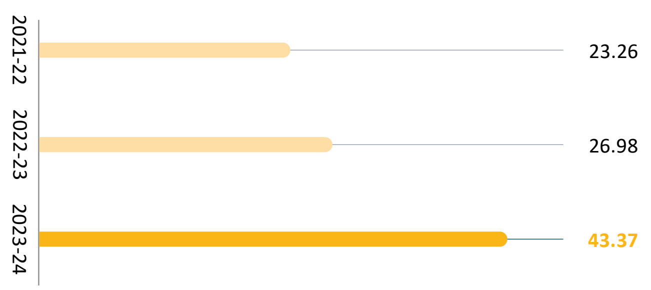
- Prevention of premature failures and enhancing life of bottom rollers used in bucket wheel excavators
- Feasibility of setting up a pilot plant for lignite to syngas integrated with clean power
- Membrane-less, chemical free, plug and play, hassle free, water & wastewater treatment
- Smart iot controlled cultivation of herbal crops
- Hydroponics farming in the backfilled mines area of nlcil
- Development of eco-friendly geo-polymer ash based green bricks using solar heating
- Activated carbon development using lignite – ha sludge
- Establishing pilot plant for green hydrogen production
- Characterization of finding the suitability of lignite/humic acid for semiconductor applications

Overview

We are deeply focused on improving our intellectual capacity by advancing science and technology, using our research findings to seek patents and business opportunities. By collaborating with industry partners, research institutions and organizations, and technology suppliers, we ensure we remain at the forefront of innovation.

R&D at NLCIL

R&D Expenditure



NLCIL consistently focuses on incorporating advanced technology to improve the security, reliability, and efficiency of our power plants. We maintain a careful balance between embracing new innovations and adapting them to our needs. We actively seek out the latest technologies that align with our goals.

We are committed to enhancing the power sector's performance and diligently tackle current challenges while staying alert to new opportunities. Aware of the industry's ever-changing landscape, we invest in research and development, steadily increasing our spending in this area over recent years. This strategy allows us to provide sustainable solutions that serve the broader interests of the nation.

Key Features of R&D Policy

- Conducting Research & Development to **boost production** in mining and power sectors by providing innovative solutions and foundational data.
- Fostering **grassroots R&D initiatives** within production units to strategize for short and long-term gains.
- Developing **energy-efficient, eco-friendly technologies** for mining and thermal power plants to conserve natural resources through quality upgrades.
- Undertaking research projects focused on **environmental sustainability and fuel security** to combat climate change.
- **Strengthening R&D capabilities** at the Center for Applied Research and Development (CARD) to meet international standards in collaboration with global and local institutions.
- Pursuing **patent and commercialization opportunities** from R&D outcomes to enhance NLCIL's reputation.

Centre for Applied Research & Development (CARD)

CARD is NLC India Limited's in-house R&D Center, established in 1958 as the Central Laboratory, was recognized by the Department of Science & Technology in 1975, and renamed CARD in 1983.

Technology development, patenting, and commercialization

Analytical services for quality control of products/materials

Conducting Science & Technology (S&T) research projects

Focus on lignite utilization, diversification, and product development

Environmental monitoring, pollution measurement, quality control testing, consultancy, and technical services

CARD actively participates in a diverse range of research and development initiatives, carefully chosen to align with the requirements of internal divisions and Management directives. The selection process for these projects involves multiple channels, including the evaluation of Expressions of Interest (EoI), proposals and bids from external entities or academic institutions, and other relevant sources. Upon defining the theme areas, the projects are embarked upon and systematically classified as follows with:

- **In-house Initiatives:** To assess scalability, system improvements and viability, R&D initiatives are pursued using internal funds. The existing facility will be utilized at a reduced capacity to successfully execute these internal initiatives.
- **Collaborative Institutional Projects:** To tackle specific challenges, CARD initiates collaborative efforts by harnessing the expertise of external research bodies. CARD actively seeks partnerships with a wide range of prestigious organizations and institutions throughout India to carry out R&D activities.
- **Externally Financed Projects:** Projects funded externally are conducted with financial support from the Ministries of Coal and Mines. Once the required clearances and authorization are received, project proposals are submitted to the Ministries for approval and assignment of the requisite budget. To ensure diligent supervision, a panel of external experts appointed by the Ministries is charged with the regular assessment of the project's advancement.

Innovation and Incubation Centre - Atal Innovation Mission Initiatives

Under the Atal Innovation Mission (AIM) by the Government of India, all Central Public Sector Enterprises (CPSEs) are required to establish incubation centres. NLCIL has initiated the formation of an Innovation Incubation Centre in collaboration with premier institutions like IISc, Bangalore, and Anna University, Chennai.

The Innovation Incubation Demonstration Hub is a specialized facility designed to nurture innovation and entrepreneurship by providing startups and entrepreneurs with the necessary resources and infrastructure to develop and test their ideas. This hub offers a space dedicated to the growth of innovative projects, ensuring they receive the support needed for their progression. An administrative building has also been allocated to act as the central point for administrative and operational tasks related to the hub.

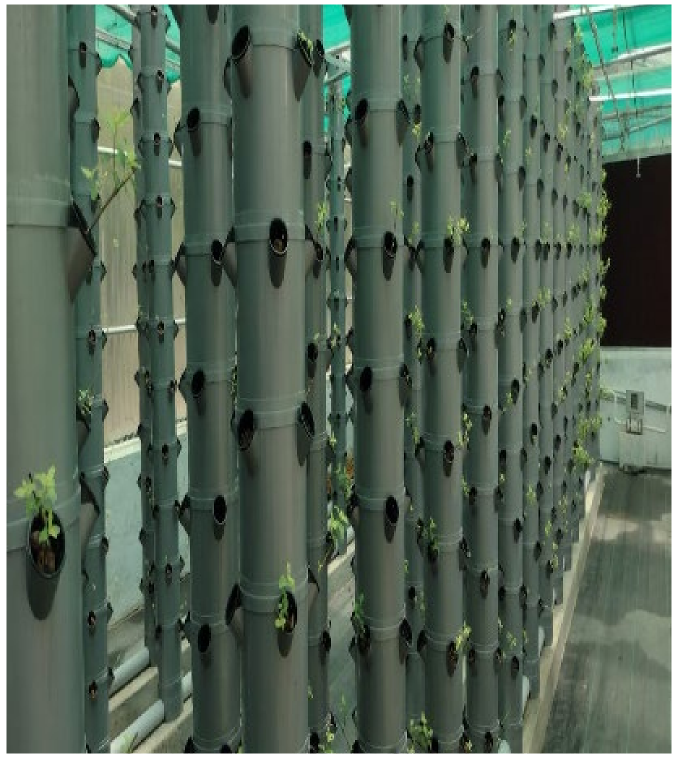
MoUs were signed with five innovators for the following prototype projects:

Membrane-less, Chemical free, Plug and Play, Hassle Free: Water & Wastewater Treatment

This initiative introduces a cutting-edge and cost-effective water purification method that bypasses the need for conventional membranes or chemical treatments. Leveraging sophisticated filtration techniques like electrocoagulation or electrochemical oxidation, it effectively strips water and wastewater of pollutants. The absence of membranes and chemicals not only reduces operating expenses and curtails maintenance demands, but also helps to avoid the environmental hazards tied to the use of chemicals and the disposal of membranes. Its plug-and-play configuration promises straightforward setup and usability, catering to a wide array of settings from household to industrial and even decentralized water treatment infrastructures. This innovation marks a significant leap forward in water and wastewater management, delivering an eco-friendlier and more accessible solution.

Smart IoT Controlled Cultivation of Herbal Crops

This initiative employs aeroponics, an innovative soilless cultivation technique, to grow herbal plants in an environment where they are nourished by a nutrient-rich mist. The project utilizes Internet of Things (IoT) to ensure meticulous oversight and management. Environmental parameters such as temperature, humidity, and nutrient concentrations are constantly tracked by sensors, which facilitate the maintenance of ideal conditions for plant growth. With the integration of IoT, these variables can be monitored and adjusted remotely, optimizing the use of resources, and allowing for timely agricultural interventions. This intelligent farming method brings several advantages, including conservation of water and nutrients, reduced need for arable land, enhanced yields, and the potential to transform barren mining areas into productive agricultural land. This approach marks a transformative step in the realm of sustainable and precise agriculture, promoting the effective and controlled cultivation of premium herbal crops.



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Hydroponics Farming in the Backfilled Mines Area of NLCIL

This initiative offers a creative approach to transforming unoccupied or abandoned mine sites into fertile agricultural zones. Employing hydroponics, a method of cultivating plants without soil, this technique relies on immersing roots in a solution teeming with essential nutrients. The stable conditions of backfilled mines create a perfect backdrop for these hydroponic installations. This innovative use of space turns what was once barren mining territory into valuable farmland. The benefits of deploying hydroponics in these subterranean environments are manifold, including judicious use of resources, a decrease in water usage, the ability to grow crops throughout the year, and a shield against the vagaries of weather and climate. This strategy not only breathes new life into dormant lands but also fosters the growth of sustainable agriculture and injects vitality into the surrounding communities' economies.

Development of Eco-friendly Geo-polymer Ash Based Green Bricks using Solar Heating

The creation of environmentally friendly geo-polymer bricks made from ash and cured with solar energy presents a sustainable method for brick production. These bricks incorporate fly ash, a byproduct of thermal power stations, significantly decreasing their ecological footprint. By substituting traditional kiln firing with solar heating, the process cuts down on energy use and carbon output. This inventive method not only lessens the carbon footprint but also enhances the effective use of waste. These green bricks, which demand less water and raw materials, offer a more eco-conscious choice for building, aiding in the advancement of a more sustainable tomorrow.

Activated Carbon Development using Lignite – HA Sludge

The production of activated carbon from lignite and humic acid (HA) sludge represents a significant step forward in the efficient use of waste and the promotion of environmental health. During the extraction of humic acid, the resulting HA sludge is found to be rich in carbon content. The proposal is to transform this carbon-rich material through an appropriate process into activated carbon, which is known for its high porosity and vast surface area. Activated carbon is in high demand for its superior adsorption capabilities, making it ideal for purifying water and air. By repurposing HA sludge, this initiative enables meaningful use of waste byproducts, thereby reducing their ecological footprint. It also provides an economical and sustainable option for producing activated carbon, enhancing eco-friendly waste management and the conservation of resources.

R&D Projects

Exploring Lignite and Humic Acid for Semiconductor Applications

Current materials for light-emitting devices are costly and require stringent production conditions. As sustainable alternatives, carbon-based materials like lignite and humic acid are being investigated for semiconductor applications due to their environmental benefits. To study their optical, structural, and thermal properties, NLCIL signed a Joint Development Agreement with IIT Madras. UAs alternatives for semiconductor applications in LED, these carbon-based materials promote sustainability by offering benefits such as wide availability of lignite, lower operational and manufacturing costs, biodegradability, and versatility.

Green Hydrogen Initiative

Green hydrogen, a form of clean energy is gaining attention as a potential cornerstone for a sustainable energy future. It is produced through the electrolysis of water, using electricity generated from renewable sources such as wind, solar, or hydroelectric power. Owing to this production process, green hydrogen emits no greenhouse gases and aids in decarbonizing various sectors. To drive this initiative, NLCIL appointed Engineers India Limited as Project Management Consultant. The project aims to establish a 4 MW Proton Exchange Membrane (PEM) electrolyzer-based green hydrogen pilot plant at Neyveli .

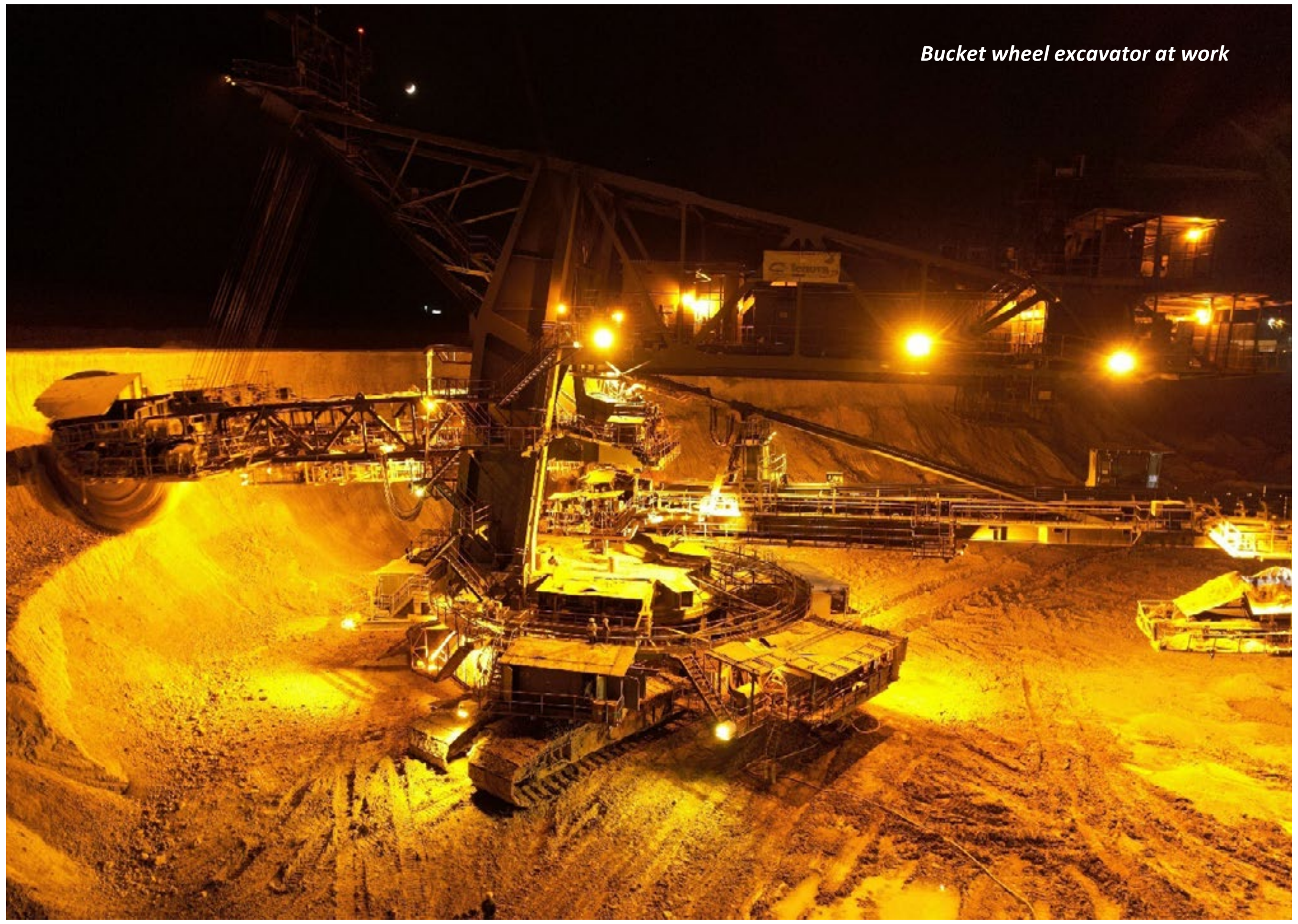
Sustainable Utilization of Coal through Flash Graphene Extraction for Enhanced Cement Composites

This project explores using coal/lignite to synthesize flash graphene, aiming to enhance precast concrete products. A joint proposal with NIT Puducherry was submitted to CMPDIL, seeking funding from the Coal S&T fund. Flash graphene can be beneficial and can enhance precast concrete products as it increases strength of the material making it long-lasting and durable. Graphene's thermal properties could improve the fire resistance of concrete, making it safer and more suitable for high-risk environments. Moreover, the addition of graphene can make concrete less permeable, reducing water absorption and protecting against water damage.

Lignite to Syngas for Power Generation

The Integrated Gasification Combined Cycle (IGCC) technology converts carbon-based feedstocks into hydrogen-rich syngas for more efficient and cleaner electricity generation than conventional coal/lignite-fired power plants. A work order was issued to BHEL to prepare a feasibility report for establishing an IGCC pilot plant using lignite. IGCC technology offers several advantages over conventional coal or lignite-fired power plants such as providing higher efficiency, significant reduction in the emission of pollutants such as sulfur dioxide (SO2), nitrogen oxides (NOx), particulate matter, and mercury, as the gasification process allows for easier capture and removal of these pollutants before combustion. It is also fuel flexible as it can utilize a variety of carbon-based feedstocks, including coal, lignite, biomass, and petroleum coke. Moreover, ensures reduced water usage and reduced waste.

Preventing Premature Failures and Enhancing the Life of Bottom Rollers in Bucket Wheel Excavators


Bucket wheel excavator at work

NLC India Limited (NLCIL) operates several bucket wheel excavators (BWEs) for lignite extraction and overburden removal in its mining activities. The BWEs use a track system with rollers to move, which often undergoes considerable stress due to heavy loads. This intense working environment can lead to early breakdowns of the bottom rollers.

To tackle this problem, a detailed research and development project is being carried out in partnership with NIT Trichy and IISc, Bangalore. The project's goal is to prevent early wear and tear of the bottom rollers in the BWEs' crawler systems and to improve their service life. The Coal Science and Technology Sector has provided the necessary funding for this initiative.

The main aim of the research is to thoroughly investigate the root causes of the bottom rollers' failures. The project also intends to examine the patterns of deterioration and rusting through scientific analysis. These crucial studies are currently in progress, with the objective of devising strategies to prevent damage and prolong the working life of the bottom rollers in the BWEs.

SDG alignment

HUMAN CAPITAL

Fostering a Culture of Excellence

Through strategic investment in our team, we aim to foster a dynamic work environment that drives our achievements while making a meaningful impact on society. United by a common goal, we are committed to creating a future that is both inclusive and promising. NLCIL's core principles of Integrity, Accountability, and Transparency drive the enhancement of our Human Capital, enabling us to achieve tangible results.

Material Issues

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

Interlinkage with Capital

- Manufactured
- Intellectual
- Natural
- Social

FY 2023-24 Highlights

9% female permanent employees and workers

200+ talent pool of differently abled persons

0.013 LTIFR

Mine-II and Barsingsar Lignite Mine recognized for outstanding achievements in safety

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Overview

By implementing a strategic talent management approach, we optimize employee skills and potential, fostering a supportive environment that enhances satisfaction and engagement. We empower our workforce through capacity-building programs aligned with ESG principles. We are dedicated to empowering women and promoting diversity, creating a workplace that not only achieves tangible results but also supports the growth of our communities and the nation. Together, we are building a brighter, more inclusive future.

Human Capital Objectives and Policy Framework

NLCIL is committed to enabling a robust human capital framework that aligns with our organizational goals and promotes a culture of collaboration, empowerment, and transparency. Our key objectives include:

Building Employee Commitment:
We strive to enhance employee engagement through collaborative practices, ensuring that every team member feels valued and empowered.

Upgrading Human Resources Systems:
Our focus is on modernizing HR systems to effectively support organizational goals and streamline processes for better efficiency.

Fostering an Enabling Work Environment:
We aim to create a workplace that encourages talent and creativity, allowing employees to innovate and excel in their roles.

Maximizing Stakeholder Value:
Our efforts are directed towards achieving stakeholder value in harmony with our business objectives, ensuring sustainable growth.

Promoting a Value-Based Culture:
We emphasize adherence to a value-based culture that reflects our core principles and ethical standards.

Creating a Culture of Continuous Learning:
We are dedicated to establishing an atmosphere of continual learning and competency building, enabling our workforce to adapt to changing industry demands.

To support these objectives, NLCIL has implemented several key policies aimed at enhancing employee welfare and organizational effectiveness:

Recruitment Policy: Ensures a fair and transparent hiring process that attracts diverse talent.

Policy for Persons with Disabilities (PwD): Outlines pathways for employee advancement and professional development.

Career Growth Policy: Outlines pathways for employee advancement and professional development.

Reward & Recognition Policy: Acknowledges and rewards outstanding employee performance and contributions.

Transfer Policy: Facilitates employee transfers within the organization to meet operational needs and personal preferences.

Medical Benefit Policy: Offers comprehensive health coverage for employees and their families.

Employee Benefit Policy: Provides a range of benefits designed to enhance employee well-being and job satisfaction.

Maternity/ Paternity/ Child Care Leave Policy: Supports working parents by allowing leave for child care responsibilities.

Code of Conduct: Establishes ethical guidelines and standards of behavior for all employees.

Employee Demographics and Recruitment Overview

In the fiscal year 2023-2024, NLCIL's total employee base reached 10,362 (below board level employees) comprising 850 females and 9,512 males across various grades. The workforce is predominantly male, with a significant representation of employees aged between 30 and 50 years, totaling 2,226 individuals. New hires during this period amounted to 677 with 27 females and 650 males, indicating a strong influx of talent into the organization. The data reflects a diverse age distribution, with a notable number of employees under 30 years old, particularly in the E4 and E3 grades, where younger workers are actively engaged. This demographic insight underscores NLCIL's commitment to fostering a balanced workforce while emphasizing health and safety across all operational levels.

Total Employee Base

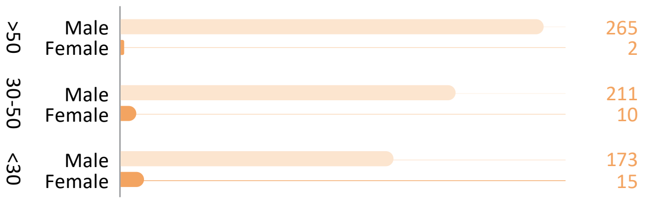
Employee Category	<30		30-50		>50	
	Female	Male	Female	Male	Female	Male
Senior Management	0	0	1	17	34	382
Middle Management	0	0	55	624	76	860
Junior Management	42	279	42	581	35	115
Non-Unionised Supervisors	8	62	7	145	11	197
Non-Executives	34	175	176	578	329	5497

Employee Hires

Employee Category	<30		30-50		>50	
	Female	Male	Female	Male	Female	Male
Senior Management	-	-	-	1	-	-
Middle Management	-	-	-	4	-	-
Junior Management	3	18	6	121	-	1
Non-Unionised Supervisors	7	49	-	2	-	-
Non-Executives	5	106	4	83	2	264

Employee Base - FY 2023-24 (Gender and Age classification)

Employee Hires - FY 2023-24 (Gender and Age classification)



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Employee Attrition

Employee Category	<30		30-50		>50	
	Female	Male	Female	Male	Female	Male
Senior Management	-	-	-	-	-	2
Middle Management	-	-	-	2	-	-
Junior Management	2	66	-	14	-	-
Non-Unionised Supervisors	-	2	-	-	-	-
Non-Executives	-	2	1	1	-	-

Employee Attrition - FY 2023-24 (Gender and Age classification)

Anticipated Employee Retirements

Employee Category	Next 5 years		Next 6-10 years	
	Male	Female	Male	Female
Senior Management	206	18	86	10
Middle Management	613	51	162	20
Junior Management	75	21	38	15
Non-Unionised supervisors	127	6	93	8
Non-executives	3648	220	1442	92

Employee Benefits Overview

NLCIL prioritizes the well-being and development of its employees by offering a wide range of benefits and programs. Recognizing their invaluable contributions, we provide perks such as insurance and healthcare support. Our partnerships with reputable hospitals ensure that our workforce has access to specialized medical treatments nationwide, reinforcing our commitment to employee well-being while promoting sustainable organizational growth.

We support family responsibilities by offering maternity leave, paternity leave, and child care leave in accordance with government guidelines. Additionally, we prepare employees for retirement through educational programs focused on post-retirement medical assistance, Insurance and pension schemes. Our commitment to educational support includes financial aid for higher education and resources dedicated to gender equality initiatives. These initiatives reflect our dedication in fostering a supportive and inclusive workplace environment.

Employee Involvement and Support

At NLCIL, we actively collaborate with our employees to develop and implement effective human resource practices and procedures. These initiatives are regularly communicated to all stakeholders through our digital platforms and official website. Our grievance redressal mechanism offers a fair and impartial avenue for employees to voice their concerns and seek resolutions, with a strong emphasis on confidentiality, safety, and support throughout the process.

Rewards and Recognition

We have established a comprehensive Rewards and Recognition scheme designed to foster excellence among all permanent employees and workers. This program acknowledges achievements in various areas, including leadership accomplishments, participation in national-level competitions, contributions to environmental sustainability, community service, and excellence in sports.

Employee Support Categories

- Insurance
- Healthcare Support
- Parental Leave
- Retirement Support
- Transportation Facilities
- Housing

Employee Welfare and Social Security

NLCIL is dedicated to the welfare of our employees and their families, with various programs in place:

Educational Facilities:

We operate nine schools catering to over 4,600 students, providing quality education to the children of employees and local communities.

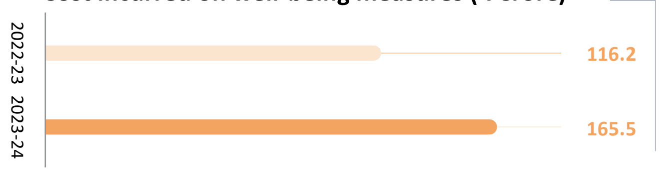
Scholarship Schemes:

In FY 2023-24, we disbursed ₹370.18 Lakh in scholarships to 1,191 beneficiaries, including wards of employees and contract workers pursuing higher studies. Our educational assistance includes cash awards for meritorious students achieving high academic standards.

Medical Facilities:

NLCIL Hospital, established since 1962, supports a sustainable health care system. The NLCIL Hospital offers a wide range of services, including a high-end cardiac center inaugurated in December, 2022, which is equipped to handle medical emergencies and specialized procedures.

Cost incurred on well-being measures (₹ Crore)



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Parental Support

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 introduced a paternity leave policy for our male employees.

Parental Leave – Return to work rate

Year	No of Employees, by gender, entitled to Parental Leave		No of Employees, by gender, taken Parental Leave		Total number of employees that returned to work after parental leave ended	
	Male	Female	Male	Female	Male	Female
FY 2021-22	10,345	901	128	17	128	17
FY 2022-23	9,891	890	145	14	145	14
FY 2023-24	9,406	841	146	22	146	22

Post Retirement Support

Our commitment to employee welfare extends beyond retirement. To ensure that our retiring employees receive necessary support and information, our Learning and Development Centre organizes monthly programs focusing on the benefits of Post-Retirement Medical Assistance (PRMA) , Post Retirement Medical Insurance (PRMI) and the NLCIL Pension Schemes. These informative sessions educate employees nearing retirement about the advantages and provisions of PRMA , PRMI and our pension schemes. By providing this education, we aim to equip them with the knowledge and resources needed to make informed decisions about their post-retirement medical needs and financial security.

Healthcare Support

- We have empanelled with reputable hospitals across the country to ensure that our workforce has access to top-tier medical services, regardless of their location.
- Our core vision emphasizes health protection as well as preservation, and promotion, highlighting the importance of our workforce's well-being while driving sustainable growth and maximizing organizational value.

Medical Awareness Campaigns

In FY 2023-24, we conducted various medical awareness campaigns, including:

- ORS Day/ORS Week: An awareness program aimed at educating school children.
- World Breastfeeding Week: Celebrated from August 1 to August 7, 2023.
- Dental Screening Camps: Focused on raising awareness about dental health.

NLCIL's Vision for a Diverse and Inclusive Workplace

At NLCIL, we are wholeheartedly dedicated to cultivating a diverse workforce that reflects the richness of our society. Currently, women represent 9% of our permanent employees, and we are committed to increasing this number through various initiatives aimed at promoting equity and inclusion.




Our approach to equitable representation ensures that all voices are heard and valued, as we implement inclusive policies that promote fair opportunities across every level of our organization. We actively support women's empowerment and organize initiatives to celebrate their contributions and enhance their participation in the workplace.

In addition to our focus on gender diversity, we proudly employ differently abled individuals, with 30 women and 134 men in permanent roles.

	Male	Female
Differently Abled Employees	37	2
Differently Abled Workers	134	30

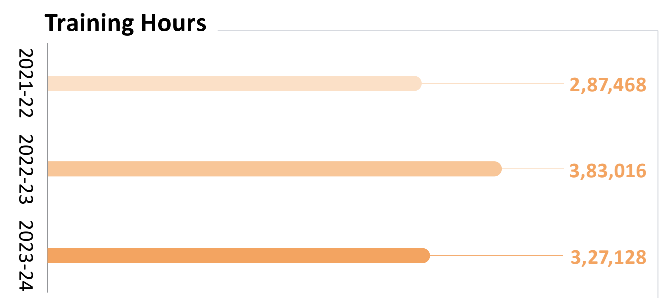
This commitment towards inclusivity is further strengthened by our robust reservation policy, which aligns with government guidelines to ensure fair representation for underrepresented communities. We have established dedicated teams to monitor compliance and support these initiatives, ensuring that our recruitment and promotion processes are transparent and equitable. By implementing these measures, we create pathways for candidates from diverse backgrounds to thrive within our organization. Our systematic verification processes uphold the integrity of our hiring practices, reinforcing our belief that a diverse and inclusive workplace not only enhances our organizational strength but also contributes to broader social equity. At NLCIL, we are committed to creating an environment where everyone can succeed and feel valued.

Building a Skilled Workforce through Learning and Development

At NLCIL, we are committed to fostering a culture of continuous learning and development, empowering our employees to thrive in an ever-evolving industry. In FY 2023-24, we have implemented a range of initiatives to enhance employee competencies and promote a learning culture:

Learning and Development Centre (L&DC)

Our state-of-the-art L&DC is dedicated to building employee competencies through structured onboarding, mentoring, and training programs. We prioritize emerging technologies, environmental consciousness, and blended learning opportunities, providing our workforce with the tools they need to excel. This year, we have invested 3,27,128 hours in training our employees, ensuring they are equipped to meet the challenges of the future.



Employee Categories	Unit	FY 2021-22	FY 2022-23	FY 2023-24
	Hours of training by employee category			
Senior Management	No of participants	3,101	2,853	2,888
	Hours	18,460	22,368	29,960
Middle Management	No of participants	11,975	10,010	8,673
	Hours	82,992	84,624	87,444
Junior Management	No of participants	6,946	6,513	5,362
	Hours	97,628	1,00,752	53,124
Non-Unionised Supervisors	No of participants	2,013	1,510	1,479
	Hours	12,672	16,052	14,404
Non-Executives	No of participants	9,132	11,571	10,789
	Hours	75,716	1,59,220	1,42,196

In FY 2023-24, we have offered a total of 1,251 training courses, including 1,052 internal and 199 external courses. This comprehensive approach ensures that our employees have access to a wide range of learning opportunities, enabling them to develop the skills and knowledge necessary for success.

For the FY 2023-24

Training course type	Number of courses
Internal training courses	1,052
External training courses	199

- **Apprenticeship Training:** We adhere to the guidelines of the Regional Director of Apprenticeship Training (RDAT) and the Board of Apprenticeship Training (BOAT) to train apprentices, further enhancing our talent pool and ensuring a skilled workforce. By investing in the development of our employees, we are not only strengthening our organization but also contributing to the growth of the industry as a whole.
- **Leadership Development Programs:** Recognizing the importance of strong leadership pipeline, we have implemented targeted programs for high-potential employees. These programs are designed to develop potential leaders, fostering a pipeline of capable individuals who will guide NLCIL into the future. By investing in our employees' growth, we are creating a sustainable future for our organization and the communities we serve.

Training Thrust Areas

- Functional Competency
- Behavioural Competency
- Health and Well-being
- Safety Areas
- Skill Development
- Management
- Quality
- Statutory Areas
- CSR Awareness

Performance Management

We continuously analyze employee performance through our in-house Performance Management System, which helps cultivate business acumen among employees. Our comprehensive performance appraisal system strives to ensure fairness, transparency, and accountability. By assessing each employee's performance based on clearly defined criteria and objectives, we promote a culture of meritocracy and continuous improvement.

Employee Categories	FY 2021-22	FY 2022-23	FY 2023-24
	Performance Management coverage		
Top Management	100%	100%	100%
Senior Management	100%	100%	100%
Middle Management	100%	100%	100%
Junior Management	100%	100%	100%
Non-Unionised Supervisors	100%	100%	100%

Human Rights Training

Human rights training is fundamental to our dedication to cultivating a respectful, inclusive, and ethical workplace. Our training programs are designed to promote a culture of diversity and inclusion, prevent discrimination, and ensure 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

The health and safety of our employees are paramount. NLCIL has implemented a comprehensive health and safety framework, achieving a Lost Time Injury Frequency Rate (LTIFR) of 0.013 in FY 2023-24. Key initiatives include:

Employee Welfare and Social Security

NLCIL is dedicated to the welfare of our employees and their families, with various programs in place:

Safety Audits:

Regular safety audits are conducted across all mines and thermal plants to ensure compliance with safety standards and identify areas for improvement.

Emergency Medical Services:

Our NLCIL Hospital, a secondary-level medical facility with a bed capacity of 350, provides comprehensive medical care, including emergency services and specialized cardiac care.

Occupational Health Services:

We conduct periodical medical check-ups and implement health surveillance programs to monitor employee well-being. This includes 100% initial medical check-ups for all employees and contract workers, as well as regular health camps for the community.

Safety Performance

Safety Incident/ Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	NLCIL Employees	0.013	0
	Contract Workers	0.065	0.13
Reportable Minor	NLCIL Employees	1	0
	Contract Workers	2	8
Fatalities	NLCIL Employees	0	0
	Contract Workers	3	2
Reportable Major/Serious Injuries	NLCIL Employees	0	0
	Contract Workers	0	0

Health and Safety Awards

We have been recognized for our outstanding achievements in safety, winning multiple awards in FY 2023-24 - These awards highlight NLCIL's strong commitment to safety and its efforts to maintain a safe working environment for its employees :

- Mine-II won the 21st Annual Greentech Safety Award 2023 under the Safety Excellence Category and the Gold Award in the 15th EXCEED Safety & Security Award 2023 for Best Safety Leadership in the Mining Sector.
- Barsingsar Lignite Mine won the 21st Greentech Safety Awards-2023 for outstanding achievement in the Safety Excellence category and the Platinum Award in the 15th Exceed Occupational Health Safety & Security Award-2023".
- Barsingsar Lignite Mine also received the Overall Second Prize in the Safety Week Celebration-2023-24 under the aegis of DGMS, Northern Zone, winning a total of 6 prizes. Additionally, the Barsingsar Project was awarded the First Prize in firefighting during the Mines week celebration at the DGMS Ajmer region.

Salient Features of Safety and Health Policy

Accountability: Management assumes overall accountability for safety and health.

Resource Allocation: Dedicated resources to maintain and enhance safety and health performance.

Training and Awareness: Emphasis on training programs to promote safety awareness and safe work practices.

Root Cause Analysis: Conducted for near misses, minor incidents, or major accidents to implement effective corrective measures.

Employee Empowerment: Encouraging employees to take ownership of safety and challenge unsafe activities.

Safety Programs and Initiatives

Employee Safety:

- Personal Protective Equipment (PPE): We ensure that all necessary PPE is readily available and used by our workforce to minimize exposure to potential hazards.
- Advanced Technologies: Our mines, operate with state-of-the-art technology, featuring inbuilt safety mechanisms.
- Standard Operating Procedures (SOPs): SOPs have been established and : are strictly implemented for all activities in mines and thermal plants.

Zero
Incidents at 3 thermal power stations

Risk Management

Health and Safety Risk Management System: Regularly reviewed and updated to identify potential risks and develop appropriate mitigation plans and procedures.

Root Cause Analysis: Conducted for any new risks to understand underlying factors and implement preventive measures.

Safety Audits and Inspections

Corporate Safety Council: Monthly inspections and reports ensure compliance and enhance safety standards.

Corporate Safety Wing: Weekly safety inspections and monthly Safety Officers' meetings facilitate communication and address safety concerns.

Annual Safety Audits: Conducted by the Corporate Safety Team and accredited external agencies.

Training and Awareness

Safety Park: To meet the safety training requirements and enhance safety awareness among our regular and contract employees, we have established a state-of-the-art Safety Park within Thermal Power Station II. This dedicated facility offers employees comprehensive training opportunities, allowing them to gain a deeper understanding of safety protocols and best practices.

The Safety Park features a display hall showcasing working models of equipment commonly found in a thermal power station. These models provide practical demonstrations of the safety features integrated into the equipment and the recommended standard operating procedures. For example, visitors can observe working models such as a conveyor belt, a sky climber (used for boiler furnace heating surface cleaning), switchyard equipment, a pulverizing mill, safety lockout and tagout systems, and confined space 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 of chlorine leak detection and neutralizing scrubbers. Comprehensive information on the safe handling of chemicals is also provided. To address the specific safety needs of employees working at heights, the park includes a vertigo test structure for mandatory safety tests.

Additionally, we showcase cutting-edge personal protective equipment (PPE), including smoke extractors, water gel blankets, and self-breathing apparatuses. These advanced PPEs underscore our commitment to staying at the forefront of technological advancements and ensuring the highest levels of safety for our employees.

To support effective safety training, the Safety Park also includes a well-appointed, air-conditioned training hall. This facility caters to the safety training needs of both regular and contract employees, providing a conducive environment for learning and skill development.

Training Programs: Continuous training on fire safety, working at heights, gas cutting, welding operations, electrical safety, and more for all employees and contract workers.

Employee Involvement and Participation

Safety Management Plans (SMPs): At NLCIL, we adhere to a comprehensive Safety Management Plan (SMP) across all mines, integrating various risk assessment tools in strict accordance with DGMS regulations. In full compliance with Regulation 104 of CMR 2017, SMP copies are submitted to regional authorities. Regular quarterly reviews are conducted, and risk-based SMPs are tailored for specific mining activities to ensure optimal safety. To enhance understanding among our workforce, SMPs are translated into the local language. Additionally, senior mine officials conduct surprise inspections to ensure strict adherence to these safety protocols, reaffirming our strong commitment to maintaining the highest safety standards.

Safety Pep Talks: In our commitment to maintaining a safe working environment, Safety Pep Talks are regularly conducted across all three shifts before the commencement of work. These sessions are led by experienced safety experts and thought leaders, who engage, inform, and inspire our workforce. By delving into the core principles of safety and exploring daily work scenarios, these discussions provide valuable insights into risk mitigation strategies. Additionally, those in charge clearly communicate the DOs and DON'Ts, ensuring that safety is not just a protocol but a collective mindset embraced by all employees every day.

Emergency Preparedness

Mock Drills: Conducted monthly at different locations to enhance emergency response capabilities. Gap Analysis is carried out post-drill for corrective actions and improvements.

Specific Safety Measures

Personal Protective Equipment (PPE), Issuance and Inspection:

At NLCIL, we prioritize the safety of our workforce by ensuring that every employee in our mines and thermal plants is provided with the appropriate Personal Protective Equipment (PPE), including both mandatory items and specialized gear tailored for specific tasks. To safeguard the well-being of our employees, strict adherence to PPE guidelines is rigorously enforced. We maintain a comprehensive PPE issuance register to ensure transparency and accountability, meticulously recording the frequency of PPE distribution. Additionally, our unwavering commitment to quality is demonstrated by the thorough inspection and measurement of all procured PPE, ensuring they meet stringent standards before being issued to our workers.

Lock Out and Tag Out (LOTO) Procedures: We uphold rigorous Lock Out and Tag Out (LOTO) procedures as a critical safety measure before commencing any work. Each worker is provided with a dedicated ID card specifically designed for LOTO purposes, which is affixed to the lock. This ID card contains comprehensive details about the individual responsible for securing the lock. Upon completion of the work, the same individual is accountable for unlocking and removing the tag. This stringent LOTO protocol plays a vital role in significantly reducing the risk of accidents during maintenance activities.

Continuous Improvement and Training

Basic and Refresher Training: Provided as per Mines Vocational Training Rules, 1966.

Simulator Training: For operators handling Special Mining Equipment, Crane, Dozer, and Back Hoe in mines, Fresh engineers in BTG operations in thermal plants.

Specialized Training: On various safety aspects like fire safety, working at heights, electrical safety, etc.

External Expertise: Training by professionals from Occupational Health and Safety, Tamil Nadu, and other safety experts.

SDG alignment

SOCIAL AND RELATIONSHIP CAPITAL

Building Trust and Shared Prosperity

NLCIL is committed to being a catalyst for transformation and progress in the communities we serve. Our resolute efforts are targeted towards empowering local populations and fostering resilient growth and sustainability. By embracing a comprehensive multi-stakeholder approach, we cultivate enduring partnerships that pave the way for a more equitable and prosperous future for all involved.

Material Issues

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

Interlinkage with Capital

- Intellectual
- Manufactured
- Human
- Finance
- Natural

FY 2023-24 Highlights

₹ 47.36 Crore CSR Spend

10 CSR Focus Areas

5,40,095 Lives impacted

Vision for Inclusive Growth

As a Central Public Sector Enterprise, our role extends far beyond compliance with regulations. We aim to be a leader of societal advancement, driving economic stability, enhancing employee motivation, and building a positive public image. Our CSR programs are the cornerstone of this mission, supporting immediate communities and contributing to national economic growth. Through our commitment to sustainability, we ensure that our initiatives have a lasting and meaningful impact.

Embedding Integrity in Our Practices

Integrity is the foundation upon which NLCIL stands. Our operations are continuously monitored and evaluated through our Integrity Pact Programme, in collaboration with stakeholders and Independent External Monitors. We are committed to transparency and compliance, ensuring that every aspect of our work upholds the highest standards of ethical conduct.

Customer-centric Approach

Strong customer relationships are essential to our success. Our Commercial Department prioritizes proactive engagement, ensuring prompt and effective resolution of any issues related to power sales and accounts. By fostering a culture of collaboration and mutual benefit, we address customer concerns efficiently and maintain positive relationships.

We operate within a robust regulatory framework, providing all stakeholders with an equal opportunity to express their views and resolve conflicts fairly. Our commitment to effective communication and adherence to regulatory procedures ensures exceptional customer service and stakeholder satisfaction.

Partnership with CMRL

Chennai Metro Rail Limited has partnered with NLCIL to source power through open access. This strategic alliance is poised to significantly lower CMRL's power procurement costs while opening up opportunities to harness sustainable, eco-friendly sources of power. The power will be sourced through the Indian Power Exchange, marking a milestone in CMRL's commitment to cost-efficiency and sustainable practices.

Promoting Local Economies

In FY 2023-24, we sourced 99.97% of raw materials and spares from local suppliers

NLCIL is a proud supporter of the Make in India initiative, prioritizing domestic procurement to empower local firms and contribute to national growth. This commitment not only strengthens local industries but also bolsters the economic ecosystem by creating jobs and nurturing indigenous capabilities. By focusing on local sourcing over global imports, we enhance our operational resilience and play a significant role in driving the nation's economic progress.

Prioritizing Ethical Practices and Local Development

Our dedication to community welfare is deeply embedded in our organizational goals. We prioritize rehabilitation and resettlement efforts, ensuring proper care for Project Affected Persons (PAPs) in line with Government of India guidelines and IFC Performance Standards. In FY 2023-24, we launched significant projects to enhance community infrastructure and provided skill development programs to improve employability for project beneficiaries. Through meticulous compliance with legal requirements, we ensure ethical practices that positively impact the lives of the communities.

A Comprehensive CSR Framework and Approach

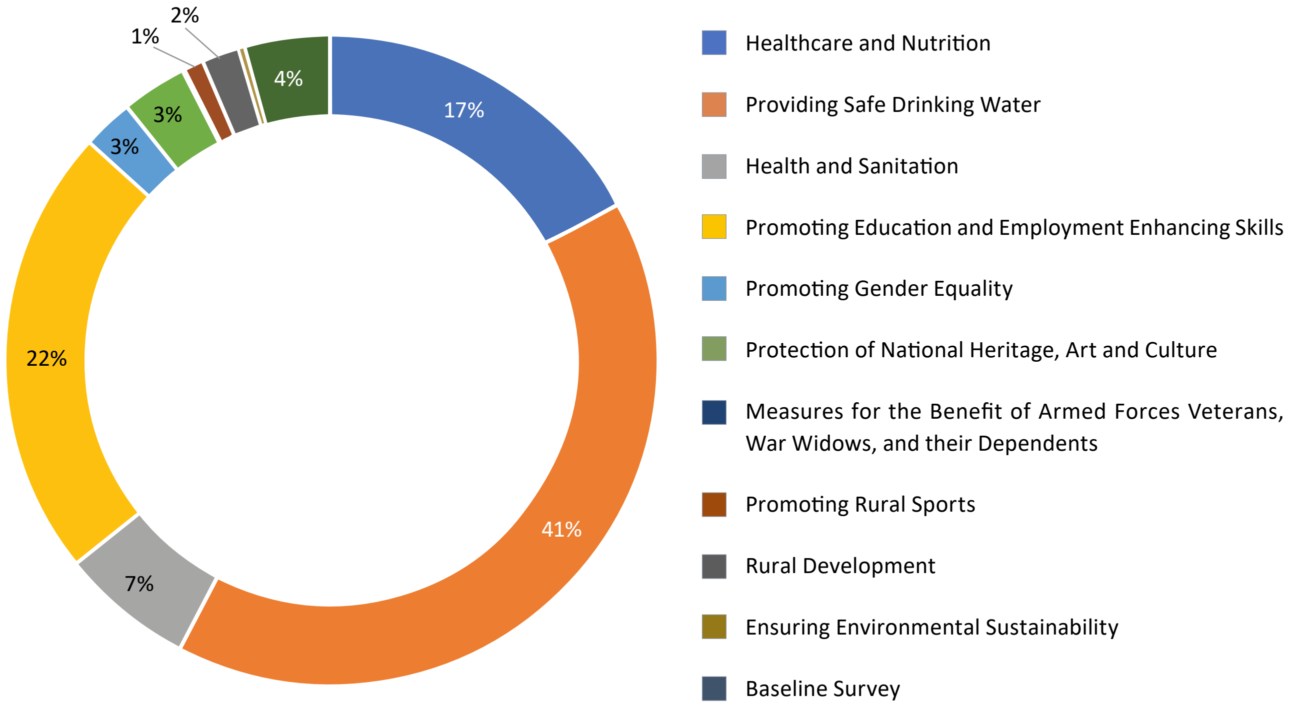
Our CSR Policy serves as a comprehensive framework guiding all our initiatives towards inclusive growth and sustainable development. In FY 2023-24, we allocated ₹ 47.36 Crore to critical areas such as healthcare, education, skill development, rural sports, women's empowerment, and environmental sustainability. This substantial investment underscores our commitment to addressing the fundamental needs of the communities we serve.

CSR Focus Area	Beneficiaries	Expenditure in Lakh (₹)
Healthcare and Nutrition	3,39,016	807.55
Providing Safe Drinking Water	62,248	1,923.71
Health and Sanitation	13,025	313.1
Promoting Education and Employment Enhancing Skills	39,834	1,062.52
Promoting Gender Equality	2,000	119.99
Protection of National Heritage, Art and Culture	5,000	154.19
Measures for the Benefit of Armed Forces Veterans, War Widows, and their Dependents	42	5
Promoting Rural Sports	10,330	46.39
Rural Development	67,600	88.15
Ensuring Environmental Sustainability	1,000	13.62
Baseline Survey	-	0.68
Admininstrative Overheads	-	201.35
	5,40,095	4,736.25


WIPS, Neyveli Chapter & Ladies Club of Neyveli jointly visited the Differently Abled School for Speech and Hearing Impaired at Konankuppam, Virudhachalam

We partner with the Institute of Public Enterprises (IPE) to conduct thorough assessments of our operational areas using the OECD DAC framework. This ensures our projects are relevant, efficient, effective, impactful, and sustainable. By rigorously measuring outcomes and focusing on socio-economic improvements, we reinforce our commitment to transparency and accountability in our CSR practices.

CSR Expenditure - FY 2023-24




Yoga Day Celebrations in Neyveli

Inauguration of Trauma Care Centre at Govt. General Hospital, Kurinjipadi

1.Promoting Health Care and Nutrition – ₹ 807.55 Lakh

In FY 2023-24, we invested ₹ 807.55 Lakh in health care and nutrition, focusing on:

Infrastructure Development:

- Trauma Care Centre at Govt. General Hospital, Kurinjipadi (₹ 96.44 Lakh)
- PHC Upgrades in Marungur Village and Cyclone Quarters (₹ 39.07 Lakh)
- O2 Plant support at Villupuram Medical College (₹ 15.36 Lakh total)

Health Support & Camps:

- Medical camps in Neyveli and surrounding villages (₹ 79.95 Lakh)
- Blood donation camps (₹ 13.32 Lakh for 3,520 donors)
- Healthcare facilities and treatment (₹ 223.97 Lakh)

Nutritional and Educational Support:

- Nutritional schemes for 2,100 students (₹ 55.93 Lakh)
- Baby kits for 140 newborns (₹ 2.00 Lakh)
- Support to HIV+ve society, food supplements, and special education (₹ 100.74 Lakh)

Community Well-being Initiatives:

- Cow stable infrastructure at Basi Barsingsar (₹ 22.23 Lakh)
- Essential items for project-affected persons (₹ 28.11 Lakh)
- Buttermilk provision to Neyveli public (₹ 18.06 Lakh)

Disaster Relief & Special Support:

- Relief for cyclone Michaung victims (₹ 40.00 Lakh)
- Support to Sneha Opportunity School (₹ 60.00 Lakh)

Outcomes and Impact

These investments have significantly enhanced:

- **Healthcare Access:** Improved facilities and resources for emergency and routine care.
- **Community Health:** Support for medical treatment, nutrition, and education for vulnerable groups.
- **Disaster Relief:** Timely aid and support to those affected by natural disasters.
- **Living Conditions:** Upgraded infrastructure and essential supplies for affected communities.

SDG Linkage:

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2. Providing Safe Drinking Water – ₹ 1,923.71 Lakh

In FY 2023-24, a total expenditure of ₹ 1,923.71 Lakh was allocated to enhance safe drinking water access through various projects:

Water Storage Infrastructure:

- **Vegakollai Village:** Constructed a 30,000-litre overhead tank (OHT) and borewell (₹ 21.03 Lakh), benefiting 9,000 people.
- **Sepalantham:** Built a 60,000-litre OHT (₹ 16.10 Lakh), serving 8,236 villagers.
- **Annavalli Uratchi, Vazhisothanai Palayam Village:** Erected a 100,000-litre OHT (₹ 21.02 Lakh), supporting 4,822 villagers.
- **Vallimaduram, Mangalur Union:** Established a 60,000-litre OHT (₹ 4.50 Lakh), aiding 3,222 people.
- **Ma Pudaiyur, Mangalur Union:** Constructed a 100,000-litre OHT (₹ 25.23 Lakh), benefitting 5,606 individuals.
- **Elamangalam, Titakudi:** Set up a 100,000-litre OHT (₹ 11.73 Lakh), reaching 4,837 people.

Borewells and Water Channel Enhancements:

- **Kotteri Panchayat:** Installed a drinking water borewell (₹ 7.12 Lakh), serving the local village.
- **Sengal Odai and surroundings:** Improved water channels, and constructed box culverts and RCC vents (₹ 154.20 Lakh), benefiting 4,500 people and supporting irrigation for 2,450 hectares of land.

Flood and Water Management Projects:

- **Siruymalai Village:** Built a check dam across Periya Odai (₹ 819.00 Lakh), aiding the general public.
- **Peria Odai flood protection:** Implemented comprehensive flood protection measures (₹ 837.00 Lakh), benefiting 10,000 people across Ivanur, Pulivalam, Perumaulai, Sevveri, Sirumulai, Pudhukkulam, Naavalur, Sathanatham, Nidhinatham, and Melur villages.

Outcome & Impact

- **Enhanced Water Access:** Improved water storage with capacities ranging from 30,000 to 100,000 litres in multiple locations, providing reliable access to safe drinking water for approximately 38,000 people.
- **Agricultural Support:** Enhanced irrigation infrastructure supports farming activities across 2,450 hectares, benefiting local agriculture and food security.
- **Flood Protection:** Comprehensive flood protection projects safeguard 10,000 people and their livelihoods, reducing flood risks and enhancing community resilience.
- **Community Well-being:** The various projects collectively address water scarcity, improve living conditions, and bolster public health through reliable and safe drinking water access.

SDG Linkage:

3. Health and Sanitation – ₹ 313.10 Lakh

During FY 2023-24, ₹ 313.10 Lakh was allocated for improving access to safe drinking water and sanitation facilities:

Swachhata Initiatives:

- Rajasthan state: Undertook cleanliness projects at two Swachh Iconic Places (SIP), investing ₹ 50.38 Lakh.

Toilet Construction:

- Kattukudalur School, Cuddalore District: Built toilets costing ₹ 8.48 Lakh, benefiting 290 students (147 boys and 143 girls).
- Peripheral villages of Mine-I A: Erected 6 toilets at a cost of ₹ 35.48 Lakh, supporting 8,100 residents of Vanathirayapuram, Thenkuthu, and Kallukuzhi villages.
- Govt. Primary School, Basi (Siyagan): Constructed toilets, a tin shed, a hall, and a smart classroom for ₹ 4.09 Lakh, aiding 100 students.
- Govt. Elementary School, Vanathirayapuram: Built classrooms and a toilet for ₹ 15.63 Lakh, benefiting 35 students.
- NUPPL has constructed 80 prefab toilet blocks in various railway stations of Northern Railways with a budget of ₹ 20.02 crore and a toilet complex is constructed in NUPPL entrance arch gate at Ghatampur with a budget of ₹ 17.15 Lakh

Hygiene and Health Care:

- NLCIL Schools, Kendriya Vidyalaya, and Education Department: Improved hygiene and health care facilities for ₹ 149.04 Lakh, benefitting 4,500 students.
- Talabira villages: Provided equipment for door-to-door waste collection for ₹ 49.70 Lakh, serving local communities around the Barsingsar Project.

Outcomes & Impact

- **Toilet Facilities:** New and improved toilet facilities support over 8,500 individuals, including students and the general public.
- **Health and Hygiene:** Upgrades in NLC Schools and other educational institutions benefit 4,500 students, promoting better health and learning environments.
- **Swachhata Initiatives:** Improved cleanliness in two iconic places, contributing to enhanced public health and environmental standards.
- **Waste Collection:** Door-to-door waste collection services benefit local villages, improving sanitation and waste management.
- **Infrastructure Development:** New classrooms and facilities support 135 students across various schools, enhancing their learning conditions.

SDG Linkage:

4.Promoting Education and Employment Enhancing Skills – ₹ 1062.52 Lakh

During FY 2023-24, ₹ 1062.52 Lakh was invested to advance education and skill development:

Classroom Construction:

- **PUMS Pazhaiyar and PUMS Kadaikkan Vinayaga Nallur:** Built two classrooms costing ₹ 40.59 Lakh, supporting 443 students (Pazhaiyar: 250 students, Kadaikkan Vinayaga Nallur: 193 students).
- **Govt. Boys Hr. Sec. School, Kurinjipadi:** Constructed four classrooms for ₹ 31.67 Lakh, benefiting 462 boys.
- **PUMS Adayapalam, Arani:** Built two classrooms for ₹ 29.40 Lakh, aiding 150 students.
- **Govt. Primary School, Bhom Hemsingh:** Constructed a classroom at a cost of ₹ 7.90 Lakh, benefiting 50 students.
- **Govt. Sr. Sec. School, Sahneewal Nokha:** Built a classroom for ₹ 8.26 Lakh, supporting 500 students.
- **Govt. Sr. Sec. School, Rajedu, Shree Dungargarh:** Constructed a classroom for ₹ 8.26 Lakh, benefiting 500 students.
- **Govt. Sr. Sec. School, Sujandesar:** Built a classroom with smart class facilities for ₹ 5.57 Lakh, aiding 500 students.

Library and Additional Facilities:

- **Govt. High School, Melakuppam Village:** Constructed a library, toilet, and compound wall for ₹ 10.09 Lakh, supporting 150 students.
- **Bithnok Community Hall:** Built a library for ₹ 11.81 Lakh, benefiting 100 students.
- **Mahatma Gandhi English Medium School, Barsingsar:** Added infrastructure and classrooms for ₹ 9.60 Lakh, aiding 600 students.
- **Govt. School, Swaroopdesar:** Improved infrastructure for ₹ 11.26 Lakh, supporting 150 students.

Other Educational Facilities:

- **Govt. High School, Mathur/West Thanjavur:** Constructed toilets, compound wall, classrooms, and painted classrooms for ₹ 0.87 Lakh, benefiting 172 students.
- **Govt. School, Kathazhai:** Upgraded infrastructure for ₹ 3.78 Lakh, benefiting students.
- **Parvathipuram Library, Vadalur:** Improved facilities for ₹ 5.38 Lakh, serving the local community.

Skill Development and Financial Support:

- **Lab Equipment for Annamalai University:** Reimbursed ₹ 98.43 Lakh for lab equipment for Mining Engineering students.
- **Tribal Education Support:** Provided ₹ 78.30 Lakh for quality education in Odisha, benefiting tribal students in Malkangiri District.
- **Smart Board and Generators:** Supplied smart boards and generators to PMS Hr. Sec. School for speech and hearing Impaired for ₹ 11.31 Lakh, aiding 95 students.

Scholarships and Educational Kits:

- ₹ 10.72 Lakh worth Scholarships distributed to 123 meritorious girl students.
- Provided kits to 89 1st standard girl students under the Beti Padhao scheme for ₹ 1.98 Lakh.

Skill Development Programs:

- **Atma Deepam Society, Nagpur:** Provided ₹ 9.00 Lakh to support 70 visually challenged unemployed youth.
- **Vivekananda Institute, Hyderabad:** Granted ₹ 7.00 Lakh to support 70 youths with vision impairment.
- **Santhigiri Ashram:** Contributed ₹ 3.00 Lakh for skill training in Ayurveda and Panchakarma for 5 underprivileged youth.
- **Gram Vikas Society, Karnataka:** Invested ₹ 19.05 Lakh in fashion design training, benefiting 1,200 women.
- **Annamalai University:** Upgraded facilities for Diploma in Mining course with ₹ 48.62 Lakh, benefiting students and the skill development center.
- **National Power Training Institute (NPTI):** Provided ₹ 15.48 Lakh for job-oriented courses, aiding 49 students, including land acquisition beneficiaries and project-affected persons.

Outcomes and Impact

- **Classroom Expansion:** Enhanced learning environments for over 3,500 students across various schools through the construction and upgrade of classrooms and facilities.
- **Libraries and Facilities:** Improved educational resources for 1,050 students through new libraries and enhanced school facilities.
- **Lab Equipment and Scholarships:** Enabled advanced training for Mining Engineering students and provided scholarships to 123 meritorious girls.
- **Special Needs Support:** Enhanced educational resources for 95 students with speech and hearing impairments and supported visually challenged youth.
- **Tribal Education:** Benefited tribal students in Odisha, promoting quality education in remote areas.
- **Skill Development:** Facilitated skill enhancement and job readiness for over 1,300 individuals through targeted training programs.

SDG Linkage:

5. Promoting Gender Equality - ₹ 119.99 Lakh

NLCIL has spent ₹ 119.99 Lakh during FY 2023-24 under review, for distribution of sewing machines to 2,000 widows in Titakudi consituency, Cuddalore District.

Outcome & Impact

Empowered 2000 widows

SDG Linkage:

6. Ensuring Environmental Sustainability - ₹ 13.62 Lakh

Financial assistance for on-grid solar plants.

Outcomes and Impact

Promoted renewable energy usage.

SDG Linkage:

7. Protection of National Heritage, Art and Culture - ₹ 154.19 Lakh

Contributions towards cultural festivals, providing systems for media, and renovating town halls.

Outcomes and Impact

Supported cultural heritage and media.

SDG Linkage:

8. Measures for the Benefit of Armed Forces Veterans, War Widows, and their Dependents - ₹ 5.00 Lakh

Contributions to the Armed Forces Flag Day Fund.

Outcomes and Impact

Benefitted children of ex-servicemen and war-widows.

SDG Linkage:

9. Promoting Rural Sports - ₹ 46.39 Lakh

Upgradation of gym facilities, organizing sports meets, and development works in villages.

Outcomes and Impact

Promoted sports and physical activities in rural areas.

SDG Linkage:

10. Rural Development - ₹ 88.15 Lakh

Road construction, beautification projects, and patchwork.

Outcomes and Impact

Improved infrastructure and quality of life in rural areas.

SDG Linkage:

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Flood Relief

In response to one of the most severe flooding crises experienced by Chennai due to incessant and heavy rainfall following the Michaung cyclone, NLC India Limited (NLCIL) proactively mobilized a dedicated team to support the Chennai Corporation's mitigation efforts. This team, composed of senior officers, employees, and contract workers, was equipped with 16 specialized high-capacity de-watering pumps, typically utilized in NLCIL's lignite mines.

The NLCIL team collaborated closely with the Chennai Corporation to alleviate waterlogging in various areas, including Ambattur, Velacheri, Thiruverkadu, Nazarathpet, and Valasaravakkam. Through their concerted efforts, approximately 5.12 million cubic feet of water was successfully pumped out using NLCIL's mining pumps. Following a week of rigorous operations, Shri. Prasanna Kumar Motupalli, Chairman and Managing Director of NLCIL, commended the nearly 70-member team for their swift and dedicated response, expressing pride in NLCIL's ability to rise to the occasion.

Beach Cleaning Activity by NLCIL team in Chennai

SDG alignment

Natural Capital

Material Issues

- Air Emissions
- Resource Availability
- Renewable Energy
- Operational Efficiency and Plant reliability
- Water and effluent Management
- Biodiversity preservation
- Climate strategy

Interlinkage with Capital

- Manufactured
- Social
- Intellectual
- Financial
- Human

At NLCIL, we prioritize sustainable development and integrate a mindset of resource conservation into every facet of our operations. By focusing on sustainability, we aim to meet the needs of our diverse stakeholders, while minimizing our environmental impact. This commitment drives us to implement innovative technologies, improve efficiency, reduce waste, and conserve natural resources. Through transparent governance and proactive environmental stewardship, we strive to balance economic growth with ecological responsibility, ensuring a positive legacy for future generations.

FY 2023-24 Highlights

Energy Conservation for FY 2023-24 – 2,44,17,395 kWh

Planted a total of 1,50,005 trees in FY 2023-24

The Emissions avoided due to Renewable electricity consumption – 6,824 tCO_2e

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Driving Environmental Responsibility in Mining and Power Generation

NLCIL is committed to implementing environmentally friendly practices in both mining and power generation. In line with India's net-zero target for 2070, we are diligently working to minimize our emissions and environmental impact. We have adopted advanced pollution control devices and clean technologies accompanied by and effective monitoring and reporting system to continuously improve our environmental performance. By implementing energy efficiency initiatives, we have successfully reduced our energy intensity.

In addition to these efforts, we are actively identifying opportunities for carbon capture. By exploring and investing in carbon capture technologies, we aim to reduce our greenhouse gas emissions significantly. This is an essential step in our journey towards a more sustainable future and aligns with global efforts to combat climate change.

Furthermore, NLCIL is in the process of drafting a comprehensive strategy in line with the Science Based Targets initiative (SBTi) Net Zero standard. This strategy will ensure that our decarbonization efforts are scientifically grounded and aligned with best practices. It will also provide a clear pathway for us to meet India's net-zero commitments and contribute to global sustainability goals.

To guide and oversee our sustainability initiatives, we have established an Environmental, Social, and Governance (ESG) Committee. This committee is responsible for setting strategic priorities, monitoring progress, and ensuring that our operations adhere to high standards of corporate responsibility. The ESG Committee plays a critical role in integrating sustainable practices into our business operations and fostering a culture of transparency and accountability.

Additionally, we focus on efficient water management practices to ensure responsible and sustainable water usage within our operations. Our waste management strategies aim to minimize waste generation, promote recycling, and ensure proper disposal, thereby reducing the environmental impact associated with waste.

Conserving biodiversity is a key priority for us, and we are actively committed to preserving and protecting the diverse ecosystems in and around our facilities. To promote biodiversity, we conduct comprehensive studies on the abundant flora and fauna present in our campus. This research helps us gain a deeper understanding of the ecological diversity in our surroundings and identify effective ways to protect and enhance habitats for various plant and animal species.

Through these efforts, we strive to adopt a more sustainable and environmentally responsible approach to our mining and power generation activities. Looking ahead, we are dedicated to creating management systems that will enable us to effectively monitor our progress. This will help us align our performance with objectives that promote positive environmental outcomes. Ultimately, our goal is to implement comprehensive and sustainable practices across all areas of our company.

Emissions

As a responsible entity in the mining and power generation sector, we acknowledge our responsibility to contribute to the nation's climate change mitigation efforts by reducing greenhouse gas (GHG) emissions. We are steadfast in our commitment to minimizing the intensity of GHG emissions from our power generation activities. Our decarbonization strategy is focussed on several key levers:

i. Enhancing operational efficiency
ii. Implementing targeted emission reduction programs
iii. Investing in research and development, and
iv. Supporting afforestation projects through our corporate social responsibility (CSR) efforts.

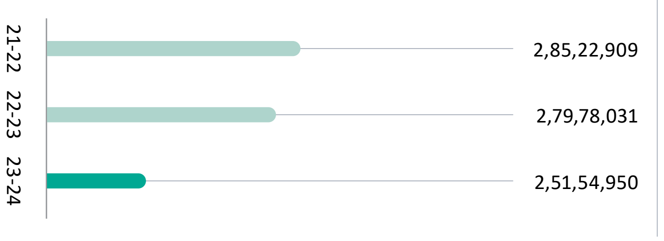
We are continuously focusing our efforts on addressing emissions across all three scopes.

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 and company owned vehicles.

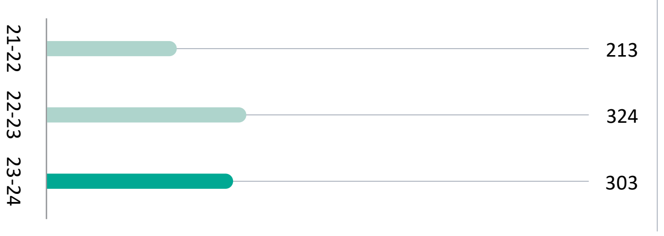
Scope 2 Emissions: Scope 2 includes indirect emissions associated with the generation of purchased electricity, heat, or steam consumed by the organization. In our case, it involves emission from our regional offices through purchased grid electricity.

Scope 3 Emissions: Scope 3 emissions are indirect emissions that occur throughout the organization's value chain, including both upstream and downstream activities. We are currently in the process of identifying relevant scope 3 categories and collecting data for the same.

Scope 1 Emissions (tCO_2e)



Scope 2 Emissions (tCO_2e)



Emission Intensity 0.00024 tCO_2e/₹ turnover

Emissions avoided due to renewable electricity consumption 6,824 tCO_2e

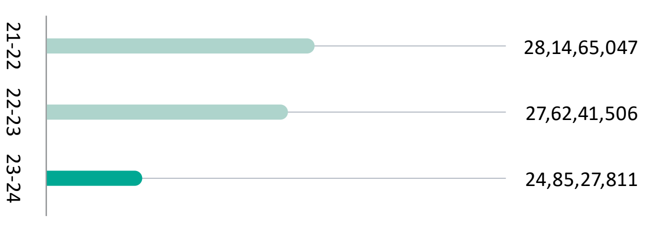
Exploring opportunities for Carbon Capture

NLCIL is actively identifying opportunities for carbon capture. We are advancing our commitment to emission reduction by focusing on an electrochemical process-based carbon capture technology. A Memorandum of Understanding with Annamalai University is in progress to facilitate this innovative research. The primary objective is to technically evaluate the electrochemical process for optimal CO_2 capture efficiency and purity. The research will initially involve laboratory-level experiments at the university. These studies aim to establish a Technology Demonstration Model at NLCIL. This model will be used to assess the performance of the technology in real-time scenarios. Through this initiative, NLCIL aims to make significant strides in reducing its carbon footprint.

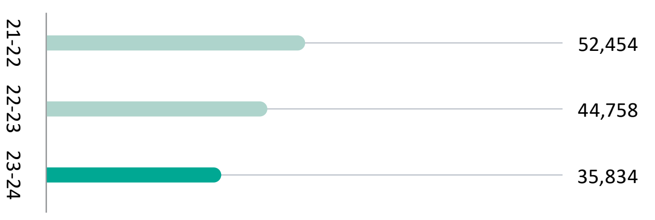
Energy Management

Energy conservation is crucial for us, serving both to reduce our operating costs and to align with our sustainable consumption strategy, which emphasizes preserving national energy reserves. To achieve this, we have implemented a range of energy-saving initiatives and integrated renewable energy solutions. These efforts have led to enhanced operational efficiency and reduced environmental impact.

Direct Energy (GJ)



Indirect Energy (GJ)



Energy Intensity 0.00236 GJ/ Re turnover

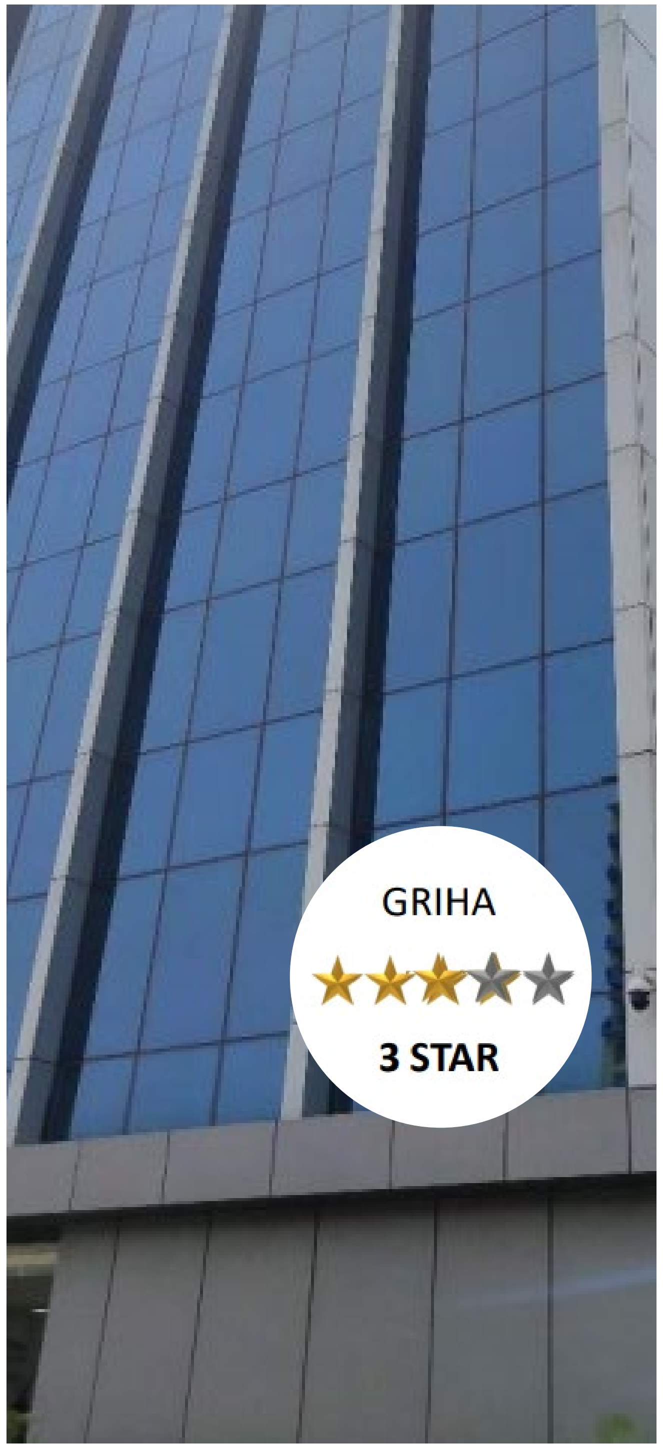
Renewable electricity out of total electricity consumed (Excluding Auxiliary Consumption)

95.75%

Energy conserved due to efficiency initiatives 2,44,17,395 kWh

Our Energy Efficiency Initiatives-

- During the year 2023-24, NLCIL saved around 8,21,110 units of energy from installation of LED lights
- Energy efficient coating was made on the pumps which resulted in energy conservation of around 3,67,683 units of energy.
- The header pressure of the Conveying Air Compressor (CAC) was reduced from 2.7 bar to 2 bar by removing restriction orifices, resulting in annual savings of 43,800 kWh.
- Power Optimisation in the Mills has resulted in saving of 18,92,480 units of energy over the year.
- Due to several optimisation initiatives including air leaks management, swirler damper adjustments and other efficiency measures, Power generation increased by 20 MW per unit, with day PLF consistently above 100% and Unit heat rate decreased by 18 Kcal/kWh, saving about 60 tonnes of lignite per day.
- Operations and Maintenance activities including optimization of DM Plant, turning off the water spray pumps in the Air Washer Units (AWU) of the AC system, Running the system in sliding pressure mode when it's at the lowest possible operational level, among others have lead to energy saving of 66,69,000 units.
- In mines, Dynamic load conveyor system has been introduced to reduce the running time of conveyor drive head motors.
- Wherever required for general lighting, LED lamps have been introduced. In total 5246 Nos of LED lights were fixed replacing conventional bulbs.
- Capacitor banks are being introduced in a phased manner for Bucket wheel Excavators, MTC and spreaders, which will lead to improvement of power factor and reducing reactive power energy losses.
- Variable Voltage Variable Frequency (VVVF) drives are in service in SMEs & conveyors.
- 367 Nos of conventional ceiling fans were replaced with energy efficient Bush Less DC Motor (BLDC) Fans.



Case Study: NLC Chennai Office - GRIHA 3 Star Rating

We are happy to share that our Chennai office has been awarded a prestigious GRIHA 3 Star rating. This recognition reflects our commitment to sustainability and our efforts to create an environmentally friendly and energy-efficient workspace.

Site Planning & Construction Management

At our Chennai office, we have implemented several measures to ensure responsible site planning and construction management. Over 34.70% of the site surfaces visible to the sky have been treated with soft paving, shaded by trees, and covered with high Solar Reflectance Index (SRI) tiles on the rooftop. We have also taken precautions to minimize environmental impact during construction, including the provision of a 3-metre-high barricade, a gravel bed, coverage of fine aggregates, and an impervious platform for hazardous materials. Additionally, we have increased the plantation of native species by over 25% compared to the preconstruction phase, further enhancing the site's ecological value.

Energy Efficiency

Our office has achieved a remarkable 36% reduction in Energy Performance Index (EPI), with the base case being 90 kWh/sqm/year and the design case at 57.46 kWh/sqm/year. This was made possible through the integration of high-performance systems and the implementation of astronomical timer control for 100% of the outdoor lighting system. Furthermore, we have managed to offset 8.77% of our energy consumption by installing a solar photovoltaic system with a capacity of 10.4 kWp.

Occupant Comfort

Ensuring the comfort of our occupants is a priority. We are proud to report that 72.42% of the regularly occupied spaces in our office are day-lit, meeting the daylight factor standards as prescribed by SP 41. This not only enhances the well-being of our employees but also reduces our reliance on artificial lighting.

Water Efficiency

In terms of water management, we have demonstrated a reduction of 70.65% from the GRIHA base case of 2,105.6 KL to the design case of 617.98 KL in building water demand. This significant decrease was achieved by installing efficient low-flow fixtures. Additionally, by planting native vegetation, we have reduced landscape water demand by 90%, from 317.13 KL to 31.31 KL, compared to the GRIHA base case.

Sustainable Building Materials

We have also focused on using sustainable building materials, achieving a 31.04% reduction in the project's embodied energy by incorporating AAC blocks in masonry. The flooring materials used in the project include vitrified tiles, kota stone, granite, FSC-certified wooden flooring, and ceramic tiles, all chosen for their sustainability and durability.

This GRIHA 3 Star rating is a testament to our dedication to creating a sustainable and eco-friendly work environment. We're proud of the steps we have taken and will continue to prioritize sustainability in all our future projects.

Green Initiatives: National Energy Conservation Day (14th December 2023)

The day is being observed to raise awareness about energy conservation and encourage collective action against climate change. We called on our employees to show their support, which they did by participating actively in awareness programs. Banners were displayed in company and township premises, and competitions such as quizzes and essay writing were organized for school children, college students, employees, their spouses, and contract employees. These initiatives aimed to highlight the importance of energy conservation to people in and around the area. Our commitment to making a positive impact on the world remains strong, and we will continue to take proactive measures to tackle pressing global climate issues.

Renewable Energy:

The Government of India's goal is to reach a renewable energy capacity of 500 GW by 2030. NLCIL has set an ambitious target to contribute 10,110 MW to this goal by 2030 through various renewable energy projects across Tamil Nadu and other states, contingent on their technical and commercial feasibility. NLCIL also intends to be involved in solar park projects initiated by different state governments. Currently, NLCIL operates 1,380 MW of solar power plants in the southern districts of Tamil Nadu and the Andaman & Nicobar Islands, as well as a 51 MW wind power plant in the Tirunelveli district of Tamil Nadu. NLCIL has the distinction of being the first Central Public Sector Enterprise to surpass a capacity of 1 GW and has now joined the International Solar Alliance (ISA) as a member.

Collaborations for Renewable Energy:

Over the past year, we established two wholly owned subsidiary companies to strengthen our commitment to renewable energy and sustainable development. The first, NLC India Renewables Limited (NIRL), was incorporated to focus on monetizing our existing renewable energy (RE) assets, optimizing their value and ensuring efficient asset management. The second subsidiary, NLC India Green Energy Limited (NIGEL), was created with a forward-looking mission to lead the company's future renewable energy initiatives. NIGEL will play a crucial role in exploring and implementing new projects in the renewable sector, thereby expanding our portfolio and advancing our sustainability goals.

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In a significant move towards diversifying our energy mix, we have signed a Memorandum of Understanding (MoU) with Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) to form a joint venture. This partnership aims to establish a combined capacity of 125 MW thermal and 1000 MW solar power plants, marking a notable step towards increasing our green energy contributions.

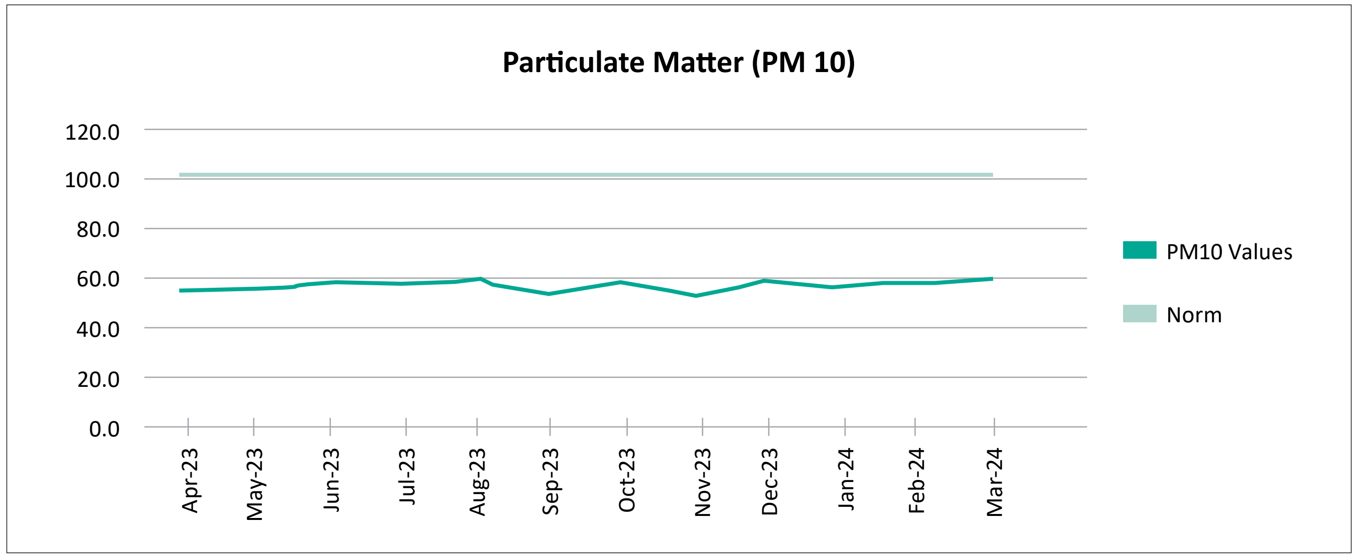
Further, NIGEL has secured a Power Purchase Agreement (PPA) with Gujarat Urja Vikas Nigam Limited (GUVNL) for a 600 MW solar power project located in the Gujarat State Electricity Corporation Limited's (GSECL) Solar Park at Khavda, Gujarat. This agreement is a key milestone in our expansion into the solar energy sector, underscoring our commitment to harnessing sustainable energy sources. The project not only enhances our renewable energy capacity but also aligns with our vision of contributing to a greener and more sustainable future.

Looking ahead, NLCIL plans to significantly expand its renewable energy capacity from 1,431 MW to 10,110 MW by 2030, with various solar and wind projects already in the pipeline. Currently, 2,110 MW of RE projects are under implementation. Our strategic focus on renewable energy reflects our recognition of the need to diversify and mitigate risks associated with the thermal energy sector. We are particularly well-positioned as many of our projects are located in Tamil Nadu, a region experiencing substantial industrial growth.

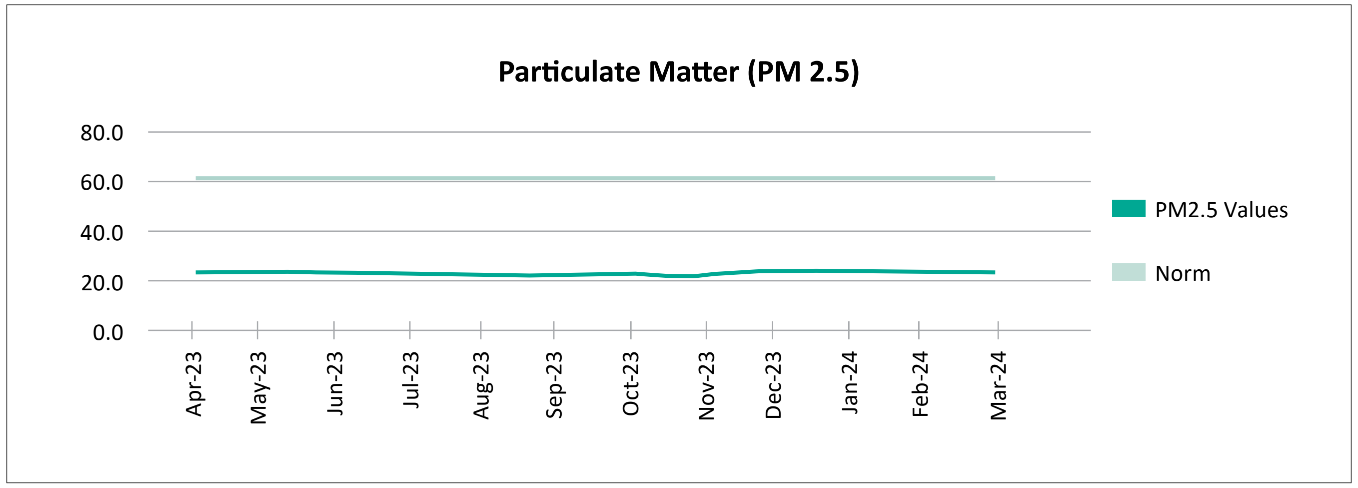
As NLCIL transitions from a company traditionally centred on fossil fuel mining and thermal energy production to a leader in green energy, we are proud to announce a landmark achievement. We have become the first Central Public Sector Enterprise (CPSE) to establish renewable energy plants with a combined capacity of over 1 gigawatt across the nation. This accomplishment highlights our dedication to driving the nation's shift towards a sustainable and environmentally friendly energy landscape.

Air Emissions

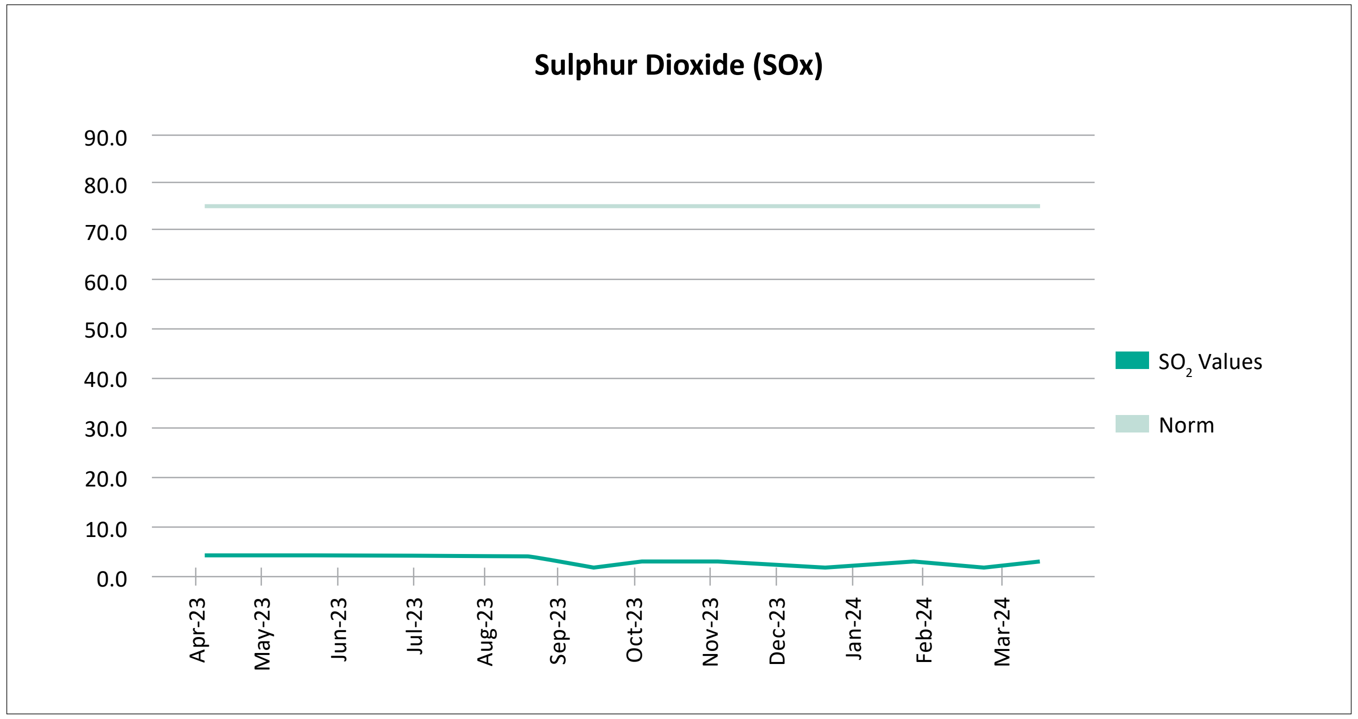
We have diligently worked to minimize our air emissions by adopting advanced technologies and continuous monitoring systems. The primary pollutants we emit include fine and coarse Particulate matter (PM), sulphur oxides (SOx), and nitrogen oxides (NOx), which arise from activities such as digging, drilling, transporting lignite or coal, managing storage yards and haul roads, releasing stack emissions, and handling and moving fly ash. To closely monitor these emissions, we have installed real-time tracking systems across all operational areas for particulate matter, SO_2, and NOx in flue gases. In addition, the State Pollution Control Board (SPCB) regularly performs ambient air quality assessments, which are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL).



All units in $\mu g/m^3$



All units in µg/m³



All units in µg/m³

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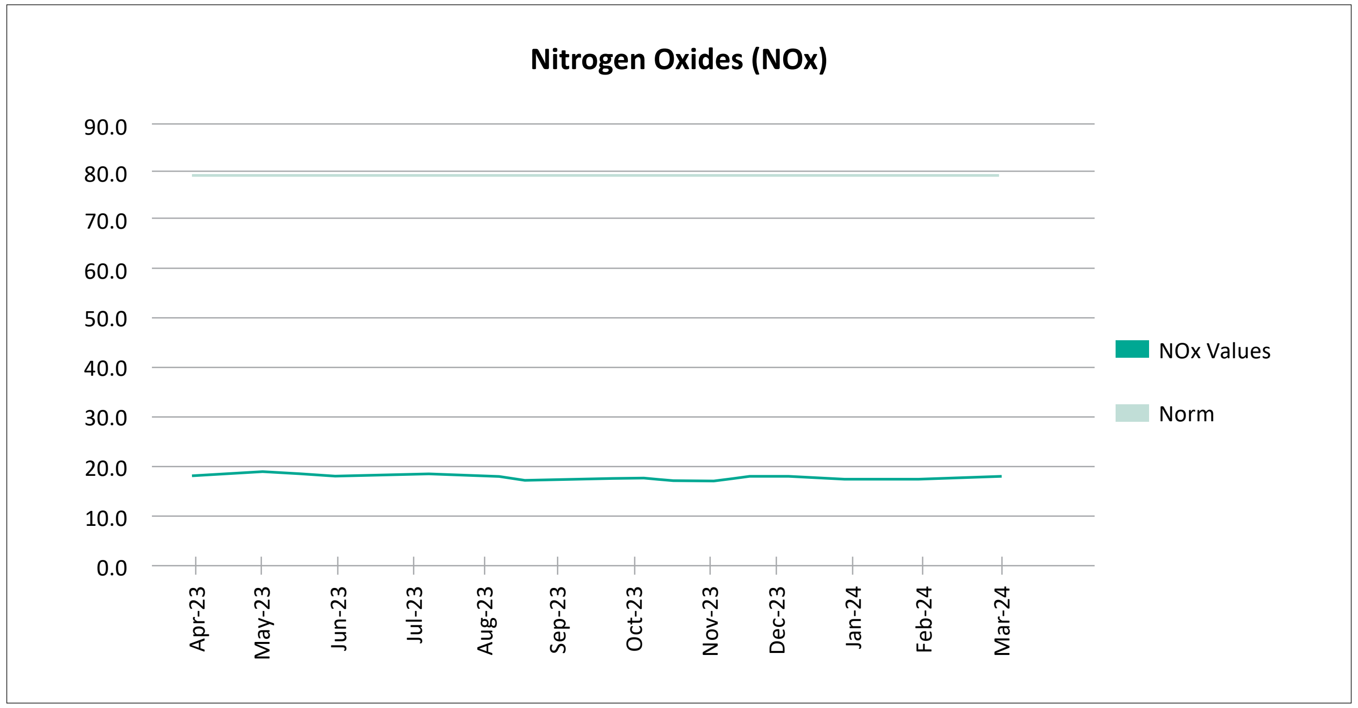

All units in µg/m³

To meet the air quality guidelines set by the National Ambient Air Quality Standards (NAAQS) of 2009 and the coal mining regulations specified in Notification No. GSR 742(E) dated September 25, 2000, industries in the vicinity have adopted a range of control strategies. These strategies are designed to reduce emissions of dust and other pollutants to enhance the air quality. Here is a summary of the control measures in place:

Installation of Water Sprinkler/Fog Systems: Water sprinkling and fogging systems have been strategically placed to control dust emissions. These systems release a fine spray of water that assists in settling dust particles, thereby reducing their spread into the atmosphere.

Haul Road Water Sprinklers: Water sprinklers are deployed on haul roads to mitigate dust production caused by vehicular traffic. The application of water helps to suppress dust dispersion, thereby aiding in the enhancement of air quality.

Conveyor Water Spraying: Water spray systems are used on conveyor belts to reduce dust emissions. This approach helps to decrease the amount of dust entering the air and keeps air quality within regulatory limits.

Working Face Water Spray Pipelines: Water pipelines are set up at the mining site's active areas to reduce dust during digging and loading. These pipelines prevent dust from spreading into the air.

Fixed Water Sprinkler Guns in Bunker Area: Permanent water sprinklers are placed where coal is stored. They dampen the coal to cut down on dust and maintain air quality standards.

Fog Cannon Dust Suppression System in Coal Stock Yard: Fog cannons are used in the area where coal is stored in large quantities. They create a mist that covers a large area, effectively keeping dust levels low and enhancing air quality.

Wet Drilling: Wet drilling techniques are utilized, incorporating water into the drilling process to control dust emissions. This method is effective in reducing air pollution and promoting a cleaner working atmosphere.

Electrically Operated Belt Conveyor System: This reduces pollution and carbon emissions by removing the dependence on diesel-powered vehicles. This leads to fewer emissions and better use of energy.

Electrically Operated Bucket Wheel Excavators (BWE): Using electric Bucket Wheel Excavators (BWEs) helps to lower the carbon impact from mining operations. These electric-powered machines replace the conventional diesel engines, leading to reduced emissions and cleaner functioning.

Transition to Circulating Fluidized Bed Combustion (CFBC) Boilers: The updated and larger thermal power stations in Neyveli and Barsingsar have switched from pulverized fuel burning to using Circulating Fluidized Bed Combustion (CFBC) boilers. These CFBC boilers are more thermally efficient and emit less sulphur dioxide (SO_2), and nitrogen oxides (NOx), which lessens their environmental footprint during power production.

Implementation of Super Critical Boilers: The new coal-powered power projects in Ghatampur, Uttar Pradesh, are installing supercritical boilers that can generate 660 megawatts (MW). These boilers use fuel more efficiently and produce less carbon dioxide (CO_2), which leads to better performance and a smaller carbon footprint.

Electric Vehicles for Public Movement: NLCIL has introduced electric vehicles for transportation in hospital zones, temple areas, nearby locations, and within the NLCIL campus. This initiative has brought down emissions from conventional vehicles.

Dust Suppression and Fugitive Emission Control: Methods to control dust are in place by creating green spaces in coal storage areas and around mining locations. Techniques for controlling air pollution, like the Agglomerated Dust Suppression System (ADSS), water jets, and sprinkler systems, are used to efficiently handle scattered emissions.

Electrostatic Precipitators (ESPs) and Flue Gas Desulfurization (FGD): Electrostatic Precipitators (ESPs) with an efficiency of over 99% are installed in all power plants to filter out ash particles from the exhaust gases. Moreover, the process of setting up Flue Gas Desulfurization (FGD) systems is in progress to meet the updated emission standards established by the Ministry of Environment, Forest and Climate Change (MoEF&CC).

Through these control strategies, the industrial sites are working to reduce dust emissions and adhere to the set air quality norms. These actions help lessen the environmental effects of coal mining and support a cleaner environment for employees and the local population. Together, these efforts help cut down on pollution, enhance energy use, and shrink the carbon footprint, all in line with sustainable growth and protecting the environment.

We have established an Environmental Monitoring System through an Environment Cell at both the unit and corporate levels to monitor and ensure compliance with Environmental Clearance (EC) and Forest Clearance (FC) conditions. As part of this commitment, we regularly send compliance reports on EC/FC conditions to the MOEF&CC, SPCB/CPCB, adhering to the required guidelines.

Following the amendments to the Environment (Protection) Act, 1986, the standards for water consumption and emissions from power plants have become more stringent. These include limits on Particulate Matter (PM 2.5 & PM 10), Sulphur Dioxide (SO2), Oxides of Nitrogen (NOx), and Mercury (Hg) for both existing and new thermal power plants. In response, we are actively working on installing Flue Gas Desulphurisation (FGD) systems to meet these updated regulations.

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Water and effluent management

We are dedicated to managing water resources in a responsible and sustainable way within our operations. By continuously improving, using water efficiently, and adopting water treatment methods, we aim to reduce our environmental footprint and preserve this vital resource.

As conscientious water users, we understand its essential role in our business activities. We take appropriate actions to conserve water and reduce our impact on water sources. In Neyveli's lignite mines, the presence of water in the pressurized aquifer requires careful management through efficient pumping to maintain safe mining practices. Most of the water extracted from the mines is used in the Thermal Power Station, and the water that seeps out is channelled to nearby communities for farming and household use. This seepage water is also used to control dust in the mining areas.

We understand that mining near water sources can potentially affect these sources through pollutants entering the groundwater or surface water.

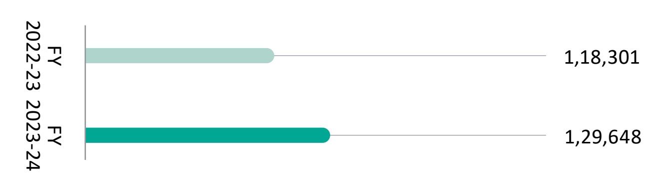
To manage water resources well, we carefully watch and adjust our daily pumping activities. We have set up wells across the mines to keep track of water levels and quality. The water quality is shared with the Pollution Control Board and other authorities.

We regularly carry out several measures to handle groundwater effectively including:

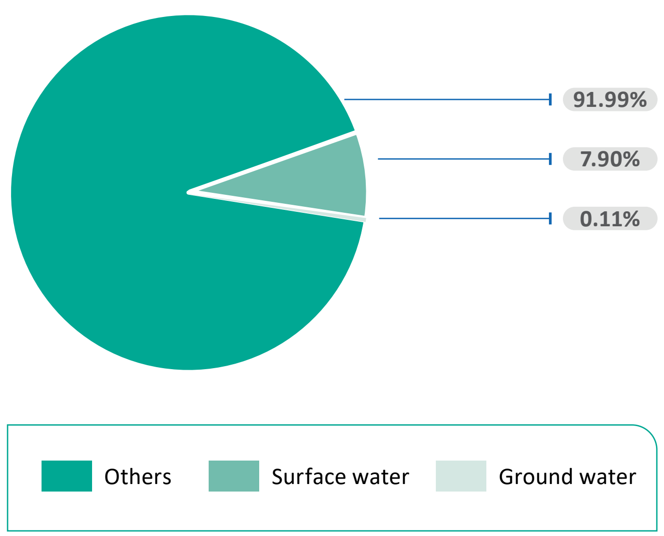
- Building of observation wells with the Central Ground Water Board to monitor local groundwater.
- Collection of detailed information on water quality, the amount of water pumped, and weather to create a water balance report.
- Undertaking several studies to assess surface and groundwater better.
- Test pumping for new mining areas to understand groundwater conditions and improve pumping methods.
- Conducting of groundwater modelling studies to develop an optimal pumping plan.
- Preparation of compliance reports to the Ministry of Environment, Forest and Climate Change (MoEF & CC) about groundwater management.
- Creation of recharge areas around the mines with structures like check dams and wells to help replenish groundwater.

With these actions and sustainable water management, we are dedicated to responsibly maintaining and using groundwater in the Neyveli lignite mines and power plants.

Total volume of water withdrawal (ML)



Water Sources



Water consumption Intensity 0.00000086 ML/₹ turnover

Our water sources include surface water from lakes, groundwater, and treated mining water, all in compliance with relevant regulations. The rise in water usage is due inclusion of Talabira mines. To reduce wastewater, we use our own Sewage/Effluent Treatment Plants positioned strategically. We strictly follow the wastewater discharge criteria set by the State Pollution Control Board, meeting all legal requirements. Our main goal is to keep water quality within the set standards for Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), and Total Dissolved Solids (TDS).

The amount of wastewater we produce comes from household sources and activities like vehicle cleaning. To address these issues, we prioritize the careful monitoring and management of two main wastewater types: blow down water and wash water from our thermal power plants. We take proactive steps to reduce their environmental impact. To manage suspended particles from groundwater leaks and surface runoff, we've built wells and weirs along the canal. Our Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) ensure proper treatment of waste water. Additionally, we reuse the treated water from these facilities within our industrial areas for irrigation, landscaping, greenbelt creation, and industrial cleaning.

We ensure precise tracking of water use and wastewater output by thoroughly analysing raw water meter readings, STP/ETP outlet readings, and other key data, always in strict compliance with regulatory standards.

Case Study: Mine Water Utilization (Drinking and Agriculture):

We are committed to the sustainable growth of villages near our project sites. Our three active mines, Mine-I, Mine-IA, and Mine-II, have built a canal network to distribute mine water for farming and household use.

At Mine-II, the Eastern Garland Canal transports water to the Paravanar river, irrigating fields in Kolakudi, Valeramide, Kathazhai, Karunkuzhi, Nainarkuppam, and Madhuvanaimedu villages.

At Mine-IA, water flows into local streams called "Sengalvodai," watering areas in Kalkunam, Vanathirayapuram, Thenkuthu, Reddypalayam, and Parvathipuram villages. Some water from Mine-IA is also sent to Chennai for drinking on demand basis.

Mine-I channels water into western canals designed for irrigation, benefiting Vadakuvellore, Ammeri, Adhandarkollai, Seerankuppam, Seplantham, and Mettukaupaam villages.

In total, around 40 villages benefit from our mines' water, irrigating 25,000 acres and enabling farmers to grow three crops annually. We also supply a substantial amount of water to Chennai for drinking.

To maintain water flow, we regularly desilt the canals and streams, aiding local agriculture. Our dedication to sustainability supports the economic and social prosperity of the communities we serve.

NLCIL has committed to supply 6,500 gallons per minute (GPM) (15.51 MCMPY) from its Neyveli mines for 20 years for the Combined Water Supply Scheme (CWSS) of TWAD Board (Tamil Nadu Water Supply and Drainage) for drinking water distribution to six town panchayats and 625 villages in Cuddalore District, Tamil Nadu.

Around 6 MCMPY supplied to support Chennai City's year-round drinking water needs.

Waste Management

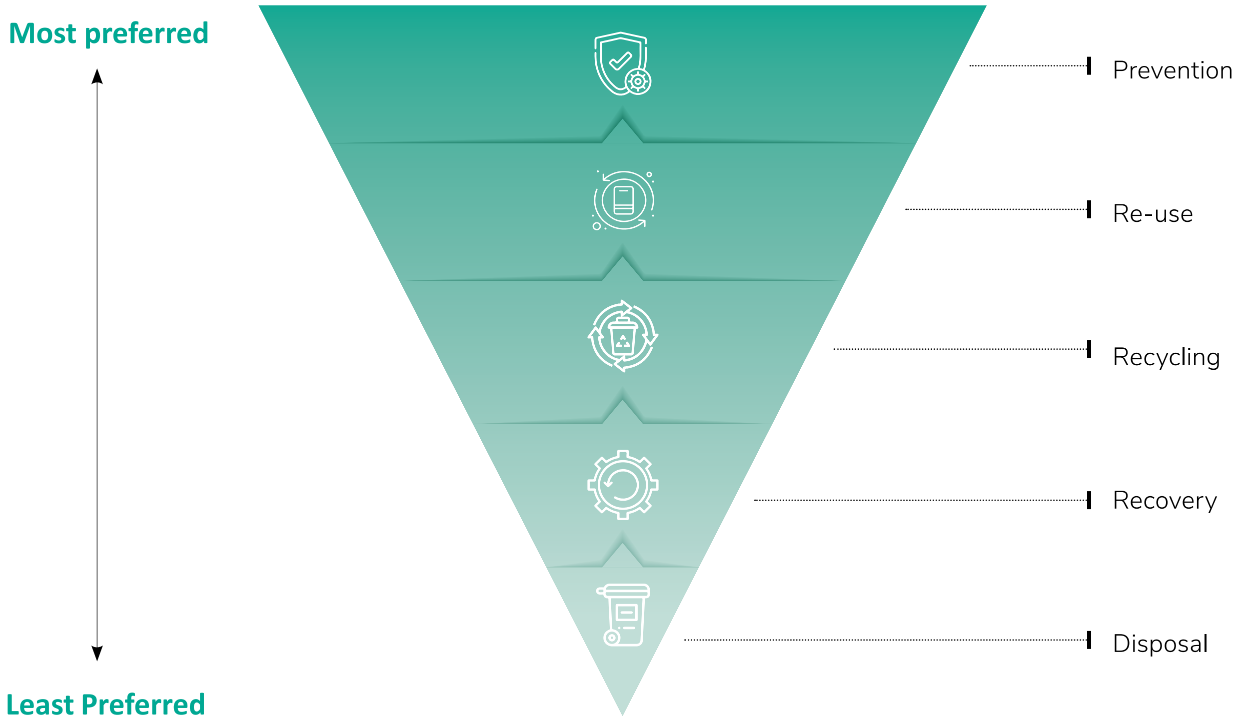
At NLCIL, our commitment is to manage and dispose of all waste from our facilities in a way that is eco-friendly, ethically sound, and economically feasible. We aim to use resources efficiently and reduce the amount of waste that needs to be discarded. When disposal is unavoidable, we ensure full compliance with all applicable laws and regulations.

NLC is proud to achieve 100% fly ash utilization, significantly reducing environmental footprint. This milestone not only underscores NLCIL's dedication to environmental stewardship but also highlights the company's innovative approach to waste management and resource optimization. Our subsidiary, NTPL, was honoured with the National Environment Excellence Award on June 7th, 2023, by the Council of Enviro Excellence in New Delhi. This award recognizes NTPL's exceptional performance and outstanding achievements in fly ash utilization.

We have implemented a thorough waste management strategy that adheres to the principles of the circular economy and meets all relevant waste management laws. Our strategy emphasizes avoiding waste creation and enhancing sustainable waste management by prioritizing prevention, reduction, reuse, and recycling.

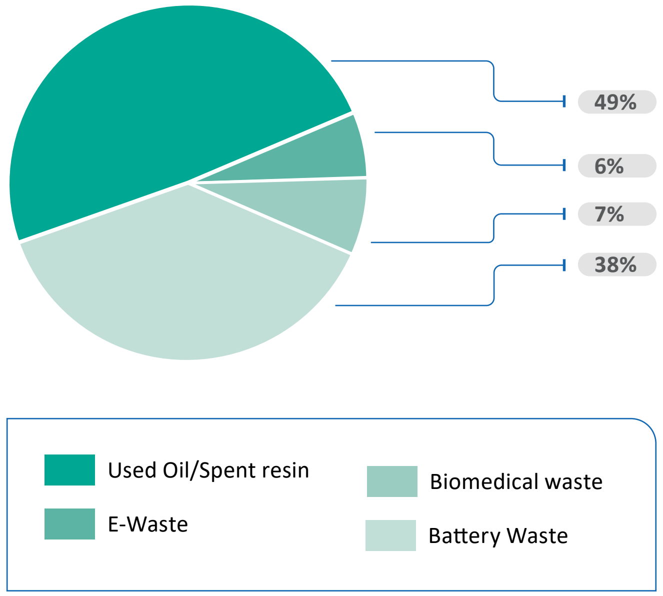
NLCIL is implementing OB to M-Sand Project at its mines in Neyveli aligning with MoC's push for sustainable practices and the "Waste to Wealth" concept. This processed sand, derived from leftover overburden (topsoil) during lignite mining, offers a sustainable alternative to natural river sand, minimizing environmental impact on river ecosystems.

NLC is proud to achieve 100% fly ash utilization, significantly reducing its environmental footprint



Our comprehensive waste management strategy encompasses the collection, sorting, transport, treatment, recycling, and disposal of different types of waste. We prioritize separating waste at the source during collection and actively educate community members to support proper waste disposal. The Township Administration division of NLCIL has established a strong waste management system that includes banning plastics, streamlining garbage collection, and promoting effective waste sorting. The handling and disposal of hazardous and non-hazardous waste produced by power plants are controlled by specific regulations and our internal waste management guidelines. We have introduced various initiatives to improve waste management at the point of origin:

- Solid Waste source collection by e-vehicle is being undertaken with awareness creation and encouragement of the public/employees to segregate waste at source.
- Organic waste is converted into compost and used to improve soil quality in areas where mining has occurred.
- Recycled plastic waste is broken down and incorporated into construction projects within our residential areas.
- Hazardous materials, electronic waste, and batteries are carefully separated and stored in specially assigned areas.
- Waste materials are responsibly disposed of through certified recycling centres, processing partners, or repurchase agreements at a shared disposal site.
- Medical waste is sorted at the point of generation and taken to the closest certified waste management centre.
- Non-hazardous materials like fly ash are fully utilized by partnering with businesses that make bricks, cement, and other related products.



Waste generation Intensity 0.0000000015 MT/₹ turnover

Case Study – "Punaruthan Charkha Udyan" park, created as part of "Wealth from waste" campaign

In October 2023, we at NLC India Limited participated in the Swachh Bharat Special Campaign 3.0, focusing on cleanliness and transforming waste into wealth. One of our key initiatives, as outlined by the Ministry, was identifying scrap materials for disposal and planning space management to enhance and beautify our surroundings..

As part of this effort, we took a unique approach to space management by reclaiming a garbage dump area and transforming it into a beautiful green space. This new park, named "Punaruthan Charkha Udyan," spans 36,000 sq.ft. and stands as a testament to our commitment to circular economy. "Punaruthan Charkha Udyan" features impressive models and sculptures, including representations of the Archer and animals including Deer, Lion, crafted entirely from scrap materials sourced from our mines. These creations symbolize self-sufficiency and freedom. The park also boasts other captivating sculptures, such as bike, tree, among others to attract children and create awareness on waste management.

This innovative park embodies the essence of Special Campaign 3.0 by NLCIL, showcasing our dedication to creating green spaces through the positive use of repurposed materials. It highlights our ongoing commitment to cleanliness, sustainability, and environmental protection, contributing to the national drive for a cleaner and greener India.

Biodiversity Preservation:

At NLCIL, we are deeply committed to the idea that sustainable development and environmental conservation, such as protecting biodiversity, are fundamentally linked. We recognize that our economic progress must be balanced with the need to protect the environment. Therefore, we are dedicated to ensuring that our impact on nature is positive, aiming to contribute more to the environment than we use.

We perform detailed evaluations of the environmental impact for all our projects, following the guidelines set by the Ministry of Environment, Forest, and Climate Change (MOEF&CC). We strictly adhere to the insights gained from this research to safeguard and maintain these vital ecosystems.

Area of Land reclaimed - 181.82 ha

Land Reclamation:

We are actively restoring areas affected by mining by reshaping overburden dumps into green spaces suitable for wildlife and vegetation from the early stages of mining. We have successfully rehabilitated a significant portion of the land, planting trees to create lush landscapes.

In addition to these efforts, we have established deer parks, enhancing the region's biodiversity. These parks, complemented by the creation of numerous man-made lakes across the mining sites, now serve as habitats for a variety of plant and animal life, enriching the local ecosystem.

Eco-Tourism

In the afforested areas of the mines, artificial lakes have been formed, serving as natural bowls for rainwater collection. These lakes span a total area of 46 hectares across all three mines. Surrounding the lakes, the areas have been transformed into parks and picnic spots, featuring flowering trees, fruit trees, and rest shelters. Additionally, these parks have become sanctuaries, attracting migratory birds and enhancing the ecological value of the region.

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 primary objective of this research was to create a foundational dataset to serve as a benchmark for subsequent investigations in avian research. This study aimed to gather data on the diversity of birdlife across various seasons, offering critical understanding of the behaviour and distribution patterns of avian species within the ecosystems examined.

In Neyveli, the avifaunal study revealed a remarkable blend of indigenous and migratory bird species. The research identified a total of 107 bird species, with 77 of these being land birds and the remaining 30 associated with wetland environments. These birds came from a variety of 42 land bird families and 17 wetland bird families, showcasing Neyveli's rich bird diversity and its ecological value.

Out of all the bird species observed, 104 were listed as "least concerned" on the IUCN Red List of 2016, meaning they are not currently at significant risk in their natural settings. However, three species were noted as "near threatened," indicating they could face potential decline without proper conservation actions. The presence of these near threatened species highlights the need for protective measures to preserve these birds and their habitats.

Maintaining the variety of bird life in Neyveli is important for the well-being of future generations, as it adds to the area's overall natural diversity and helps keep the environment in balance. It's essential to understand the conservation needs of these birds and to take active steps such as planting more trees, restoring, and creating wetlands, and raising public awareness and education to protect these species for the long-term benefit of the ecosystem and future generations.

Ashy Crowned Sparrow Lark
Eremopterix griseus
Habitat: Mine-I Township view Lake and Mine – IA Lake-VI

Ashy Drongo
Dicrurus leucophaeus
Habitat: Mine-I Township view Lake and Mine – II Viewpoint Lake

Ashy Prinia
Prinia socialis
Habitat: Mine-I Township view Lake and Township

Black Kite
Milvus migrans
Habitat: Mine II – Boat house lake

Asian Green Bee-Eater
Merops orientalis
Habitat: Township, Mine-II View point lake

Black-Headed Munia
Lonchura malacca
Habitat: Mine-II Viewpoint Lake

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Asian Koel
Eudynamys scolopacea
Habitat: Township

Common Cuckoo
Cuclus canorus
Habitat: Mine-II Viewpoint Lake and Township

Eurasian Golden Oriole
Oriolus oriolus
Habitat: Mine-II Viewpoint Lake and Township

Indian Roller
Coracias benghalensis
Habitat: Mine-II Viewpoint Lake, Township

Gret Francolin
Francolinus pondicerianus
Habitat: Mine-II Viewpoint Lake, Mine- I Township view lake

House Swift
Apus affinus
Habitat: Mine-II Viewpoint Lake, Mine- I Township view lake

Contribution to Wildlife restoration

NLCIL has contributed significantly to wildlife conservation efforts by depositing ₹ 2.00 crore with the Hirakud Divisional Forest Officer. This funding is part of a site-specific wildlife conservation plan for the NTTPP (Neyveli Thermal Power Plant) and is earmarked for the restoration and enhancement of the Sambalpur Zoo. The initiative aims to improve the zoo's infrastructure and facilities, creating a better environment for the animals and enhancing the visitor experience. This contribution reflects our commitment to supporting local wildlife and promoting biodiversity conservation in the region.

Afforestation efforts

At NLCIL, we've started nurseries within our community to grow seeds, seedlings, and plants. These nurseries are key to our own planting and gardening projects. We work with experts to plan our planting schedules, decide how long to maintain them, work out the budget needed, and estimate how many trees will survive. Through these actions, we are working to increase our green spaces and improve the health of our environment. This year across our operations and subsidiaries we have planted 1,50,005 trees saplings.

NLCIL carried out "Studying the suitability and selection of tree species for mine spoils in NLCIL Mines in Neyveli", through Tamil Nadu Agricultural University, Mettupalayam, Coimbatore, Tamil Nadu. Study was completed and the report was submitted in March 2024. As per the recommendations, plantation works are being carried out.

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A Transformative Commitment to Environmental Stewardship

Mission LiFE (Lifestyle for Environment) is a groundbreaking global movement spearheaded by India, designed to inspire individuals and communities to take meaningful action in safeguarding our planet. Rooted in India's rich cultural legacy of sustainability, this initiative highlights the vital importance of conserving our natural resources and coexisting harmoniously with the environment.

NLCIL has passionately embraced this mission, engaging in a variety of dynamic events and activities aimed at fostering positive behavioral shifts towards healthier, eco-friendly lifestyles.

1. Empowering Change through Awareness and Education

Mission Life Action Category addressed: E-Waste Reduction, Single use plastic reduction, Energy Saved, Water Saved, and Healthy Lifestyles.

Seminars and Workshops: NLCIL has hosted a series of engaging seminars and workshops focused on lifestyle changes that promote environmental conservation. These interactive sessions have sparked vibrant discussions on energy and water conservation, waste management, and sustainable food systems, empowering participants to become champions of change.

Training on Environmental Management: A comprehensive certification program on Environmental Management Systems was launched, equipping NLCIL employees with essential knowledge of national environmental laws and regulations. This initiative aims to elevate their expertise in environmental stewardship.

Environmental Management Systems training

Awareness Program: An awareness program was organized by the Corporate Environment Cell on the topic "Sustainable Resources & Material Management for Minimization of Plastic Utilization." This program featured an eminent guest speaker who highlighted the importance of reducing plastic usage and managing resources sustainably.

2. Inspiring the community through Outreach programs

Mission Life Action Category addressed: Healthy Lifestyles, Single use plastic reduction, Sustainable Food system, Waste Reduced, E-Waste Reduced, Water Saved, and Energy Saved.

NLCIL marked World Environment Day with a series of impactful activities, all aimed at promoting environmental awareness and sustainability:

Distribution of Cloth and Jute Bags: As part of the initiative to reduce single-use plastics, NLCIL distributed cloth and jute bags to the public. This initiative was highly welcomed and supported by the community, reinforcing the importance of sustainable practices.

Quiz Programs: To further raise environmental awareness, seed pencils were distributed, and quiz programs were conducted. These activities emphasized the significance of conserving and protecting our environment. The theme, "Solution to Plastic Pollution," resonated deeply with participants, aligning with the global #beatplasticpollution campaign.

Eco Mini Marathon and Bi-Cycle Rally: In a bid to champion healthy living, NLCIL organized an Eco Mini Marathon and Bi-Cycle Rally. These events drew enthusiastic participation from employees, students, and the broader community, underscoring the collective commitment to environmental sustainability.

Bicycle Rally

3. Driving Transformation through Conservation measures and Innovation

Mission Life Action Category addressed: E-Waste Reduction, Single use plastic reduction, Energy Saved & Water Saved

Energy and Water Conservation: Through hands-on training sessions, participants learned practical strategies for energy and water conservation, such as implementing smart meters, repairing leaks, and utilizing water-efficient technologies. They were motivated to turn off appliances when not in use and explore public transport or carpooling options.

E-Waste and Food Waste Minimization: Awareness programs targeted the reduction of e-waste and food waste, promoting practices like recycling, repairing electronics, and composting. Specialized training was provided to canteen staff to minimize food wastage, reinforcing the importance of mindful consumption.

Cultivating a Greener Future: We have embraced the power of tree planting as a catalyst for positive change, inculcating the habit of tree plantation among employees during significant environmental observances such as World Water Day and International Day of Forests.

The greenbelt development undertaken by NLCIL serves as a natural carbon sink, actively sequestering atmospheric carbon dioxide and releasing oxygen. This green oasis not only enhances the aesthetic appeal of the industrial units but also provides a rejuvenating environment for employees, fostering a sense of well-being and connection with nature.

Waste to Wealth: NLCIL has taken a creative approach to waste management by inaugurating a Waste to Craft Park. This innovative initiative showcases the transformation of industrial waste materials into unique and captivating craft items.

By encouraging employees and the public to reuse and recycle their products, NLCIL promotes a circular economy and instills a sense of environmental responsibility. The Waste to Craft Park serves as a powerful example of how waste can be turned into a valuable resource.

The ash generated from Thermal Power Plants is gainfully utilised by utilisation in bricks, blocks and cement industries.

Inauguration of Continuous Ambient Air Quality Monitoring Systems (CAAQMS): New CAAQMS units were inaugurated in all the thermal units of NLCIL, Neyveli, in the presence of Director/ Power, Joint Chief Environment Engineer/TNPCB, and other senior executives of NLCIL. These systems are crucial for monitoring and maintaining air quality, ensuring compliance with environmental standards.

Through these transformative initiatives, NLCIL is redefining corporate environmental leadership. By advancing green practices and championing sustainability, the company not only enables a healthier environment but also ignites a powerful wave of eco-conscious behavior among employees and communities. Together, we are forging a legacy where every action nurtures our planet's well-being and inspires a brighter, greener future for generations to come.

Waste to Craft Park

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	GRI 303-4	Water discharge	Section C: Principle 6, Essential indicator 3	Water and Effluent Management	124
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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	-
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	-
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Directors' Report

Dear Members,

It is indeed my proud privilege on behalf of our Board of Directors to present the 68th Director's Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2024 and the reports of Statutory Auditors and Comptroller and Auditor General (C&AG) of India.

Major Highlights

The Financial Year (FY) 2023-24 has been a year of good achievements for your Company with all-round performance. The significant highlights of achievements during the financial year 2023-24 are as follows:

Coal and Lignite Production

- All time Highest ever Coal & Lignite Production of **36.32 MT**
- Highest ever Coal Production of **12.64 MT** from Talabira Mine, since inception
- Highest ever Coal Dispatch of **11.76 MT** from Talabira Mine, since inception
- All time Highest Ever Lignite Production from Barsingsar Mines of **2.10 MT**
- All time Highest Ever Lignite Production from Mine-IA of **5.59 MT**

Energy Generation

- All time Highest Ever generation in a year TPS-II Expansion at **2,153.41 MU**
- Out of 27.10 BU Power generation, green power constitutes **2.10 BU**
- Highest ever power per day generation on 27.03.2024 by Andaman 20MW (BESS) plant since inception, i.e, 0.1 MU with CUF of 20.2%

Recognitions

- NLCIL Mines has been awarded with **13** Five Star Rating Awards for the exceptional performance of Coal and Lignite mines. Mine-II and Mine-I adjudged as No.1 Mines in the country for the years 2020-21 and 2021-22.
- NNTPS (2x500 MW), TPS-I Expansion (2x210 MW) and Barsingsar TPS (2x 125 MW) secured top 3 positions on Plant Load Factor (PLF) among all operating Lignite based Power Stations in India.

Financial Highlights

- CAPEX achieved during the year is **₹4,270 Crore** i.e. 148% against the MoU target of ₹2,880 Crore.
- Share price of the Company reached all time highest of **₹311.80** per share on 16th July, 2024 with Market Capitalization of ₹432 billion.

Expansion and new ventures

- Your Company has incorporated Two Wholly owned Subsidiary Companies Viz., NLC India Renewables Limited (NIRL) and NLC India Green Energy Limited (NIGEL) to pursue existing asset monetisation of RE projects and to undertake future renewable energy projects of the Company respectively.
- Your Company won the North Dhadu (West) Coal Mine (3.0 MTPA) in Latehar district, Jharkhand under commercial coal mining auction. This is the first commercial coal mine won under competitive bidding.
- PPA signed between NLC India Green Energy Limited & Gujarat Urja Vikas Nigam Limited (GUVNL) for **600 MW** SPP in GSECL's Solar Park at Khavda, Gujarat.
- MoU signed with Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) for formation of Joint Venture to setup Thermal and Solar power plants in Rajasthan
- Letter of Award issued to Bharat Heavy Electricals Limited (BHEL) for Talabira Thermal Power Project (3x800 MW) EPC contract for a value of **₹ 18,255 Crore**.
- Government of India has approved implementation of Pachwara South Coal Block (PSCB) Project by Neyveli Uttar Pradesh Power Limited (NUPPL), at an estimated capital cost of **₹ 2,242.90 Crore**.
- Your Company successfully completed the long pending issue of permanent diversion of Paravanar river for advancement of Neyveli Mine II.
- Emerged as successful bidder for Machhakata Coal Mine (30 MTPA) in Angul district of Odisha. This is the second commercial coal mine won under competitive bidding.

Operational Performance

Mining – Lignite

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.

During the FY 2023-24, the total overburden (OB) removed in the Lignite Mines was 1380.63 Lakh Cubic Metre (LM^3) as against 1453.17 LM^3 removed in the year 2022-23. The Lignite Production in the year under review was 236.80 Lakh Tonne (LT) as against 235.30 LT during the year 2022-23.

The Raw Lignite Sales (RLS) to TAQA (IPP) and direct sales in the open market during the year 2023-24 was 15.74 LT & 6.86 LT as against 12.34 LT & 8.84 LT, respectively achieved in the year 2022-23.

Mining – Coal

Your Company is also operating open cast Coal mines in Talabira II & III at Odisha, with a mining capacity of 20.0 MTPA.

During the FY 2023-24, the total overburden (OB) removed in Coal Mines was 131.80 LM^3 as against 80.08 LM^3 in the year 2022-23.

The coal production achieved was 126.41 LT as against 100.26 LT during the year 2022-23, with an increase of 26.08%.

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 126.41 LT as against the target of 120.00 LT.

Your Company is also taking all out efforts to augment the Coal production from 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, which is a 89:11 Joint Venture of NLC India Limited (NLCIL) & Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

Ministry of Coal (MoC), Govt. of India on 19.02.2021 has enabled the Talabira II & III OCP Mine for sale of excess Coal directly after meeting the requirement of End Use Plant. Further, on 02nd November, 2021, 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.

The Coal sales from the Talabira Coal Mines during the year under review was 117.62 LT as compared to 98.98 LT during the year 2022-23.

The total lignite and coal mining capacity of your Company is 50.10 MTPA.

The coal production achieved was 126.41 LT as against 100.26 LT during the year 2022-23, with an increase of 26.08%.

Power

The total power generation capacity of the Company as on 31st March, 2024, including renewables is 5,071.06 MW and for NLCIL Group is 6,071.06 MW (including the capacity of NTPL, the Subsidiary Company).

During the FY 2023-24, the total Power Generation (Gross) was 21,643.87 Million Units (MU) as against 24,152.81 MU, during the FY 2022-23. The Power Export during the year 2023-24 was 18,890.09 MU as against 21,281.99 MU in the year 2022-23. Out of the above, the Power Generation through Renewable Energy constitutes for 2,100.10 MU during the year as against 2,194.55 MU during the FY 2022-23.

The Power Surrender during the FY 2023-24 was 612.08 MU as against 622.28 MU during the FY 2022-23 out of which revenue earned from URS sales is ₹ 21.32 Crore (Sale of 68 MU) as against ₹ 94.64 Crore (Sale of 220.70 MU) during the FY 2022-23.

The total power generation of the NLCIL group including NTPL was 27,106.21 MU as against 30,082.80 MU during the FY 2022-23.

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Productivity

The output per man-shift achieved during the year 2023-24 are given below:

Product	Unit	2023-24
Lignite	Tonne	17.33
Power	KwHr	36,478

Financial Performance

During the year 2023-24, your Company on a Standalone basis had registered a revenue from operations of ₹10,518.64 Crore as against ₹12,955.00 Crore during the year 2022-23. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2023-24 were ₹2,787.89 Crore and ₹1,846.58 Crore respectively, as against ₹1,724.15 Crore and ₹1,248.24 Crore respectively during the previous year 2022-23.

On a consolidated basis, the total revenue from operations for the year 2023-24 was ₹12,999.03 Crore as against ₹16,165.24 Crore in 2022-23.

The consolidated PBT and PAT for the year 2023-24 were ₹2,881.64 Crore and ₹1,867.57 Crore respectively as against ₹2,055.79 Crore and ₹1,426.10 Crore respectively in the year 2022-23.

The details of profit earned for the financial year 2023-24 and appropriation of the same are as follows:

(₹ Crore)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	10,518.64	12,955.00	12,999.03	16,165.24
Profit Before Tax	2,787.89	1,724.15	2,881.64	2,055.79
Tax Provision	941.31	475.91	1,014.32	630.66
Profit/(Loss) for the Period (PAT)	**1,846.58**	**1,248.24**	**1,867.57**	**1,426.10**
Appropriation				
Transfer (to)/ from Interest Differential Fund Reserve	(1.98)	(4.33)	(1.98)	(4.33)
Transfer (to)/ from PRMA Reserve Fund	3.58	(14.29)	3.58	(14.29)
Transfer to Contingency Reserve	(10.00)	(10.00)	(10.00)	(10.00)
Dividend (Interim / Final)	(485.33)	(416.00)	(485.33)	(416.00)

Shareholding of Government of India (GoI)

The shareholding of the President of India as on 31.03.2024 in the Company is 72.20%. During the Financial year 2023-24, the promoter of the Company, The President of India, acting through Ministry of Coal, Government of India had offered for sale of upto 97,064,562 equity shares which is 7.00% of the total paid up equity shares of NLC India Limited, through OFS - Stock Exchange mechanism. Further, 43,713 shares representing 0.00436% of the paid-up equity share capital of the Company were also offered to the employees of the Company under OFS. Out of that 100 shares were accepted and allotted through the Employee OFS.

The number of shares and percentage of shares held by the Promoter before and after the disinvestment done through Offer for Sale were 109,82,21,224 equity shares (79.20% of the paid-up equity share capital) and 100,11,56,662 equity shares (72.20% of the paid up equity share capital) of the Company.

Dividend

For the year 2023-24, the Board of Directors of your Company had paid an Interim Dividend of 15% of paid up share capital (₹ 1.50 Per equity share). Further, your Board has also recommended a final dividend of 15% of paid up share capital (₹1.50 per equity share) subject to the approval of the shareholders. The total dividend for the year 2023-24 including Interim Dividend already paid is 30% of paid up share capital and the same works out ₹416.00 Crore.

Transfer to Reserve

There is no amount proposed to be transferred to any specific Reserves.

MOU Parameters

During the year 2023-24, 1951 vendors had sought permission to get registered in TReDS Portal compared to only 36 vendors during the previous year 2022-23 and your Company had accepted all the 1951 requests and all got registered in TReDS portal. So far, 1987 vendors have been registered in the TReDS portal. At the same time, your Company is also registered in TReDS portal to undertake the transactions facilitating 100% acceptance of invoices uploaded by the registered vendors through the portal.

PROJECTS UNDER IMPLEMENTATION

The details of projects under implementation are as under:

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

Your Company had participated in the Wind & Solar Hybrid RfS floated by SECI and emerged as a successful bidder for 150 MW with a quoted tariff of ₹2.34/Unit. LOA has been received from SECI to this effect and PPA has been signed.

For 50 MW Wind, LOA has been issued to INOX on 1st February, 2024 and land lease agreement has been signed. For 100 MW Solar, LOA has been issued to Enerture Technologies Private Limited on 26th February, 2024. Further activities are under progress.

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 in Gujarat and 10 MW in Neyveli for Smart City.

Your Company has issued LoA to Tata Power Solar Systems Ltd. (TPSSL) for 300 MW Solar Power Project at Barsingsar and erection, piling & fencing works are under progress. PPA signed with RUVNL for 300 MW. For remaining 200 MW, Consent received from Telangana State on 30th June, 2023 and award has been placed on 16th October, 2023 on successful bidder KOSOL Energie Private Limited.

Ground Mounted Solar Power Project (10 MW) at Neyveli was commissioned on 30th October, 2023 at a capital cost of ₹42.94 Crore.

GSECL - Solar Park, Gujarat (600 MW)

GUVNL floated tender for installation of 800 MW Solar power project with Greenshoe option at Gujarat State Electricity Corporation Ltd (GSECL) Solar Park, Khavda, Gujarat. Your Company has won 300 MW on 01st July, 2023 and further, your Company accepted offer for additional 300 MW under Greenshoe option. Letter of Award (LoA) was received on 03rd August, 2023, procurement of BoS, Modules and other activities are under progress.

50 MW Solar at Mined out Area

For installation of 50 MW Solar power projects in Reclaimed area of Mine-II, Neyveli, LoA has been issued for module procurement & BoS package. Geo-technical investigation commenced & Infrastructure development work at site are under progress.

810 MW Solar in Rajasthan Area

Your Company has won 810 MW of Grid Connected Solar Power project under competitive bidding in the tender floated by RRVUNL for development in Pugal Solar Park, Bikaner, Rajasthan. Letter of Intent (LoI) was received from RRVUNL on 3rd October, 2023. Pre tendering activities are under progress.

NLC Talabira Thermal Power Project (3 X 800 MW)-Phase-I

NLC Talabira Thermal Power Project (NTTPP), a coal based thermal power project of capacity 2400 MW 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 ₹ 27,212.96 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 2,400MW power from this project has already been signed with TANGEDCO (for 1,500MW), Puducherry DISCOM (for 100MW), KSEB Kerala (for 400MW) and GRIDCO Odisha (for 400MW).

The EPC contract has been awarded to BHEL on 12th January, 2024. BHEL started topography survey and soil investigation in Project Area. The first Unit of the project is scheduled to be commissioned in 52 months from the date of issue of Notice To Proceed (NTP) and the other units with a gap of 6 months each. The land acquisition for the project is in progress.

Thermal Power Station II 2nd Expansion

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. 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 1320 MW from this proposed project. However, Ministry of Power (MoP) has allocated 1,081.69 MW to TANGEDCO and 40.31 MW to Puducherry Electricity Department. Land for the project is already in possession of your Company. Consent to Establish is also available. EPC Tender has been floated on 01st October, 2022.

Meanwhile, there is no bid submission by the bidders due to issues in technology associate tie up for 660 MW supercritical lignite fired unit configuration. Hence, Initiatives for FR preparation is in progress for two units of 500 MW as per the directives of MoP.

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 that 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 in each Mine under Build Own & Operate (BOO) Model.

Considering the potential of aggregates (M-Sand) as mentioned above and its growing demand, one 0.42 MTPA Capacity plant was commissioned in Mine IA and trial run was taken on 01st April, 2024. Govt. of Tamil Nadu accorded approval for the product quality on 31st July, 2024. Permission from Govt. of Tamil Nadu for use of overburden is awaited.

Further, order has been issued for setting up of M-Sand Plant of 1 MTPA capacity in Mine-I on 12th June, 2024. Commercial operation from this plant is expected from June 2025.

Lignite to Methanol

As a diversification initiative, your Company has taken initiative to set up the Lignite to Methanol (LTM) Project utilizing the lignite from Neyveli Mines with a plant capacity of 1,200 Tonnes per Day (TPD) on Lump Sum Turnkey (LSTK) mode, at an estimated cost of ₹4,395 Crore.

Engineers India Limited (EIL) has been appointed as the Project Management Consultant for this Project. NLCIL has entered into engineering service agreement with licensor Air Products. GTE has been floated for LEPC-1 (Gasification Block) and for LEPC-2 (Methanol Synthesis Block). Tender for LEPC-1 was cancelled on 1st April, 2024 due to significantly higher quote and retendering is under process. Bid for LEPC-2 was opened on 31st May, 2024 and techno-commercial evaluation is under progress.

Mine-III (11.5 MTPA)

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 of obtaining all necessary approvals for commencement of mining project is in progress. The project is expected to commence its operations by the year 2027. MoC has accorded In principal approval for the mining plan and Mine Closure Plan (Modification) of Mine-III on 23rd July, 2024. Administrative approval from GoTN for Land Acquisition is in process.

Commercial Mining

North Dhadu (Western Part) Coal mine (3.0 MTPA)

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 of coal.

Tentative capacity of the coal mine is 3.0 MTPA. Vesting Order issued on 14th December, 2023. MoC issued notification u/s 4(1) of CBA(A&D), 1957 on 29th May, 2024. Further activities of obtaining Statutory approvals, Preparation of Mine Plan & Mine Closure Plan, obtaining Environment Clearance are under progress. The coal will be sold on commercial basis.

Machhakata (Revised) Coal Mine (30.0 MTPA)

Your Company has participated and emerged as successful bidder for Machhakata (Revised) Coal Mine in Angul district of Odisha on 04th July, 2024. The mine has a potential normative production capacity of 30.0 MTPA. Your company signed CMDPA with MoC on 15th July, 2024. Geological Report & Mine Plan preparation works are under progress.

Consultancy Services for selection of MDO

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. NLCIL floated tender for selection of MDO on 14th September, 2023 & bid was opened on 22nd April, 2024. As no bidders participated, the tender was cancelled and the same was intimated to UPRVUNL. Based on the request received from UPRVUNL, your Company suggested way forward and further activities are under progress in this regard.

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 development of 500 GW of Renewable Energy (RE) capacity by 2030, your Company is 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.

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.

In lignite mining, your Company proposes to operate Mine-III (11.5 MTPA) in Neyveli, Tamil Nadu with TPS-II Second Expansion as linked end use plant and Bithnok Lignite Mine (2.25 MTPA) in Bikaner district of Rajasthan, thereby envisaging an aggregate lignite mining capacity of 41.35 MTPA by FY 2029-30.

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.

In the Coal Sector, through NUPPL, its subsidiary, your Company is developing the Pachwara South Coal block in the state of Jharkhand, with a capacity of 9.0 MTPA with Ghatampur Thermal Power Plant (3 x 660 MW) as end use plant. Your Company has entered into commercial mining of coal through successful bids for North Dhadu (Western Part) Coal mine in Latehar District of Jharkhand with the tentative capacity of 3 MTPA and Machhkata (Revised) Coal Mine (30.0 MTPA) in Angul district of Odisha. Thereby envisaging an aggregate coal mining capacity of 62.0 MTPA including Talabira II & III OCP (20.0 MTPA). The Mining Capacity would reach 104.35 MTPA by FY 2029-30.

With the recent developments in Renewable energy sector and the strategic importance of the critical minerals required for RE, your Company is in the process of participating in upcoming auctions and envisions achieving a critical mineral mining capacity of 1.0 MTPA by FY 2029-30.

Total CAPEX projected for FY 2025-30 for the mining projects is estimated above ₹15,226 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 at Tuticorin, Tamil Nadu. On implementation of two Coal based Thermal Power Projects viz GTPP (NUPPL) of capacity 1,980 MW (3X660 MW), 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 1,000 MW (2X500 MW), the power generation capacity would reach 10,020 MW. The Projected CAPEX for FY 2025-30 for the Thermal Projects is estimated to the tune of ₹ 53,487 Crore.

On the Renewable front, by the year 2030, your Company plans to increase its capacity from 1,431 MW to 10,110 MW by implementing various Solar & Wind Projects. At present 2,110 MW of RE projects are under implementation. The Projected CAPEX for FY 2025-30 for Renewable Energy is ₹44,918 Crore. The Total Installed Power Capacity would reach 20,130 MW.

Diversification Projects

Your Company 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, 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. Feasibility report of some of these projects are under preparation. The Projected CAPEX for FY 2025-30 for Diversification projects is ₹11,223 Crore.

The total capital expenditure for mining, power generation and diversification businesses has been estimated to cross ₹1.25 Lakh Crore by the year 2030.

SUBSIDIARIES /JOINT VENTURES:

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 2023-24, the total Power Generation (Gross) of NTPL was 5,462.34 MU (excluding power surrender) as against 5,929.99 MU registered in the year 2022-23.

During the year ended 31st March, 2024, NTPL registered a revenue from operations of ₹2,739.05 Crore as against ₹3,502.78 Crore registered in the year 2022-23. The Profit Before Tax & Profit After Tax for the year 2023-24 were ₹201.16 Crore and ₹129.16 Crore respectively as against ₹433.08 Crore and ₹278.65 Crore registered in the year 2022-23. Interim Dividend of ₹0.30 (3%) per equity share was declared by NTPL Board for the FY 2023-24 and the same was paid on 20th February, 2024.

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

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 ₹19,406.12 Crore (RCE I). The project is expected to be commissioned during FY 2024-25.

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. Standing Linkage Committee (Long-Term) on 07th March, 2024, recommended bridge linkage of 4.903 MT operational coal for FY 2024-25 from Coal India Limited.

The thermal project has achieved a CAPEX of ₹1,909.49 Crore in the year 2023-24. The cumulative capital expenditure incurred since inception up to 31st March, 2024 for the thermal project is ₹16,781.32 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 normative capacity of 9.0 MTPA at an estimated cost of ₹2,242.90 Crore. The Mining plan & Mine Closure plan of PSCB has been approved by MoC. Public Investment Promotion Board (PIB) Committee Recommended for implementation PSCB project at Capital Cost of ₹2242.90 on 04.10.2023. The same was approved by Cabinet Committee on Economic Affairs (CCEA) on 24.04.2024. Environmental Clearances, Forest Clearances, Land Acquisition for coal evacuation route of PSCB and development of Rail Infrastructure for Coal Evacuation is under progress. The cumulative capital expenditure incurred up to 31st March, 2024 is ₹154.28 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 received Project Management consultancy order from SECL on 12th July, 2021 for developing 40 MW Solar Power Project at Bishrampur and Bhatgaon locations of SECL, Chhattisgarh State and activities are in progress.

MNH Shakti Limited- A Joint Venture Company

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.

NLC India Renewables Limited

Wholly Owned Subsidiary

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 Renewable Assets under its Asset Monetization plan and after receiving the requisite approvals from the Government and other statutory bodies your Company will process the transferring of RE assets to the NIRL for pursuing monetisation.

NLC India Green Energy Limited

Wholly Owned Subsidiary

Your Company has incorporated NLC India Green Energy Limited (NIGEL), as its wholly owned subsidiary on 13th October, 2023 to carry out future Renewable Energy Projects of your Company. The subsidiary will focus specifically on upcoming Renewable Energy projects.

The subsidiary is expected to establish RE projects to the capacity of 6 GW by 2030. As an initial step, the following projects secured through various competitive bidding are proposed to be developed through NIGEL:

- NIGEL has signed Power Purchase Agreement with Gujarat Urja Vikas Nigam Limited (GUVNL) on 05th March, 2023 for supply of 600 MW Solar Power for the span of 25 years.
- 810 MW Solar Power Project is going to be developed by NIGEL. Project is envisaged to be developed at RVUNL Solar Park, Pugal, Bikaner (Dist.) Rajasthan. Power offtake is fixed with RVUN for the span of 25 years.

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 2023-24, your Company has not issued any Bonds.

Commercial Paper

During the financial year 2023-24, due to better fund management, sales bill discounting and increase in realisation has improved the liquidity position of the Company and hence, Company has not issued any commercial paper.

Sales Bill Discounting

During the financial year 2023-24, your Company has explored the Sales Bills Discounting facility available in the Banking System with recourse to your Company and discounted the power bills issued to DISCOMs. The total value of sales bills discounted during the year under review was ₹4,912.99 Crore. During the year under review, there were no instances of bankers recourse.

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:

Sl No.	Rating Agency / Particulars	Rating Assigned
1	**ICRA**	
	Non-Convertible Debentures - Secured - ₹2,000 Crore	[ICRA] AAA (Stable)
2	**CRISIL**	
	Working Capital Loan (State Bank of India)- ₹5,000 Crore	CRISIL AAA/ Stable
	Non-Convertible Debentures (Issued amount- ₹2,175) -Unsecured - ₹3,000 Crore	CRISIL AAA/ Stable
	NNTPS Loan (SIB ₹ 581 Crore and Proposed ₹ 1,078 Crore) - ₹1,659 Crore	CRISIL AAA/ Stable
3	**CARE Ratings**	
	Solar 500 MW (Axis Bank and Federal Bank -₹ 371.69 Crore	CARE AAA; Stable
	NNTPS 1000 MW (Power Finance Corporation) - ₹ 1,950 Crore	CARE AAA; Stable
	Commercial Paper - ₹ 6,000 Crore	CARE A1+
4	**India Rating (Fitch Group)**	
	Solar 709 MW (State Bank of India) - ₹ 1,658 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+
	Sales Bill Discounting -₹ 6,000 Crore	IND A1+
5	**Infomerics Ratings**	
	Talabira Mine (State Bank of India) - ₹ 1,260.44 Crore	IVR AAA/ Stable
6	**Acuite Ratings & Research**	
	Solar 300 MW (IndusInd Bank) - ₹ 1,000 Crore	ACUITE AAA/ Stable

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Commercial

Power Dues Realisation:

- During the year under review, your Company had received an amount of ₹9,754 Crore out of the total billed value of ₹9,818 Crore for the FY 2023-24 working out to a collection efficiency rate of 99% apart from settlement of old dues through instalment scheme.
- The outstanding power dues including for the month of March 2024 invoices as on 31st March, 2024 was ₹4,632 Crore as against ₹4,794 Crore for the corresponding period of the year ended 31st March, 2023. The dues beyond the 45 days limit as on 31st March, 2024 was ₹3,174 Crore as against ₹3,544 Crore for the corresponding period of the previous year ended 31st March, 2023.
- Scheduling of power is being done in compliance with the MoP directives on LC - Payment priority mechanism.

Power Trading in Power Exchange

- During the year 2023-24, 68 MUs of Un-Requisitioned Surplus (URS) power was sold from your Company's thermal power stations in different market segments of Power Exchange leading to a gross revenue addition of ₹21.32 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 comes, your Company is continuously trading the surrendered power from its thermal stations in DAM & RTM market segment of Indian Energy Exchange (IEX) based on availability of surplus lignite & technical capabilities of thermal stations. During the year, the final power surrender for all power stations was 491.79 MU as against 621.90 MU in the year 2022-23.
- Your Company has also traded 174.25 MU of power in FY 2023-24 as against 138.65 MU in the year 2022-23 under Trading License which includes sale & purchase of power for various grid connected entities through Power Exchange.

Regulatory affairs

- During the year 2023-24, CERC has issued Provisional tariff order for Neyveli Mines, Tariff orders for BTPS, Barsingsar Mines & Andaman Solar power project (2019-24), Trued-up order for BTPS, Review Petition for Barsingsar Mines for the year 2014-19.
- Your Company has filed Review of Order in Truing up of BTPS for the year 2014-19 and Compensation for deemed generation for Andaman Solar Power Project.
- Your Company has filed two Interlocutory Applications before CERC on Lignite Transfer Price on the similar issue of O & M expenditure in Mines based on the APTEL Judgement for the period 2009-14 and 2014-19 and CERC has issued Orders on 14th March, 2024 and 19th May, 2024 respectively.

CERC Regulations

- Central Electricity Regulatory Commission issued (Terms and Conditions of Tariff) Regulations, 2024 on 15th March, 2024, which are applicable for the period 01st April, 2024 to 31st March, 2029. The tariff of electricity generated from your Company's stations and the Input Price of Coal and Lignite excavated from NLCIL Mines would be determined by CERC based on these Regulations for the above-mentioned period.
- Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 has been issued on 11th July, 2023. The operations and scheduling of thermal stations are being carried out based on these regulations.

Interaction with Stakeholders

During the year, your Company has taken various measures including conducting of Investors conferences, Roadshows domestically and internationally, Periodical Investor Calls, Customers and Vendors Meet and regularly updating the Company's developments and Plans through Press, Business News Channels & Social Media interactions, which has resulted in strengthening the confidence of Stakeholders.

Sustainability Development Measures

Your Company has been diligently aligning its operations with the Ministry of Coal's Sustainable Development Cell (SDC) directives, demonstrating a strong commitment to environmental sustainability. Your Company has made significant progress in bio-reclamation, exceeding its FY 2023-24 target of 194 hectares by reclaiming 202.76 hectares of land and initiating efforts for FY 2024-25. Your Company is also focused on notifying its non-forest afforested lands under accredited compensatory afforestation, with 397.62 hectares identified for certification for Neyveli Mines.

Mission life activities are a key focus, with mass tree plantation drives conducted during significant environmental events, such as World Earth Day and World Environment Day.

Your Company has also partnered with expert institutions for ecological studies of reclaimed areas, avian diversity, the development of a deer park management plan, bio-mass growth and research on suitable tree species for mine spoils. Additionally, a detailed study on mine-water potential for community use has been completed, highlighting Your Company's contributions to water resource management. Based on the study, Secretary, MoC has informed the Chief Secretary, Govt. of Tamil Nadu regarding the active contribution of Your Company towards water resource management and sustainability in the region along with community betterment.

Your Company is repurposing mined-out lands for renewable energy projects, with plans to install a 50 MW solar PV system on 85 hectares of de-coaled land.

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.

Your Company has constituted Environmental Monitoring System through Environment Cell constituted at Unit level and at Corporate Level to monitor & adhere to the Environmental compliances of Environmental Clearance (EC) and Forest Clearance (FC) conditions. In this connection your Company is also sending the monthly compliance status of EC/FC conditions to the concerned authorities as per the guidelines.

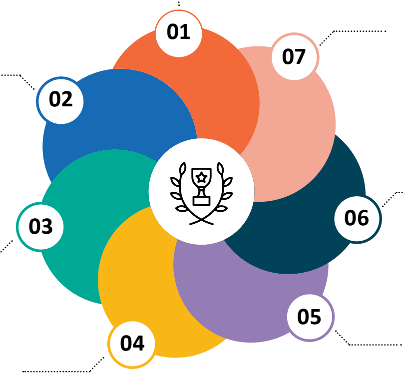
Your Company continued to undertake mass tree plantations during the year for the benefits of slope stabilisation of the Mines Overburden dumps in order to convert the Mine spoil into cultivable soil making it fit for habitation. The Company started investing in Eco-care since its inception leading to 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

Awards & Recognition:

As a result of continued environmental management measures undertaken, your Company has received many awards for maintaining better environmental management practices. In recognition of its various activities, your Company, has been conferred with the following awards during the year 2023-24:



01 Winner of "GEEF Global Environment Award 2024" in Platinum category.

02 Winner of Greentech Environmental Excellence Award 2023.

03 Winner under "Environment leadership" category for Greentech International EHS Award 2023.

04 Best ESG performance Award in Thermal Category - Transformance Forums at 3rd ESG Summit & Awards 2023.

05 Gold Award in Environment improvement category in 14th Exceed Environment Conference 2023.

06 Winner of Award for "Effective Fly Ash Management (<=500MW)" from MoEF&CC through Mission Energy Foundation for the year 2022-23.

07 Your Company was conferred with the award for Best ESG Report for FY 2022-23 in the prestigious 11th Edition of "The Original National Awards for Excellence".

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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

Land Acquisition and R&R Policy

Your Company takes care of the Project Affected Persons (PAPs) through appropriate R & R Policy measures and the trauma of displacement is thereby minimised. Your Company follows the guidelines issued by the Government of India, from time to time on R&R for the on-going projects. Apart from development of Re-settlement Centres (RCs) in the Project vicinity, these centres are being provided with good infrastructure facilities. As a result, the eligible project affected families have smoothly re-settled in these RCs. Apart from the rehabilitation measures, legal compensation with enhanced compensation for loss of assets as directed by the appropriate Government have been provided with the co-operation of the District administration. Peripheral developmental works viz., formation and improvement of existing village roads, skill development programmes for PAPs have been carried out during the year.

A Grievance redressal centre for addressing the grievances of the project affected persons has also been formed and functioning. Your Company is providing enhanced land compensation to the awardees based on the period of passing of award through payment of ex-gratia and also through Lok Adalats conducted on regular basis based on the applications received from the land owners who have handed over their lands and houses for the projects.

Your Company is providing one year PG courses for the PAPs having Engineering and Diploma qualifications through National Power Training Institute (NPTI). 259 PAPs as SME operator assistant trainees and Mines Support service trainees were selected under three years training scheme. It is also proposed to provide training to PAPs in coordination with leading coaching institute for appearing in competitive exams like TNPSC/SSC/UPSC etc. and other advanced technical trainings.

Your Company is providing enhanced R&R and Land Compensation based on 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) with effect from 01st January, 2014.

Your Company has successfully carried out diversion of Paravanar river including taking possession of more than 500 Ha of acquired land in Neyveli mines which is pending more than a decade resulted in sustainable operations of mines for the balance life.

Your Company is also taking all out efforts with State and District Administration for acquiring critical land required for future mining operations of Neyveli Mines.

Research and Development (R&D)

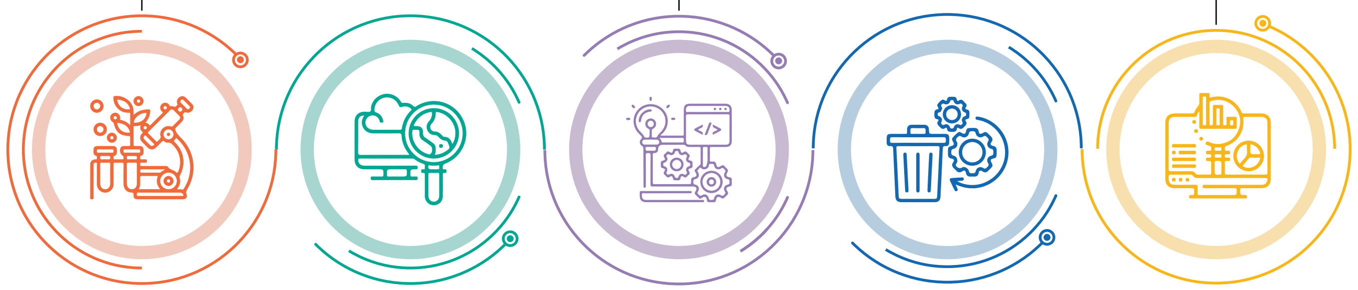
Centre for Applied Research & Development (CARD) is the in-house R&D Centre of the Company and has been recognized by the Department of Science & Technology. CARD has been granted NABL accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL) based on the International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

The major functions of CARD include:

Carrying out Science & Technology (S&T) Research Projects.

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.

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.



Environmental monitoring, Pollution level measurements, Quality control Testing & Consultancy, Technical services.

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.

The total R&D expenditure, incurred as a group during the year 2023-24 was ₹ 43.37 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.

For the persons employed in mines, Group Vestibule Training Centre (GVTC), Neyveli is conducting Basic/Initial training to get acquainted with mine environment before being employed at mines, Refresher Training to sharpen their skill/renew their work experience once in five years and Special job specific training in operation of SME and CME.

Apprenticeship training is being provided as per guidelines of the Regional Directorate of Skill Development and Entrepreneurship, Chennai (RDSDE) 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 modified Certified Standing Orders of NLC India Limited has been published on 30th November, 2023. In General, Industrial Relations scenario in your Company was cordial and no man hour was lost during the Financial Year 2023-24 due to industrial unrest.

Manpower

The total employee strength (including subsidiaries) stood at 10,368 as on 31st March, 2024 as against 10,781 as on 31st March, 2023.

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, 2024 stands as follows:

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	2,982	634	312	641	21.26	10.46	21.50
B	167	37	4	50	22.16	2.40	29.94
C	5,565	1,078	55	2,144	19.37	0.99	38.53
D	1,654	410	5	847	24.79	0.30	51.21
Total	**10,368**	**2,159**	**376**	**3,682**	**20.82**	**3.63**	**35.51**

*Strength of OBCs on rolls of NLCIL after reservation for OBCs came in to effect w.e.f. 08th 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 8 Schools with student strength of 4,291 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 2023-24	Amount Disbursed
General	251	₹24.24 Lakh
SC/ST	323	₹37.18 Lakh
OBC	616	₹70.28 Lakh
Total	**1,190**	**₹131.70 Lakh**

Besides these schemes, your Company presents cash award to meritorious wards of employees who secure 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 your Company's projects) studying in Jawahar Science College, Neyveli, patronised by your Company.

Category of students	Beneficiaries during AY 2023-24	Amount sanctioned
SC/ST	407	₹111.20 Lakh
OBC (wards of Non-NLCIL employees)	1,000	₹286.01 Lakh
Total	1,407	₹397.21 Lakh

Medical Facilities

Your Company's health care model for protecting, preserving and promoting the health and wellbeing of workforce is a time tested one with proven results. Your Company believes that healthy workforce is the key driver of its economic wellbeing 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 also:

- 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" was established in collaboration with Shri Kauvery Medical Care (India) Ltd., Trichy at NLC India Hospital, Neyveli. The centre is equipped to handle all medical emergencies with 25 bedded Cardiac facility. Procedures like coronary angiogram, coronary Angioplasty 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.

- The Intensive care Unit has 9 beds equipped with Multipara monitors, defibrillators and three Ventilators to provide secondary level of care for all medical emergencies.
- Emergency care service is provided on 24 X7 basis. Patients are treated in various specialties that include General Medicine, General Surgery, Obstetrics & Gynecology, Pediatrics, Orthopedics, 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 hemodialysis service to chronic kidney disease patients.
- Surgical care services in General Surgery, Ophthalmology, ENT, Orthopedics, Obstetrics & Gynecology 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.
- The ENT workstation 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.
- Your Company has launched its latest Integrated Hospital Management System (IHMS) to manage various aspects of the daily operations.

In coordination with State health department, 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 Ananda Illam run by your Company for care of elderly persons who have no family support.
- Your Company has taken all the necessary steps for health and Safety of its employees by conducting 100% initial medical check-up of all employees and contract workmen, Periodical medical check-up 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.

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.

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, 2024 stood at 203.

"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 (77 children: Boys-58 & Girls-19) which includes training in vocations like arts & crafts, candle making, paper cup & cover making, carpentry, gardening, cooking and doormat weaving.

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 in Hindi, Poetry and Noting & Drafting in Hindi, Hindi Training, Personal Contact Programme 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, 2024 stood at 881 constituting 8.42% of Company's human resource.

The following activities were organized by WIPS, NLCIL by developing their potentials. –

- A Committee was formed to look into the grievances of women employees, including to protect them from Sexual Harassment in work place.
- For the benefit of the working women employees, "Anbalaya" a well-equipped Creche with trained personnel is in operation.
- The NLC India Limited chapter of WIPS has also organized and conducted several sports, cultural activities, group discussions for the benefit of women employees.

Skill Development courses for women

- In-line with Skill India Mission, launched by Hon'ble Prime Minister of India, lot of initiatives have been taken up by NLCIL for developing skills and promoting entrepreneurship at a broader bandwidth.
- Entrepreneurship training for Women for Oyster mushroom Cultivation.
- As a part of International Women's Day – 2024 celebration, creating awareness and encouraging women for being entrepreneurs was one of the important efforts undertaken by WIPS, NLCIL Chapter. 63 women attended the Program.

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.

Following are the measures being taken for ensuring safety of men and machines:

- Safety audit of all the Mines is conducted by multi-disciplinary Corporate Safety Team every year and Safety audit of Thermal plants is conducted by accredited external agencies once in two years.

- Corporate 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 and his team.
- Conducting workshops & Training on Safety in Mines and Thermal units.
- Life-Saving Rules have been prepared & implemented in all the units.
- Conducting Safety officers' meeting every month by Corporate Safety department 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 sections/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 Corporate Safety executives and inspection report is submitted to Unit Heads for compliance and improvement in safety standard.
- NLCIL Industrial Medical Centre has been recognized as training center for imparting First Aid Training by DGMS (Directorate General of Mines Safety) and batches of workmen are trained on first aid regularly.

Awards & Recognition

In recognition of its various activities, your Company, has been conferred with the following awards during the year 2023-24:

- Mine-II won "21st Annual Greentech Safety Award 2023" under Safety Excellence Category.
- Mine-II won "Gold Award" in "15th EXCEED Safety & Security Award 2023" in "Best Safety Leadership" category under Mining Sector and the award was received from Sustainable Development Foundation on 15th December, 2023 at HILTON GARDEN INN, Trivandrum, Kerala.
- Barsingsar Lignite Mine won "21st Greentech Safety Awards-2023" for outstanding achievement in "Safety Excellence" category on 29th May 2023.
- Barsingsar Lignite Mine was awarded with "Platinum Award" in "15th Exceed Occupational Health Safety & Security Award-2023" in December, 2023 at Thiruvananthapuram (Kerala) organized by Sustainable Development Foundation, New Delhi.
- Barsingsar Lignite Mine was awarded with Overall Second Prize in Safety Week Celebration-2023-24 under aegis of DGMS, Northern Zone held at Jaipur in December, 2023. Barsingsar Lignite Mine won total 6 prizes in said function.
- Barsingsar Project was awarded with 1st prize in firefighting during Mines week celebration at DGMS Ajmer region in December, 2023.

TPS-I Exp. Awarded with 15th Exceed Gold award for occupational health and safety at Trivandrum on 15th December, 2023.

NLCIL Mines, Neyveli Mine-I, Mine-IA, Barsingsar Lignite Mine and Talabira II & III OCP were awarded 5 star rating and Mine-II was awarded 4 Star Rating by MoC for the FY 2022-23 by Ministry of Coal for overall performance including safety.

Mine II won the National Safety Award (Mines) for Lowest Injury Frequency Rate (LIFR) per Million Cubic Metre Output among opencast coal mines for the year 2021.

Risk Management

A comprehensive Integrated Risk Management Policy and Framework 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

Vigilance is a critical management tool that helps in channelizing the efforts of an organization towards higher growth trajectory. Its function should not be viewed as impediment in achieving the objective of the Company rather it should be viewed as facilitator in accomplishing its objective.

In order to protect the interests and preserve the integrity of the Organisation, your Company has established a robust Vigilance department headed by a Chief Vigilance Officer at the level of Joint Secretary to Government of India. The CVO acts as an advisor to the CMD in all matters pertaining to vigilance and as nodal officer of the Organisation for interaction with CVC and CBI.

The activities undertaken by Vigilance Department is 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 part of preventive vigilance measures, carried out various checks across all functional areas and units and recommended systemic improvement measures for implementation. 'Vigilance Awareness Week '(VAW 2023) observed from 30th October, 2023 to 4th November, 2023.

During the week, promoted awareness of PIDPI and 'Say No to Corruption' campaign through Special Stalls at the key locations, Audio and Visual contents, Street Plays, Mob Dance, thoughtfully prepared 'Handouts' and 'Brochures' (trilingual), Short films competition, talk shows, debates, Interview with General public and grass root level employees, 'Signature Wall', Rally (Walk) with students.

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 and above are monitored.

During the year 2023-24, one Structured meeting held with Independent External Monitors (IEMs) for discussions on procurement and contract related issues. During the period, IEMs held 11 Review meetings wherein the orders covered under Integrity Pact were reviewed and 3 meetings were held 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 is carried out through a common portal.

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

d. Video Conferencing, Collaboration tools and virtual meetings are being conducted with distant 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 simplified 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 digitization efforts have 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.

Centralized Payment Process of Stores and Spares

In your Company, payment for spares and other materials purchased by units were carried out by the respective unit account centre except for the materials purchased by Permanent Central Stores (PCS) and Mines Sub Stores (MSS). For PCS and MSS, the payment was carried out by accounts centres of Material Management Complex (MMC) and Mine I, respectively. Thus, the centralised payment implemented in March, 2024 has helped in controlling the payments and reducing the time taken for making the payments.

Awards & Recognition

- For Company's outstanding efforts in embracing and implementing digital transformation initiatives, SCOPE (an apex body of public sector enterprises) Eminence Award 2019-20 for digital transformation was awarded by Vice President of India on January 18, 2024.
- SCOPE Eminence award acknowledges the exemplary performance of public sector enterprises and individuals contributing significantly to organisational growth and the national economy.

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 2023-24, your Company had spent ₹47.36 Crore which is more than 2% of the average net profits of the Company for the last three year.

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

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 2023-24 under the above Act, 567 applications containing 2269 queries were received and out of which 545 applications have been disposed off as on 31st March, 2024 and remaining 22 applications were under process & have not elapsed the mandatory period. 123 RTI First Appeal have been received and all have been disposed off as on 31st March, 2024.

Hearings for second appeal have been attended to 9 cases and CIC decision was favourable to your Company for 8 cases.

Your Company had won Public Relations Society of India (PRSI) National Awards, second place in Best PSU implementing RTI for 2023-24.

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 2023-24 was 50.53% 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 2023-24, your Company has procured goods & services from Government e-Marketplace (GeM) Portal for ₹1,679.40 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 the 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/AR2022-23_1.pdf.

Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered during the year 2023 - 24 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

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applicable to your Company. Members may refer to note no. 40 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 05th 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, 2024, 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 your Company 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 2023-24, three complaints were received and same have been resolved and as such no case is pending at the end of the year.

Auditors

Statutory Auditors

M/s. Manohar Chowdhry & Associates, Chartered Accountants and M/s. Sundaram & Srinivasan Chartered Accountants were appointed by the Comptroller & Auditor General of India (C&AG) as the Joint Statutory Auditors of the Company for the Financial Year 2023-24 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 2023-24, to be shared equally by the Joint Statutory Auditors.

Branch Auditors

M/s. N. Sarda & Associates, Chartered Accountants, has been appointed as the Branch Auditor of the Company for the year 2023-24 by C&AG for conducting the audit of Barsingsar Branch. The Board of Directors of the Company has fixed ₹5.0 lakh plus taxes as the Branch Audit fees for the year 2023-24.

M/s. K. D. Lath & Co., Chartered Accountants, has been appointed as the Branch Auditor of the Company for the year 2023-24 by C&AG for conducting the audit of Talabira Branch. The Board of Directors of the Company has fixed ₹5.0 lakh plus taxes as the Branch Audit fees for the year 2023-24.

Secretarial Auditors

D. Hanumanta Raju & Co., Practicing Company Secretaries, was appointed as the Secretarial Auditor of the Company for the year 2023-24. The Secretarial Audit Report for the Financial Year 2023-24 & the reply to observations of the Secretarial Auditors and the Secretarial Auditor Reports of the Subsidiary Companies are furnished in **Annexure-6**.

Cost Auditors

M/s. R.M. Bansal and Co., Kanpur, was appointed as the Cost Auditors of the Company for the year 2023-24 to conduct the Cost Audit for Mines & Power Stations of the Company. The Cost Audit Report for the Financial Year 2022-23 was filed within due date with the Ministry of Corporate Affairs on 08th August, 2023.

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, 2024 under Section 143(6)(b) of the Companies Act, 2013 along with the Management reply to the comments thereon are furnished in **Annexure-7**.

Adequacy of internal financial controls with reference to the Financial Statements

Your Company has, in all material aspects has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024. 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.

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 judgement 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. Venkatachalam has been appointed as Director (Power) w.e.f. 26th April, 2023.

b. Dr. Beela Venkatesan, Principal Secretary to the Government of Tamil Nadu, Energy Department has been appointed as Government Nominee Director w.e.f. 10th July, 2023.

c. Dr. Prasanna Kumar Acharya has been appointed as Director (Finance) w.e.f. 15th January, 2024.

Cessation

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

a. Shri Ramesh Chand Meena, Additional Chief Secretary to the 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.

b. Shri MT Ramesh ceased to be Independent Director w.e.f. 25th March, 2024 consequent to his resignation.

c. Shri K. Mohan Reddy ceased to be Director (Planning & Projects) w.e.f. 01st June, 2024 due to superannuation.

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.

Key Managerial Personnel

Dr. Prasanna Kumar Acharya, Director (Finance), was appointed as Chief Financial Officer of the Company w.e.f. 06th February, 2024.

Dr. Suresh Chandra Suman was ceased w.e.f. 15th January, 2024 as Chief Financial Officer of the Company consequent to the appointment of Director Finance.

Further, pursuant to Section 152 of the Companies Act, 2013, Dr. Suresh Chandra Suman and Smt. Vismita Tej, Directors will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves 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.

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, Uttar Pradesh, Gujarat, Odisha, 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 co-operation and continued support extended by the Governments of Tamil Nadu, Rajasthan, Uttar Pradesh, Jharkhand, Assam, Gujarat and Odisha, V.O.C. Port Trust, Tuticorin and the District Administrations of Cuddalore, Tuticorin, Bikaner, Andaman & Nicobar, Sambalpur, Jharsuguda, Kanpur Nagar, Latehar, Angul and Dumka. The support and co-operation extended by the Comptroller and Auditor General of India, Statutory Auditors, Branch Auditors, 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 : Chennai
Date : 31st August, 2024

Prasanna Kumar Motupalli
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, 2013. 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 the tenure	Number of meetings of CSR Committee attended during the tenure
1	Prof. Nivedita Srivastava	Chairman - Independent Director	4	4
2	Shri Prakash Mishra	Member - Independent Director	4	4
3	Dr. Suresh Chandra Suman	Member - Director	4	4
4	Shri Samir Swarup	Member - Director	4	4
5	Shri M T Ramesh*	Member - Independent Director	3	3

*Shri M T Ramesh – Independent Director ceased to Member of CSR Committee w.e.f. 25.03.2024.

3. 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/investor/Composition%20of%20Committees%20as%20on%2001.06.2024.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/CSR%20ANNUAL%20ACTION%20PLAN%20FOR%20FY%202023-24(Provisional).pdf

4. 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 of FY 2021-22 is available at https://www.nlcindia.in/new_website/csr_new/CSR/reports/IPE%20-%20IA%20of% 20 NLCIL% 20CSR%20 Initiatives%20(2022-23).pdf

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

Introduction: As a part of its CSR, NLCIL carries out developmental and sustainable works in the surrounding villages, focusing on the socio-economic development of the operating regions for achieving inclusive and sustainable growth. Since the introduction of mandatory CSR provisions in 2014, NLCIL has significantly increased its investments in impactful CSR initiatives. In FY 2021-22, NLCIL allocated and spent ₹ 40.80 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, IPE was entrusted to conduct 12 CSR projects, of which each CSR project budget outlay is more than one crore, which has been completed not less than one year to gauge the effectiveness of these initiatives targeting the developmental needs of communities in NLCIL operational areas and beyond. IPE employ the OECD DAC framework, a comprehensive evaluation methodology to assess each project's relevance, coherence, efficiency, effectiveness, impact and sustainability. This ensures optimal implementation, resource utilization and alignment with objectives. IPE focuses on measuring outcomes, examining positive changes experienced by target communities, such as socio-economic improvement and enhanced livelihood opportunities. NLCIL CSR emphasis on sustainability ensures lasting transformative impact, with involvement from local stakeholders.

This approach reinforces NLCIL's commitment to meaningful change, transparency, and accountability in its CSR practices. Through these assessments, NLCIL gains valuable insights into the achievements and outcomes of each project, further strengthening NLCIL's dedication to fostering positive impact on society.

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

Weightage marks are assigned to each OECD DAC parameter, and each parameter's scores are computed according to their performances. Based on the sum of all parameters' weightage scores, the IPE team develops a 5-point rating scale and details are given below:

- Excellent (81 to 100)
- Above Average (61 to 80)
- Average (41 to 60)
- Below Average (21 to 40)
- Very Poor (1 to 20)

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 69 to 91. The average score of all 12 projects is around 83.5.

S. No	Name of the CSR Project having outlays of One Crore or more, executed in FY 2021-22.	OECD DAC framework Evaluation Parameters (20 Points scale)					Total score
		Relevance	Efficiency	Effectiveness	Impact	Sustainability	
1	NLCIL General Hospital-Free medical services	19	18	18	17	17	89/100 (Excellent)
2	Setting up of 6 Nos. Oxygen Plants of 30 Nm^3/Hr capacity in Karnataka	15	16	15	16	15	77 (Above average)
3	Setting up of 6 Nos. Oxygen Plants of 30 Nm^3/Hr capacity in Rajasthan	17	17	15	15	15	79 (Above average)
4	Supply of 184 Nos. of oxygen concentrators of capacity 10Lit/Min in Tamil Nadu	18	17	16	16	17	84 (Excellent)
5	Supply of 86 Nos. of Oxygen concentrators of capacity 10 lit/Min in Rajasthan	17	17	16	16	17	83 (Excellent)
6	Setting up 5 Nos of oxygen plants of 30 Nm^3/Hr capacity in Tamil Nadu	18	17	17	17	17	86 (Excellent)
7	Contribution to M/s RITES towards the construction toilets in the circulating areas of Railway stations in Tamil Nadu	15	13	14	14	13	69 (Above average)
8	Tuition fees for the students of SC,ST&OBC towards promoting education (JSC)	17	17	18	17	17	86 (Excellent)
9	Educational assistance towards promoting education of the students of Kendriya Vidyalaya school	17	17	17	17	17	85 (Excellent)
10	Financial assistance to Jawahar Education society (JES) patronized by NLCIL towards promoting education of the students in the operating regions NLCIL, Neyveli	19	18	18	18	18	91 (Excellent)

S. No	Name of the CSR Project having outlays of One Crore or more, executed in FY 2021-22.	OECD DAC framework Evaluation Parameters (20 Points scale)					Total score
		Relevance	Efficiency	Effectiveness	Impact	Sustainability	
11	Financial assistance of 9 smart classrooms to Sri Sarada Niketan College of Science for women, Kodangipatti, Karur	18	18	17	18	18	89 (Excellent)
12	Financial assistance to Gram Vikas Society, Dharwad, Karnataka towards Skill Development (Fashion Design Training)	17	17	17	16	17	84 (Excellent)

Project-wise details

Project 1: Emergency / Lifesaving treatment to common residents in Neyveli township and patients from surrounding villages of Neyveli on OP basis

Healthcare has been the prime social agenda of NLCIL. NLCIL supports strengthening public health systems to fulfil state and national health policies. In this journey, NLCIL instituted General Hospital in 1962, carved out various sustainable healthcare models for General Public of Neyveli and its adjoining areas, and built its reputation in providing quality healthcare services to them timely.

NLCIL general hospital has 350 beds with proper facilities and technologies, caters to primary and emergency healthcare services to the external stakeholders of 1.50 Lakh public of Neyveli and its surrounding areas on free of cost basis in all units/wards of the hospital all the time. NLCIL has allocated and spent ₹130.94 Lakh for the financial year 2021-22 and provided emergency healthcare services and Outpatient treatments to 52679 private patients (General public).

Outcome

- Improved diagnosis and early detection of ailments & diseases for public.
- Reduction in mortality rate.
- Improved life expectancy rate.
- Improved life-saving procedures for all emergency patients.
- Improved the facilities for long-term medication management of chronic diseases like diabetes and heart.
- Increase in availability of dialysis services.
- Increased accessibility of comprehensive healthcare facilities to public in Neyveli and its surrounding areas.

Impact

- Various stakeholder groups in Neyveli and its neighbouring areas now become less Dependent on the government and private healthcare systems to access many health services, resulting in reduced financial expenditure on their healthcare because of this project.
- This project enabled the building of healthy communities by offering various multifaceted healthcare services and organizing health camps in Neyveli and its surrounding areas.
- This project created awareness among the public on the healthcare system by offering multiple healthcare services in line with concerned state and central governments' public health policies.

Project 2: Setting up of 6 Nos. Oxygen Plants of 30 Nm^3/Hr capacity in Karnataka

Medical-grade oxygen was the most critical during this national disaster COVID-19 because it was the only main requirement in treating COVID-19-infected patients to save their lives.

The need for medical oxygen was at an all-time high, and the supply situation was low as cases reached new highs in most of the country. In compliance with the directives of the Ministry of Coal, Government of India, NLCIL installed six oxygen plants at selected government hospitals in various districts of Karnataka state during 2021-22, each with a capacity of 30Nm^3/ hr (500 LPM) to assist the country in addressing its oxygen shortage during the COVID-19 pandemic's second wave and preparedness for making the availability of sufficient levels of oxygen supplies, beds, emergency treatment facilities to face any catastrophic health emergencies.

Outcome

- The Government hospitals now have more space to accept emergency patients who need oxygen support during the healing process.
- After establishing oxygen plants, the government hospitals' reliance on buying oxygen has come down.
- Enhanced medical oxygen provision at public health facilities in all the government hospitals.
- NLCIL's support has given Government Hospitals a chance to demonstrate their preparedness to handle future needs for oxygen delivery at the district level or in the surrounding area.

Impact

- Enhanced public health system and its delivery protocols.
- The installation of the PSA plants funded by NLCIL has directly improved the infrastructure facilities in the hospitals and supported the supply of oxygen.
- NLCIL erected PSA oxygen plants in several locations and ensured their functioning of the units.
- This vital oxygen generation resource, especially for health facilities located in distant and hard-to-reach areas, enables them to offer a greater range of local medical treatments that were previously challenging because of a reliance on oxygen cylinders.

Project 3: Setting up of 6 Nos. Oxygen Plants of 30 Nm^3/Hr capacity in Rajasthan

The need for medical oxygen was at an all-time high, and the situation of supply and demand was low as cases reached new highs in most of the country during second wave of the Covid-19 in the last week of March 2021. In just two weeks (from March

30 to April 12, 2021), the oxygen needed for COVID treatment in Rajasthan increased from 1205 oxygen cylinders per day to 4388 oxygen cylinders throughout the state. Furthermore, in May 2021, the demand for oxygen cylinders skyrocketed to 8339 for COVID-19 and other health problems treatment. Doctors attributed the abrupt rise in oxygen consumption to an increase in Covid cases. Governments at all levels, both national and state, the public and private sectors, non-governmental organizations, and other interested parties have worked hard to address the issue of oxygen scarcity by setting up oxygen plants and providing oxygen concentrators around the nation.

In compliance with the directives of the Ministry of Coal, Government of India, NLCIL installed 6 oxygen plants at selected Government hospitals in Rajasthan state during 2021-22 each with a capacity of 30NM^3/HR (500 LPM) to assist the region in addressing its oxygen shortage during the COVID-19 pandemic's second wave. The total cost of the project was ₹ 385.77 lakh.

Outcome

- The Government hospitals have more facilities to accept emergency patients who need oxygen.
- The hospitals are responding fast and supporting the healing process due to availability of oxygen.
- After establishing oxygen plants, the government hospitals' reliance on cylinders from outside was abated.
- Enhanced facilities at the hospital when they have their own oxygen supply plant.
- Government Hospitals had a chance to demonstrate that they are prepared to meet any future emergency needs for oxygen delivery within the district and all the surrounding areas.

Impact

- The installation of the plants funded by NLCIL has directly improved the infrastructure at the hospital level and supported the supply of oxygen.
- NLCIL erected oxygen plants in several locations of the state. The NLCIL built infrastructure in anticipation of the rise in oxygen demand. However, the upgraded infrastructure undoubtedly saved many lives.
- This vital oxygen generation resource enhanced the range of local medical treatments that were previously challenging because of a reliance on oxygen cylinders.

Project 4: Supply of 184 nos of oxygen concentrators of capacity 10 lit/min in Tamil Nadu

In compliance with the directives of the Government of India's Concerned Coal Ministry, NLCIL procured 500 oxygen concentrators, each with a capacity of ten litres per minute. These concentrators were then immediately distributed to hospitals, non-governmental organizations, charitable trusts, and other health institutions situated in Tamil Nadu, Rajasthan, Uttar Pradesh, Odisha, and other states to assist the country in addressing its oxygen shortage during the COVID-19 pandemic's second wave. As part of this initiative, NLCIL purchased and placed 184 oxygen concentrators at NLCIL General Hospital, various Government hospitals, PHC, district police department, concerned health departments of various districts, and charitable trust in Tamil Nadu state and other parts of the country with a cost of ₹ 218.02 Lakh during FY 2021-22.

Outcome

- The availability of oxygen concentrators during the pandemic significantly enhanced treatment by supplying oxygen to a higher number of patients.
- The public health system has strengthened due to oxygen concentrator utilization throughout the pandemic.
- These concentrators were essential to serve a greater number of patients and were successful in delivering quality care with the goal of saving many lives.

Impact

- Oxygen concentrators saved numerous lives. Low oxygen delivery in the body, or hypoxia, is a dangerous illness that, if ignored, would cause organ damage and even death.
- Beyond the pandemic, oxygen concentrators used in hospitals enhanced healthcare delivery for different patients in many contexts and had long-term advantages.
- The unequal distribution of healthcare amenities between urban and rural areas is a big problem in India. The community living in rural areas continue to gain from project, and it save their time.

Project 5: Supply of 86 Nos of Oxygen Concentrators of capacity 10 lit/Min in Rajasthan

Medical-grade oxygen was the most critical scarcity during the national disaster because it was the only main requirement in treating COVID-19-infected patients to save their lives. The need for medical oxygen was at an all-time high, and the situation of supply was low as cases reached new highs in most of the country. Governments at all levels, both national and state, the public and private sectors, non-governmental organizations, and other interested parties have worked hard to address the issue of oxygen scarcity by setting up oxygen plants and providing oxygen concentrators around the nation. In compliance with the directives of the Government of India's concerned Coal Ministry, NLCIL-Barsingsar Project purchased and placed 86 oxygen concentrators at CMHO, Bikaner district in Rajasthan state with a cost of ₹ 108.13 lakh during FY 2021-22.

Outcome

- The availability of oxygen concentrators during the pandemic significantly enhanced treatment by supplying oxygen to a higher number of patients.
- The public health system has strengthened due to oxygen concentrator utilization throughout the pandemic.
- These concentrators were essential to serve a greater number of patients and were successful in delivering quality care with the goal of saving many lives.

Impact

- Concentrators of oxygen have saved many lives. Hypoxia, or low oxygen delivery in the body, is a hazardous condition that can lead to organ damage and even death if left untreated.

- Hospital oxygen concentrators improved healthcare service for many patients in various circumstances and provided long-term benefits, even after the epidemic.
- One major issue in India is the unequal allocation of healthcare resources between urban and rural areas. This project would continue to benefit the rural population greatly and save them time, which can often save lives.

Project 6: Setting up 5 numbers of oxygen plants of 30 Nm^3/Hr capacity in Tamil Nadu

Like many other regions of the world, the second wave began in mid-March 2021, and the highest number of cases were identified in India. The adversely impacted states include West Bengal, Delhi, Uttar Pradesh, Kerala, Karnataka, Andhra Pradesh, and Tamil Nadu. There were a greater number of cases registered in these reasons and the government had the challenge to provide necessary facilities including hospital beds, availability of doctors, supply of oxygen, space intensive care units, etc. PSEs worked nonstop to increase the continuous flow of liquid medical oxygen. A lot of work was done to improve the supply and build infrastructure, optimize procedures to increase the production of medical-grade oxygen and make it available at the locations where it was consumed. PSEs supported government activities by providing constant assistance by constructing the oxygen generation plants in various government hospitals.

In compliance with the directives of the Ministry of Coal, Government of India, NLCIL installed 4 oxygen plants at selected Government hospitals in Cuddalore district and one oxygen plant at selected Government Medical Science College in Villupuram district during 2021-22 each with a capacity of 30NM3/HR (500 LPM) to assist the country in addressing its oxygen shortage during the COVID-19 pandemic's second wave. The Total Cost of the Project was ₹ 279.81 lakh.

Outcome

- The Government hospitals have more facilities to accept emergency patients who need oxygen.
- The hospitals are responding fast and supporting the healing process due to the availability of oxygen.
- After establishing oxygen plants, the government hospitals' reliance on cylinders from outside was abated.
- Enhanced facilities at the hospital when they have their own oxygen supply plant.
- Government Hospitals had a chance to demonstrate that they are prepared to meet any future emergency needs for oxygen delivery within the district and all the surrounding areas.

Impact

- Improved facilities for catastrophe and emergencies at Government hospitals in Cuddalore and Villupuram districts.
- Opportunity to enhance public health system and its delivery protocols.
- The installation of the PSA plants funded by NLCIL has improved the infrastructure at the hospital and supported the supply of oxygen.
- NLCIL erected PSA oxygen plants in several locations and started to run after the second wave of COVID-19 abated. During this time, the NLCIL built infrastructure in anticipation of the rise in oxygen demand. However, the upgraded infrastructure undoubtedly will save many lives and open the door for prevention if there are any health emergencies in near future in Tamil Nadu.

Project 7: Contribution to M/s RITES, towards the Construction of Toilets in the circuiting 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 23.02.2019, and 200 toilet blocks' works were completed and handed them over to the concerned railway stations before 31.03.2023. The total cost of the project during the FY 2022-23 was ₹ 328.06 lakh. The project involved the construction of 200 public toilets and maintenance of these toilet blocks for one year in circulating areas of railway stations.

Outcome

- Increase in toilets' usage rate.
- Increase in accessibility of toilet facilities to railway passengers, auto drivers, lorry drivers, porters, railway employees, shopkeepers at circulating areas of railway stations.
- Improved the convenience of toilet locations to beneficiary stakeholders.

Impact

- The beneficiary stakeholders' travel time and distance to the toilets were reduced because of proximity of toilets.
- In the past, they had to go at least one kilometre and spend 20 to 30 minutes to get to a public restroom; now, it just takes 5 to 10 minutes.
- The project resulted in increased awareness about the importance of a clean environment, hygienic habits, and good sanitation practices among various beneficiary stakeholders which they started these practices and thereby improved their health.
- With the help of this project, the issue of open defecation in railway stations' surrounding areas were lessened, creating a hygienic atmosphere around railway stations.

Project 8: Tuition fees for the students of SC, ST & OBC towards promoting education (JSC)

NLCIL recognizes education as the primary sector and allocates CSR funds to build education infrastructure and provide full and partial scholarships to needy school/college-going students, thereby supporting the students, and improving the quality of education. This project enabled the students not only gain knowledge but also

supported in improving the socio-economic status. NLCIL started Jawahar Science College in Neyveli in 1987 and later introduced a fee reimbursement scheme (scholarship scheme) for reserved and backward communities to support inclusive education. This scheme helped the students to pursue the bachelor's and post graduate education.

NLCIL achieved its project objective by reimbursing students' tuition fees of ₹ 458.99 lakh to Jawahar Science College during 2021-22. A total of 1152 OBC and 490 SC/ST/Adidravidar students availed of tuition fee scholarships from the Jawahar Science College during 2021- 22. The quality of education provided at Jawahar Science College helped students build their careers and gave them confidence in life to achieve their goals.

Outcome

- This project reduced the financial burden of the economically weaker sections of families as their children tuition fees were borne by the NLCIL.
- Decrease in students' dropout rate in both graduate and post graduate courses.
- This project Increased self-confidence, pride, and morale boost in students and thereby students built their career and placement opportunities.

Impact

- This project ensured a positive effect on the enrollments of Degree and PG courses admissions, improving the quality of teaching and learning facilities in Jawahar Science College which resulted in students' academic performances and thereby improving their career and placement opportunities.
- Increase in students' intake in Degree and PG courses after the NLCIL introduced tuition fee scholarships. As a result, the college extended the quality of education to their students and introduced various number of new courses as per the market demand.
- This project improved the socio-economic profiles of students' families because of students getting placement opportunities in various public and private institutions.

Project 9: Educational Assistance towards Promoting Education of the Students of Kendriya Vidyalaya School.

NLCIL has been running various schools and colleges and offering multiple educational infrastructure facilities to schools and colleges for several years in its operating areas of the Neyveli and surrounding areas. Despite of all the initiatives, there were shortages in the quality of education for school children of the public, state and central government employees, defence personnel, and employees of autonomous bodies because they were liable to be transferred from one state to another. To meet these requirements, NLCIL supported the Kendriya Vidyalaya since 2011 in the lignite house of Neyveli, to fulfil educational needs and provide quality education to these stakeholders' children in this region. The KV Sanghatan started this school in project mode as per compliance with the MoU signed between the NLCIL and the KV Sanghatan, New Delhi. As part of this initiative, a sum of ₹ 148.86 lakh were approved and sanctioned by NLCIL to cover the KV school's operating costs from April 2021 to March 2022. 1423 school children – I to XII standard (Boys and Girls) were imparted with quality of education by Kendriya Vidyalaya school, Neyveli during 2021-22.

Outcome

- Increased access to high-quality educational opportunities for school children of OBC, SC, ST, poor sections of families on nominal tuition fee charges and households with a single girl child are permitted without any tuition fees.
- Increased access to quality of education for school children.
- Quality of Education levels improved at the school.
- An increase in student participation in extra curricular activities, sports, and other events.

Impact

- This project drastically changed the socio-economic status of families since school children from OBC, SC, ST and most poor families who got admissions into the school.
- This project positively impacted the changing pattern of teaching methods and students' learning environment, and thereby augmented the quality of education levels which resulted in students' performances in public exams.
- The school approaches positively impacted students' holistic development including health and wellbeing.

Project 10: Financial Assistance to Jawahar Education Society (JES) patronized by NLCIL towards promoting education of the students in the operating region of NLCIL, Neyveli

The education sector is one of the core CSR areas of NLCIL CSR policy, which is promoting school and college education by creating educational infrastructure and running various educational institutions in this region. NLCIL has been running Jawahar Matric Higher Secondary School and Jawahar Higher Secondary School through Jawahar Education Society in its operating area of Neyveli. Both schools are pioneers in school education, inspiring other institutions to create standards in school education, in addition to providing uninterrupted education to children of underprivileged communities. These two schools collect nominal tuition fees from students that schools can utilize to meet the salaries of teaching and non- teaching staff, running operational expenses of both schools. Most families could not pay their tuition fees for their children because of no earnings for these families due to the erupting COVID-19 pandemic during 2020-21 and 2021-22. Then NLCIL came forward to support these schools with financial assistance of ₹ 500 lakh under its CSR budget provision to meet their operational expenditure of these schools during 2021-22. 1447 school children from Jawahar Matric Higher Secondary School and 5929 school children from Jawahar Higher Secondary School benefitted from this project.

Outcome

- Increased access to high-quality educational opportunities for school children of downtrodden families.
- An increase in student participation in extra curricular activities of sports, art, culture, music, dance, and different clubs, etc.

- Improved students' academic performances in competitive tests.

Impact

- Because students from MBC, BC, SC, and ST communities performed exceptionally well academically and had more prospects for placements in India and abroad, this project significantly improved the socio-economic position of student families.
- This project had a significant effect on teaching methods, and improved quality of learnings and enhanced academic performance.
- This project intently created a positive impact on student's extracurricular activities of culture, sports, art, dance, music, and various clubs, resulting in students' multiple talents coming out at different venues.

Project 11: Financial Assistance towards construction of 09 smart classrooms to Sri Sarada Niketan College of Science for women, Kodangipatti, Karur

Sri Sarada Niketan College for Women, Karur is one of the Higher Educational Institutions run by Sri Ramakrishna Tapovanam, Tirupparaithurai. It has paved the academic path in a humble way to the rural, BPL First Generation girl children of the southern and central districts of Tamil Nadu since 1987. It is an approved institution of the Government of Tamil Nadu and the University Grants Commission. This institution is affiliated to Bharathidasan University, Tiruchirapalli. It offers undergraduate, postgraduate courses, research courses of M.Phil in Tamil & Commerce and Ph.D. in Tamil. A total of 602 college girls, of which college management supports around 250 students who are parentless, single-parent, poor, and merit children by providing full/part-free financial assistance, scholarships towards academics, and food requirements. The college constructed the Information & Communication Center with funding approved by the NLCIL CSR fund to expand its state-of-the-art teaching facilities and student learning environment, thereby raising the standard of instruction for undergraduate and graduate programs. Through the provision of nine smart classrooms for undergraduate and graduate courses, this initiative allowed the college's administration to expand its contemporary teaching capabilities. The project came at a total cost of ₹ 185 lakh.

Outcome

- Increase in availability of classrooms for the college to expand smart classroom education for all Degree and PG courses.
- This project enabled teachers to convert from conventional teaching into ICT - based modern teaching methods.
- This project provides technical competitive advantage to rural college girl students meeting their urban counterparts.

Impact

- This project transformed colleges into ICT - enabled classrooms.
- It introduced modern teaching tools in explaining various subjects, which impacted the learning process and enhancing the quality of education.
- This project improved the education system in the college and provided students with technological advancements, helping them in their academic performances and thereby fetching placements.

Project 12: Financial Assistance to Gram Vikas Society, Dharwad, Karnataka towards Skill Development (Fashion Design Training)

Women empowerment gives the confidence for women to protect themselves from the vicious circle of social, political, economic, and gender-based discrimination. The skill development program for a woman is to increase their performance by raising the calibre of the work they are engaged in rather than just preparing them for jobs.

Dharwad parliamentary constituency in Karnataka state has six assembly constituencies across five talukas of Dharwad district and one assembly constituency across two talukas of Haveri district. Women doing small businesses in these two districts lost their businesses due to the COVID-19 pandemic, and they could not restart their businesses due to a lack of financial support. As a result, most women settled down as laborers, sweepers and cleaners at hotels, restaurants, hospitals, schools, etc. These women would expect dignified livelihoods to lead better lives.

The Gram Vikas Society, an NGO, has identified the gap between the demand and supply of skilled women workers in the sewing, tailoring, and fashion design manufacturing industries located in the Dharwad district. To provide better livelihood options to these women to lead dignified lives in this region. The Gram Vikas Society got NLCIL CSR funds approval of ₹ 269.93 lakh, of which received ₹ 79.69 lakh during FY 2021-22 and ₹ 119.55 lakh during FY 2022-23 for the skill training of 1200 women.

Outcome

- Trainees (women) could get wage employment, self-employment opportunity after completion of this training course.
- Improved socio-economic profiles in the community after attending the training courses.
- These training programs boosted self-confidence, pride, and self-esteem among women trainees.
- This project supplied skilled workforce to garment industry.

Impact

- The project improved skills among the training women.
- The families of the trainees achieved a higher level of living standards meeting necessities, such as family healthcare, children's education, etc.
- With this skill development program women were self-reliant and lived happily.
- The economic empowerment of women increased, and they participated in decision making process in their family and society.

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5.

(a)	Average net profit of the company as per sub-section (5) of section 135.	₹ 2,013.56 Crore.
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135.	₹ 40.27 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)].	₹ 40.27 Crore.

6.

(a)	Amount spent on CSR Projects (both ongoing project and other than Ongoing Project).	₹ 45.35 Crore
(b)	Amount spent in Administrative Overheads	₹ 2.01 Crore
(c)	Amount spent on Impact Assessment, if applicable	NIL
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	₹ 47.36 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
47.36 Crore	NIL	NIL	NIL	NIL	NIL

(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	40.27 Crore
(ii)	Total amount spent for the Financial Year	47.36 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7.09 Crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.90 Crore
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.19 Crore

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

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	2	3	4	5	6		7	8
1	2020-21	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	2021-22	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	2022-23	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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)

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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, replacement of conventional equipment using energy efficient equipment 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 Services units.
3. During this financial year 15 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 11032 Nos of conventional lights were replaced with LED lights.
5. Capacitor banks are being introduced in phased manner in motors of conveyers, Special mining equipment and transformers to improve power factor thereby reducing reactive power energy losses.
6. Dynamic loading system is being introduced in conveyors in Mines for energy conservation. During this financial year 01 No of Dynamic loading system was added.
7. 613 Nos of 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 equipment, 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 2023-24, by adopting energy conservation measures, about 31.47 Million Units of energy was conserved.

b. The steps taken by the Company for utilizing alternative source of energy.

Measures are being taken to utilize alternative 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 Heaters were erected in General Hospital and Guest House.
2. 51 MW Wind Mills were commissioned inside Tamil Nadu.
3. 10 MW & 130 MW Solar Power Plants were installed and commissioned inside Neyveli Township.
4. 500 MW Solar Power Plants were installed and commissioned in Tamil Nadu.
5. 20 MW Solar Power Plants were installed and commissioned in Andaman & Nicobar Islands.
6. NLCIL with its expertise in Solar Power Plant has installed and commissioned 709 MW of Solar Power Plant for TANGEDCO.
7. 1.06MW Solar Roof PV Panels were installed and commissioned on Non-Residential Buildings in Neyveli Township.
8. 200 KW floating Solar Power Panels were erected and commissioned in TPS-I lake.
9. NLCIL and CIL have formed Coal Lignite Urja Vikas Private Limited (CLUVPL), Joint Venture Company to erect and commission 5,000 MW Solar Power Plant & received an order from SECL for consultancy services for the 40 MW Solar Power Project.
10. Joint Venture Agreement under approval at TANGEDCO for formation of 2,000 MW Ultra Mega Solar Power project.
11. 10 MW Neyveli Solar Project under smart city scheme in Neyveli Township was commissioned on 30th October, 2023.
12. Your Company won 150 MW Solar-Wind hybrid project floated by Solar Energy Corporate of India (SECI). LoA issued to Inox Wind Limited for development of 50 MW Wind Power Project on 01th February, 2024. LoA issued to

Enerture Technologies Pvt. Ltd. for development of 100 MW Wind Power Project on 26th February, 2024.

13. Your Company has won 510 MW solar tender from IREDA (Indian Renewable Energy Development Agency Limited) under CPSU scheme. LoA issued to Tata Power Solar System Ltd., for development of 300 MW Solar Power Project on 27th March, 2023. LoA issued to Kosol Energie Pvt Ltd. for development of 200 MW Solar Power Project on 16th October, 2023 and Remaining 10 MW commissioned in NLCIL for Smart City Project.

c. The Capital investment on energy conservation equipment

During the Financial year 2023-24, for implementing various Energy Conservation measures, the company has invested ₹ 2.95 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. 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 were analyzed by IITM and found suitable for construction. Around 40 to 60% of sand has been recovered from OB. Project completed. Based on the outcome of the study, NLCIL established 0.42 Million TPA capacity of OB to Sand pilot plant at Mine IA. Permission from State Govt. for sale and use of Overburden is awaited.

b. Lignite to Diesel

Your Company 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. Further to take up the project in pilot scale (40TPD diesel output), work order issued to Engineers India Limited for preparation of Detailed Project Report (DPR). DPR preparation in progress.

c. 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 five 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 of Eco-Friendly Geo-Polymer Ash Based green bricks using solar heating
5. Activated carbon development using lignite – HA sludge

1st wave Prototype projects works are in progress. Finalization of the second wave prototype projects and third wave Proof of Concept proposals are under progress.

d. 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. As part of the study, Failure mode analysis, SEM analysis, Tensile test and FEM stress analysis for bottom rollers and pins were completed. New alloy development and heat treatment process are under progress.

e. Lignite to Syngas for power generation and value-added chemical production

Your Company indents 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. As part of this MoU, it is intended to develop indigenous technology to convert Lignite to syngas. In this regard to know the feasibility of the project, work order issued to BHEL for preparation of

Feasibility report for a Lignite gasification based IGCC pilot plant. Studies are in progress.

f. Green Hydrogen

Hydrogen, the most abundant and lightest element, has a wide range of applications in industries such as Steel, Fertilizer, Refinery, Petrochemicals, Automobile etc. It is also one of the richest and efficient sources of energy. Traditional means of producing hydrogen generate large volumes of CO_2. Hydrogen, produced through renewable energy-powered electrolysis without emissions is known as Green Hydrogen. This method of producing Hydrogen emits no greenhouse gases and helps in decarbonizing various sectors. Therefore, NLCIL has taken up initiatives and is in the process of establishing a 4MW Green Hydrogen pilot plant in line with the Indian Government's Green Hydrogen mission. In this regard, Engineers India Limited has been engaged as Project Management consultant for identifying the LEPC bidder for execution of the project.

g. Characterization of finding the suitability of lignite/humic acid for semiconductor applications

At present, the materials such as Aluminium gallium nitride (AlGaN) are used in light emitting devices. These are expensive to fabricate and require clean-room technology. Researchers are looking for alternative materials which are cost-effective, solution-processable using green solvents as a feasible route to synthesis sustainable LEDs. Carbon-based environment friendly and sustainable materials will be a promising solution for synthesizing.

In this regard, CARD has entered a Joint Development Agreement (JDA) with Indian Institute of Technology Madras (IITM) for carrying out the "Characterization of finding the suitability of lignite/humic acid for semiconductor applications". The objective of the project is to understand the optical, structural and thermal properties of lignite/humic acid. The outcome of the proposal will provide substantial evidence of using lignite/humic acid for semiconductor applications.

(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) NLC Mines & Thermal are having lakes around 150 hectare 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) Identification of alternate materials for bottom rollers used in Bucket wheel Excavators will prevent Premature failures and enhance the life span of the product.

d) Formation of Innovation Incubation Centre is to promote innovation, entrepreneurship and helps to support start-ups.

(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 2023-24 is ₹ 43.37 Crore.

C. Foreign exchange earnings and outgo

Foreign Exchange Inflow : Nil

Foreign Exchange Outflow : ₹ 33.40 Crore

For and on behalf of the Board of Directors

Place : Chennai
Date : 31st August, 2024

Prasanna Kumar Motupalli
Chairman and Managing Director

Annexure – 3

Management Discussion and Analysis

Industry Structure and Developments

Global Energy Sector - Outlook

The energy sector plays a vital role in modern societies, encompassing a diverse range of sources, technologies, and infrastructure that power human activity, from factories and homes to transportation networks. Historically, this sector has heavily relied on fossil fuels like coal, oil, and natural gas, which have supplied abundant energy while contributing to significant environmental and climate challenges owing to carbon emissions.

To combat global warming and limit temperature rise to 1.5°C, it is vital to reduce carbon dioxide (CO_2) emissions globally by approximately 37 gigatonnes (Gt) from 2022 levels.

Accordingly, in recent years, there is a growing consensus worldwide on the necessity of transitioning towards cleaner, more sustainable energy sources. Achieving a 1.5°C pathway requires an annual deployment of approximately 1,000 GW of renewable power. This transition entails embracing renewable energy technologies such as solar, wind, hydroelectric, and geothermal power, which offer a plentiful supply of energy with minimal environmental impact.

In addition, advancements in energy efficiency, storage technologies, and grid infrastructure are crucial to integrating intermittent renewable energy sources into the power grid and reducing overall energy consumption.

As global economies seek to drive energy consumption towards cleaner sources, governments, academia, businesses and the not-for- profit sector are collaborating to promote technological innovation and shape policy to enable the energy transition. Concurrently, there is also a growing awareness among the world's citizens about the significance of this shift for people and the planet.

Rapid Shift towards Clean Energy

As of 2023, renewables account for 30.2% of total global electricity generation and are expected to increase up to 41.6% by 2028.

Reflecting a growing recognition of the economic and environmental benefits of clean energy, nations are making significant financial commitments to developing alternate energy systems.

Clean energy investment has surged by 40% since 2020, with a massive USD 2 trillion directed towards clean energy technologies and infrastructure, signalling a major shift towards sustainable energy solutions.

Consequently, the deployment of solar PV and onshore wind is projected to more than double in the United States, the European Union, India, and Brazil by 2028, compared to the past five years. The rise of solar is supported by cost reductions of solar PV modules, attributed to global manufacturing capacity, which is anticipated to reach 1100 GW by the end of 2024, greatly surpassing demand. The last two years have seen a significant drop in the costs of solar panels, with a notable 30% decrease. This decline has made solar energy more financially feasible and has led to its widespread adoption across various sectors. Furthermore, there has been a sharp decrease in the prices of minerals and metals essential for energy transitions, particularly those needed for batteries. This reduction in costs has accelerated the adoption of clean energy technologies, making them more affordable and scalable.

In contrast, the wind industry outside of China is encountering more difficulties due to ongoing supply chain disruptions, higher costs, and lengthy permitting processes, which require more robust policy interventions.

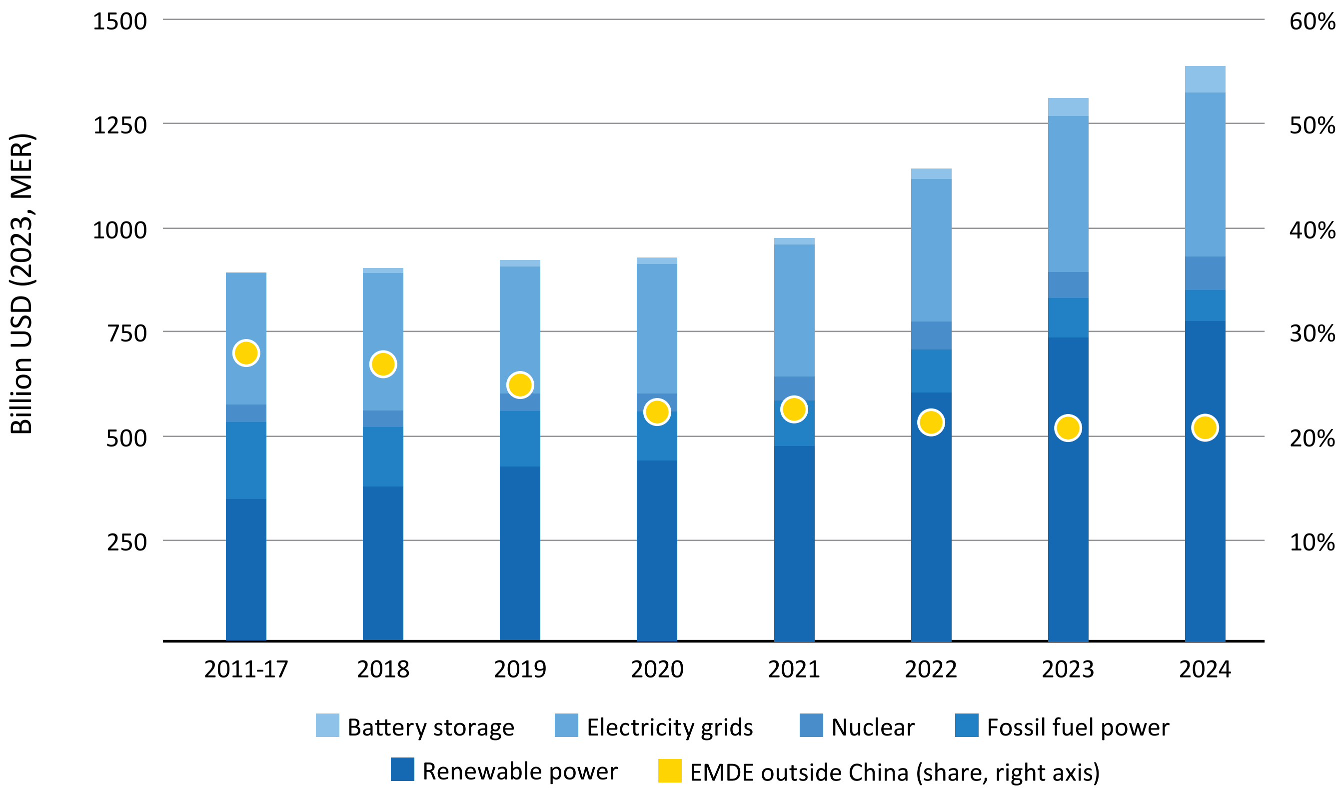
Biofuels are also becoming increasingly significant, with emerging economies like Brazil and India anticipated to account for 70% of global demand over the next five years. Biofuels are beginning to demonstrate their full potential in sectors such as aviation and as substitutes for highly polluting fuels like diesel.

Furthermore, the rapid uptake of electric vehicles is revolutionizing transportation. In 2023, one in every five cars sold was electric, a notable increase from one in 25 in 2020. This trend is foreseen to not only reduce greenhouse gas emissions but also drive continued innovation and investment in battery technology and charging infrastructure.

Investments in the Power Sector

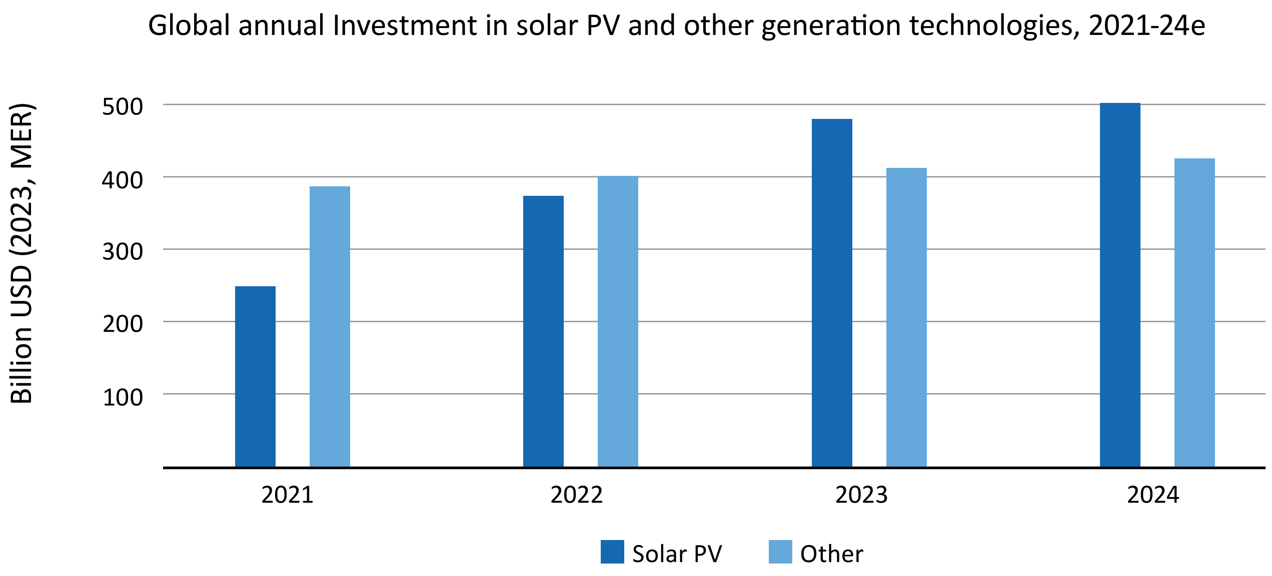
Investment in the power sector has increased by 15% in 2023 to USD 1.3 trillion compared to 2022, with the growth rate expected to slow in 2024 due to cost reductions in renewables and a decline in the use of fossil fuels. Global spending on renewables also hit a new record of USD 735 billion in 2023 and is expected to reach 770 billion in 2024, driven by solar PV and wind.

Global annual investment in the power sector by category 2011-2024



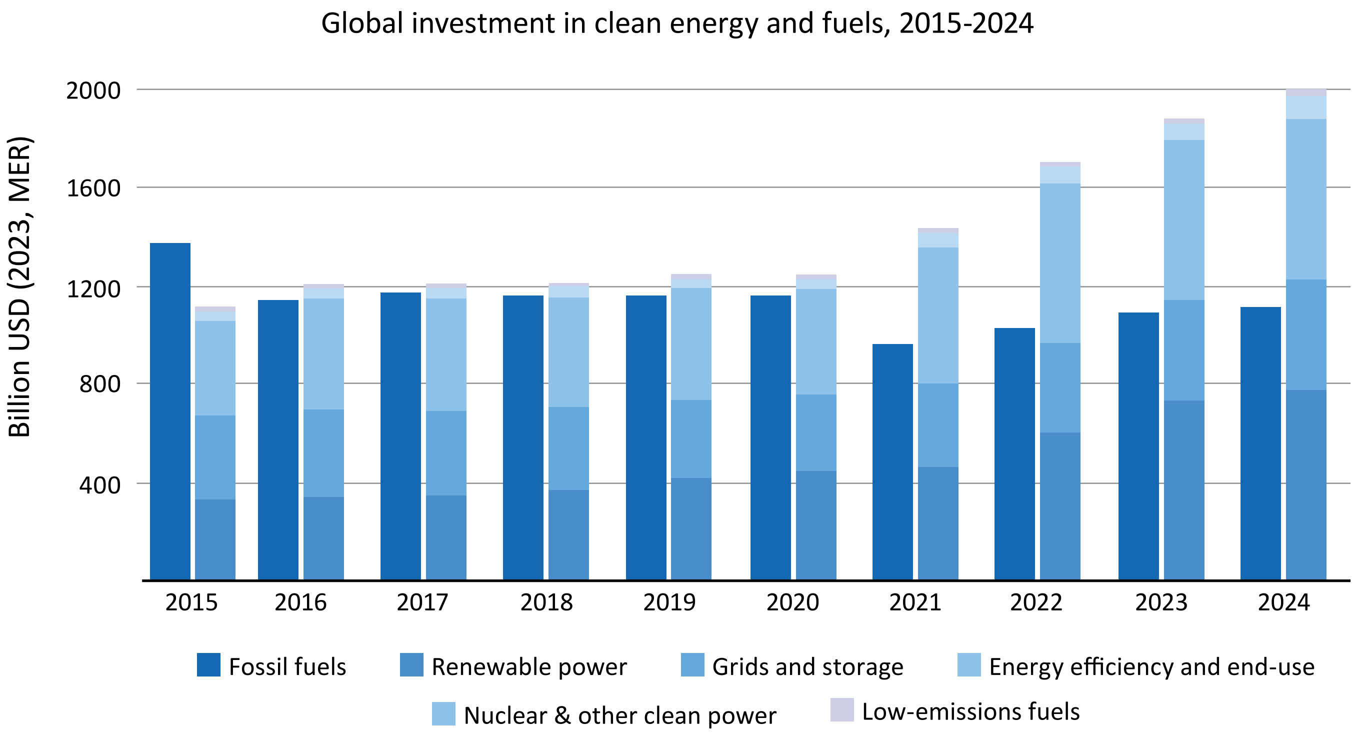
(Source – IEA)

Investments in solar PV by far surpass those in other generation technologies, driven by scalability and accelerated adoption.



(Source – IEA)

Following a rise in investments in nuclear energy after two years of consecutive decline, financing for nuclear power is anticipated to increase in 2024. Projections indicate that total investment in nuclear energy will reach USD 80 billion in 2024, nearly doubling the amount in 2018, which marked the lowest point in a decade.



(Source – IEA)

In 2023, heightened coal demand in various countries, notably China, India, and Southeast Asia, spurred a rise of 6% in investments in coal supply. A further global increase of 2% is expected in 2024.

Indonesia is one of the largest coal exporters and the investment in the country is expected to expand by 5% in 2024 after following 12% increase in 2023.

China stands out as the largest coal producer and consumer worldwide, serving as the primary source of coal exports. Shortages of coal in 2021, coupled with exceptionally high prices in 2022, intensified concerns about energy security, prompting increased investment in domestic coal supply. Between 2018 and 2023, annual investment in coal saw an average increase of nearly 10%, resulting in heightened production levels. This, combined with significant imports, led to a notable surge in the country's coal stocks which demonstrates China's proactive approach in energy security.

India, ranking as the world's second-largest coal producer and consumer, has outlined ambitious plans to elevate domestic production to align with escalating demand. Since 2021, investment in this sector has been on a steady upwards incline.

> Investment in this sector surged by 5% in 2023 and is poised to expand by almost 10% in 2024, reaching approximately USD 15 billion.

To bolster coal supply, the Ministry of Coal is implementing various strategies, including commercial auctions featuring a revenue-sharing mechanism, allowances for additional coal sales, and rolling auctions. However, despite these efforts, current projections suggest that demand will outpace supply, potentially positioning India to surpass China as the world's leading coal importer in the near future.

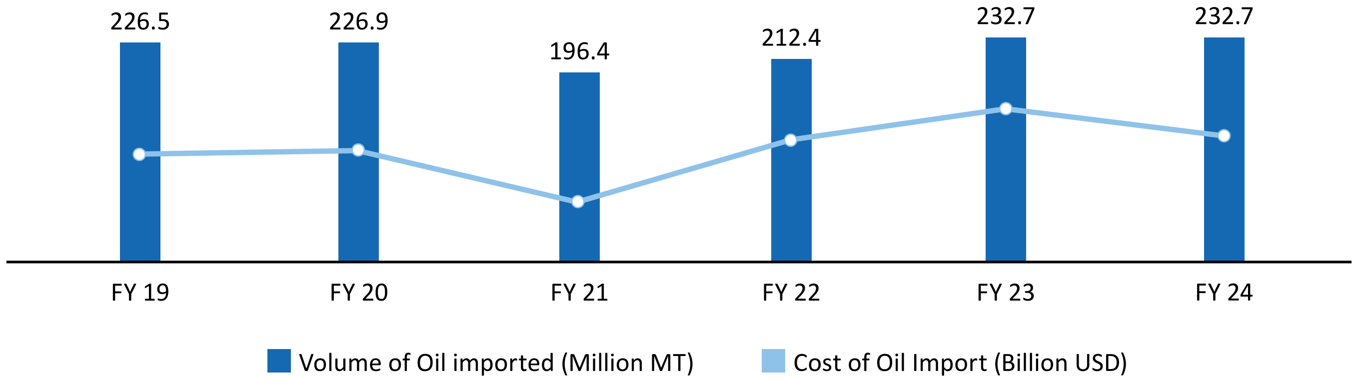
Impacts of War

The onset of the Russia-Ukraine conflict in February 2022, coupled with OPEC+ production cuts, have profoundly tested energy security strategies worldwide. In response, nations in Latin America, Africa, and Asia have intensified their domestic production of oil, gas, and coal to alleviate the impacts of geopolitical and market pressures on energy availability. However, while this approach bolsters short-term supply security, it diverges from the global trend toward environmental sustainability and the transition to cleaner energy sources.

In the aftermath of the Ukraine invasion, European countries heavily dependent on Russian oil and gas have adopted energy security measures such as reducing gas usage, procuring additional supplies at higher costs, temporarily increasing coal-powered electricity generation, implementing EU-wide targets for gas storage, and ramping up renewable energy production. Despite the spike in energy prices triggering a cost-of-living crisis in Europe and elsewhere, the interconnected electricity markets in Europe have ensured stable provision of electricity.

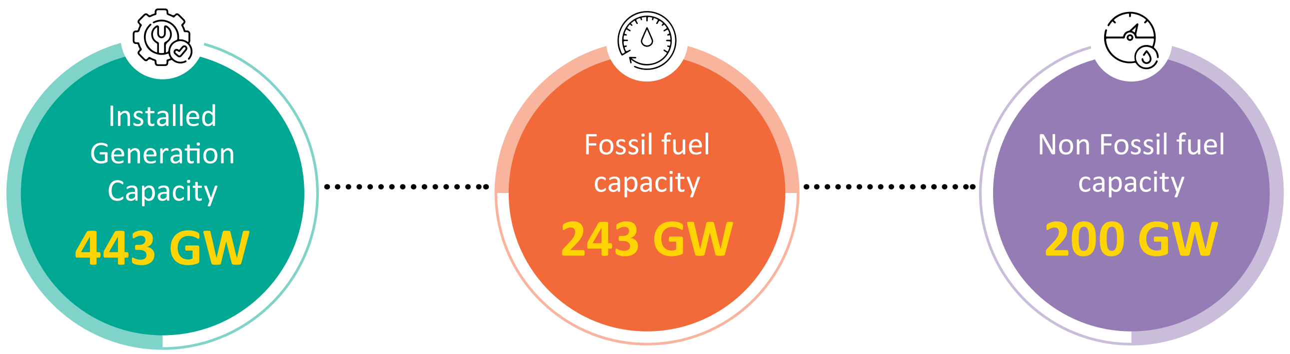
India's oil imports from Russia proved mutually beneficial for both nations. With Russia facing sanctions and losing a significant portion of its export market, particularly in Europe, which previously accounted for nearly half of its exports, the country turned to other markets. India seized the opportunity, ramping up its imports of crude oil from Russia, attracted by the lower costs offered. Discounts on Russian crude have caused India's crude oil import bill to decrease to $132.4 billion in FY24 (2023-24), down by 15.9% from $157.5 billion the previous year, despite import volumes staying the same.

Crude oil import bill shrinks as volumes stabilize

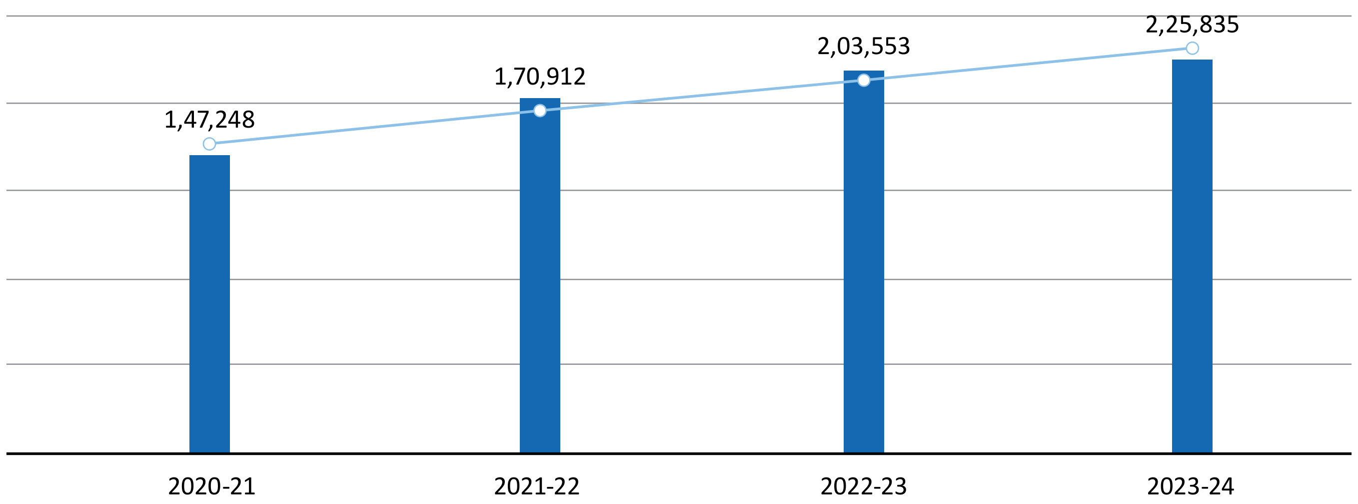


Indian Energy Sector – Key Highlights

Installed capacity



Total Renewable Energy Generation (MU)



(Source – CEA)

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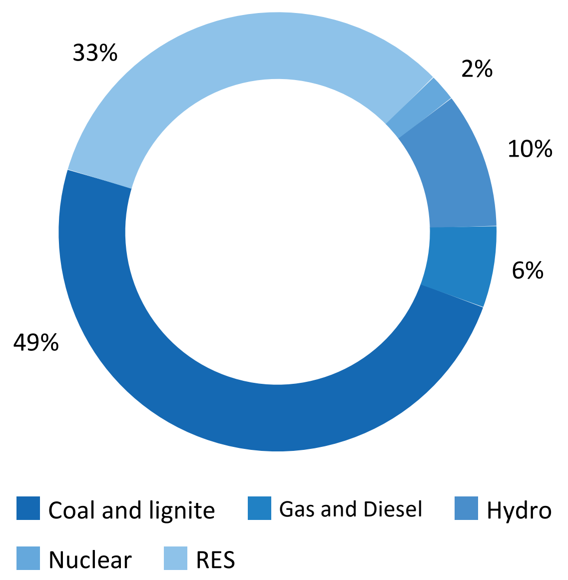
Renewable energy generation experienced a notable growth of 19.1% in 2021-22 compared to the previous year, reflecting a significant expansion in the sector. However, this momentum slowed in the subsequent years. By 2022-23, the growth rate had decelerated to 7.43%, indicating a more moderate increase in renewable energy capacity or output. The trend continued in 2023-24, with the growth rate further declining to 3.28%, suggesting that the expansion in renewable energy generation was becoming more gradual.

In FY 2023-24, the installed capacity of Renewable Energy Sources increased by 18GW which is over 21% higher than 15.27GW added in 2022-2023.

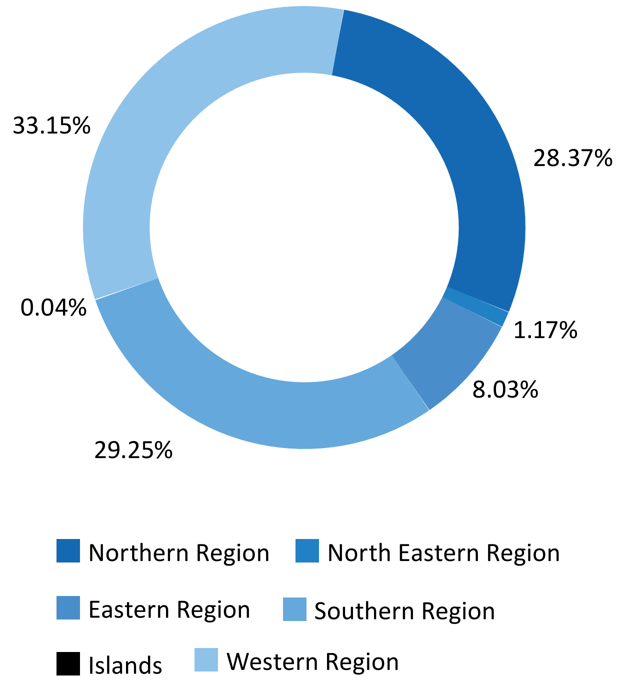
Installed capacity - 30th April 2024



(Source – CEA)

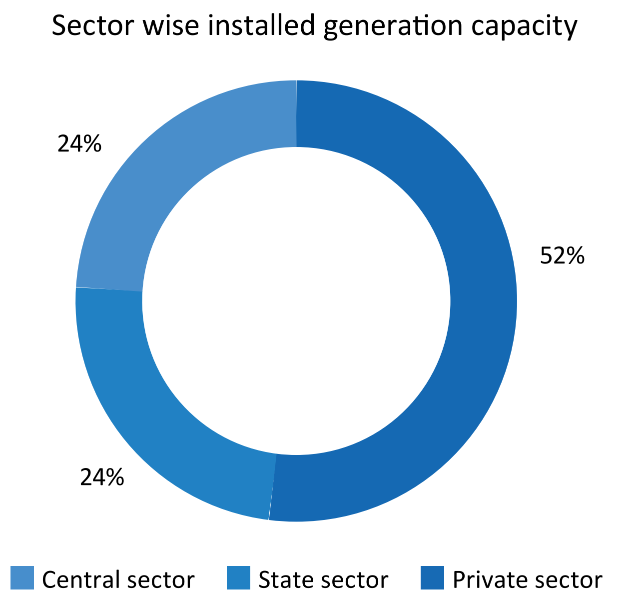
As of April 30, 2024, the geographical distribution of installed electricity generating capacity reveals that the Western Region held the largest share at 33%, followed by the Southern and Northern Regions at 29% each. The Northern Region also boasted the greatest share of hydro energy capacity. In terms of states, Punjab leads with the highest hydro capacity of 3.82 GW, while Rajasthan leads in other renewable resources with 26.81 GW.

Regionwise Installed Generation Capacity of Electricity (Utilities) as on 30th April 2024



(Source – CEA)

The private sector holds the lion's share, contributing 52% to the country's installed capacity, underscoring its substantial involvement in India's power generation landscape. In contrast, the States and Central Sectors represent 24 % each of the total installed capacity.

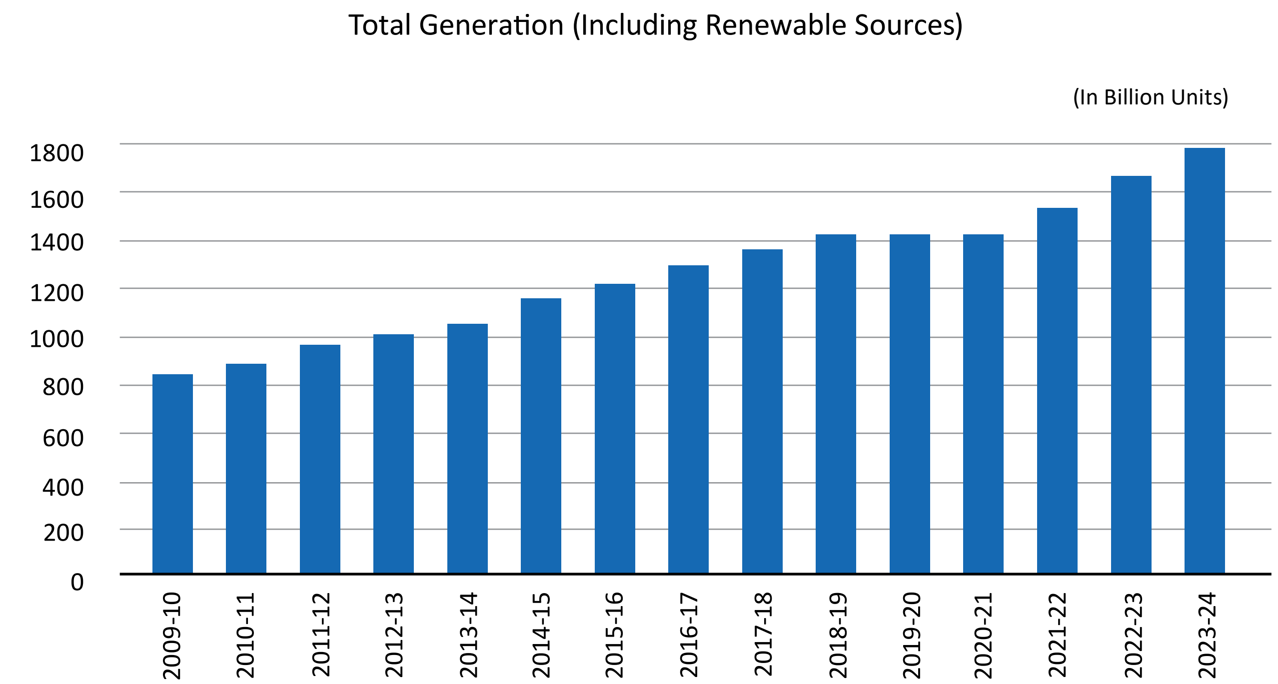


(Source – CEA)

Generation

The electricity generation goal for 2023-24 was set at 1750 billion units (BU), distributed as follows: 1324.110 BU from thermal sources, 156.700 BU from hydro, 46.190 BU from nuclear, 8 BU imported from Bhutan, and 215 BU from renewable energy Sources (excluding large hydro).

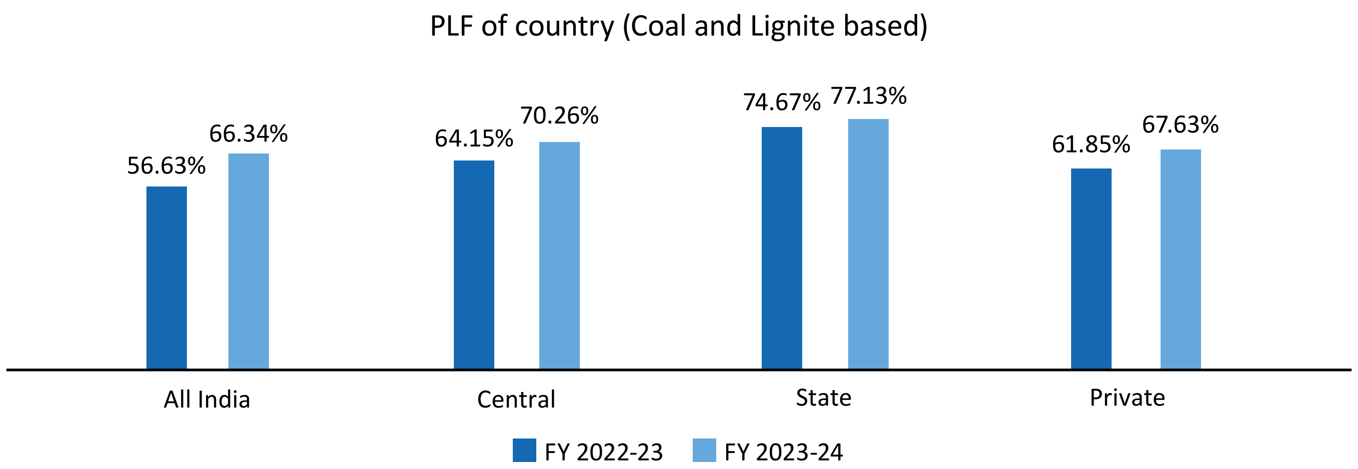
The chart below illustrates the historical pattern of total annual electricity generation in India, including generation from renewable energy sources.



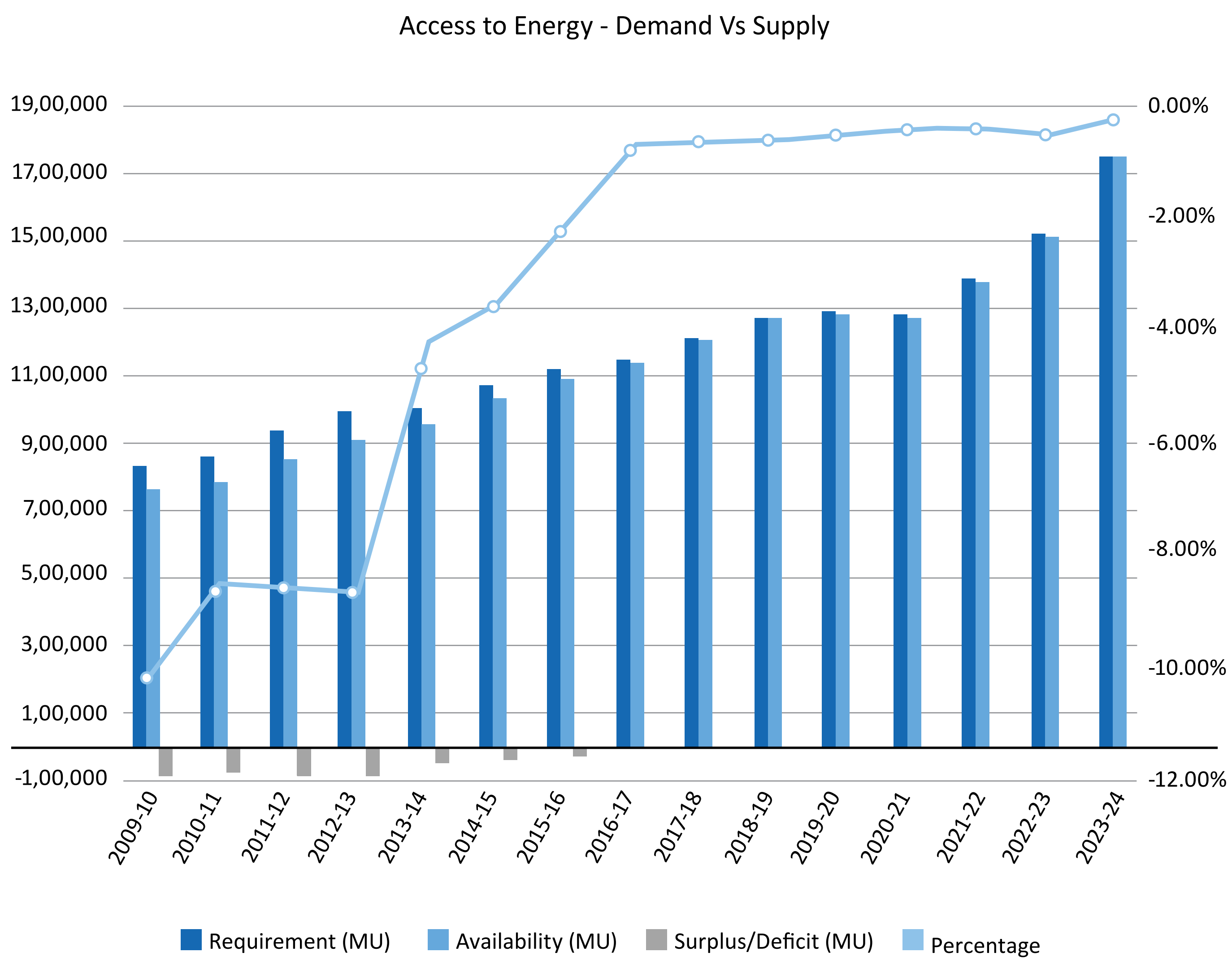
(Source – Ministry of Power)

Plant Load Factor (PLF)

Coal-based stations in India witnessed an increase in PLF from 56.63% to 66.34% in FY 2023-24. The sector wise PLF is as follows:



(Source – Ministry of Power)



(Source: CEA)

Coal Overview

Reserves

India possesses abundant coal reserves, with the total estimated coal reserves amounting to 378.2 billion tonnes as of April 1, 2023. This represents an increase of 16.79 billion tonnes and a growth of 4.65% in the total estimated coal reserves during the year 2023-24 compared to 2022-23.

Odisha, Jharkhand, and Chhattisgarh are the top three states with the highest coal reserves in India, collectively accounting for around 69% of the nation's total coal reserves.

Of the total reserves in the country, measured reserves—those deemed economically viable based on feasibility studies and geological exploration—comprise nearly 53% of the total.

Availability of coal in India (Million tonnes)

State	Measured	Indicated	Inferred	Total Resources	% of total
Odisha	52,046.19	37,536.32	4,936.08	94,518.59	24.99%
Jharkhand	55,749.18	26,994.01	5,094.91	87,838.1	23.22%
Chhattisgarh	37,236.35	42,293.97	1,243.55	80,773.87	21.36%
West Bengal	17,459.34	12,698.82	3,775.12	33,933.28	8.97%
Madhya Pradesh	15,279.27	12,456.93	4,482.33	32,218.53	8.52%
Telangana	11,256.78	8,496.57	3,433.07	23,186.42	6.13%
Maharashtra	8,064.76	3,424.65	1,846.59	13,336	3.53%
Bihar	309.53	5,040.18	47.96	5,397.67	1.43%
Andhra Pradesh	1,024.65	2,368.94	778.17	4,171.76	1.10%
Uttar Pradesh	884.04	177.76	0	1,061.8	0.28%
Meghalaya	89.04	16.51	470.93	576.48	0.15%
Assam	464.78	57.21	3.02	525.01	0.14%
Nagaland	8.76	21.83	447.72	478.31	0.13%
Sikkim	0	58.25	42.98	101.23	0.03%
Arunachal Pradesh	31.23	40.11	18.89	90.23	0.02%
Total	**1,99,903.9**	**1,51,682.1**	**26,621.32**	**3,78,207.3**	**100.00%**

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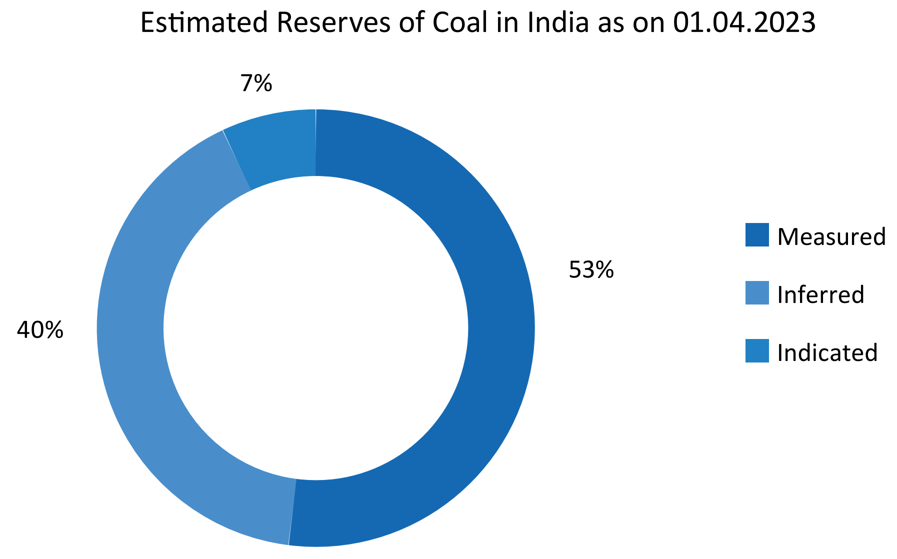


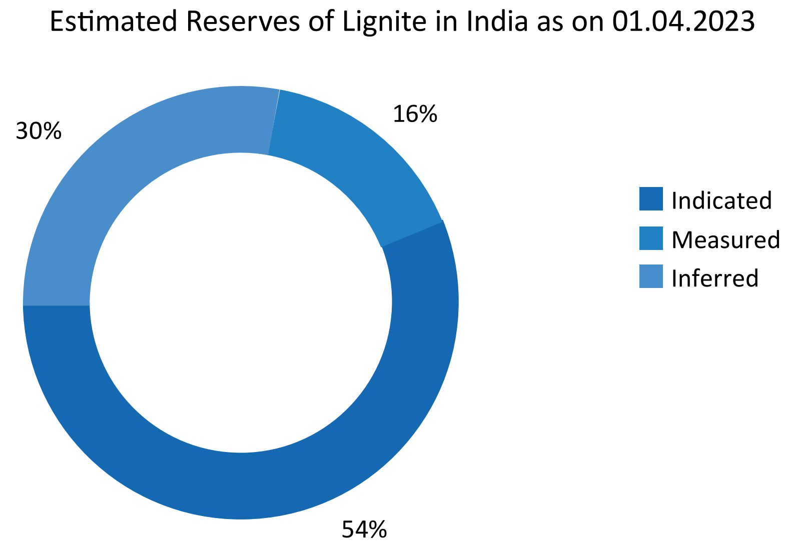
(Source – Ministry of Coal)

As of April 1, 2023, the total estimated lignite reserves stood at 47.36 billion tonnes, reflecting an increase of 1.16 billion tonnes compared to the previous year. This indicates a growth rate of 2.52% in the total estimated lignite reserves during the year 2023-24 compared to 2022-23.

The country's highest reserves of lignite are held by the state of Tamil Nadu. Of the total lignite reserves in the country, measured reserves represent only about 16% of the total.

Availability of lignite in India (Million tonnes)

State	Measured	Indicated	Inferred	Total Resources	% of total
Pondicherry	0	405.61	11	416.61	0.88%
Tamil Nadu	5023.09	21885.01	10688.48	37596.58	79.37%
Rajasthan	1203.85	3108.55	2273.84	6586.24	13.90%
Gujarat	1278.65	283.7	1159.7	2722.05	5.75%
Jammu and Kashmir	0	20.25	7.3	27.55	0.06%
Kerala	0	0	9.65	9.65	0.02%
West Bengal	0	1.13	2.8	3.93	0.01%
Odisha	5.93	0	0	5.93	0.01%
Total	**7511.52**	**25704.25**	**14152.77**	**47368.54**	**100.00%**

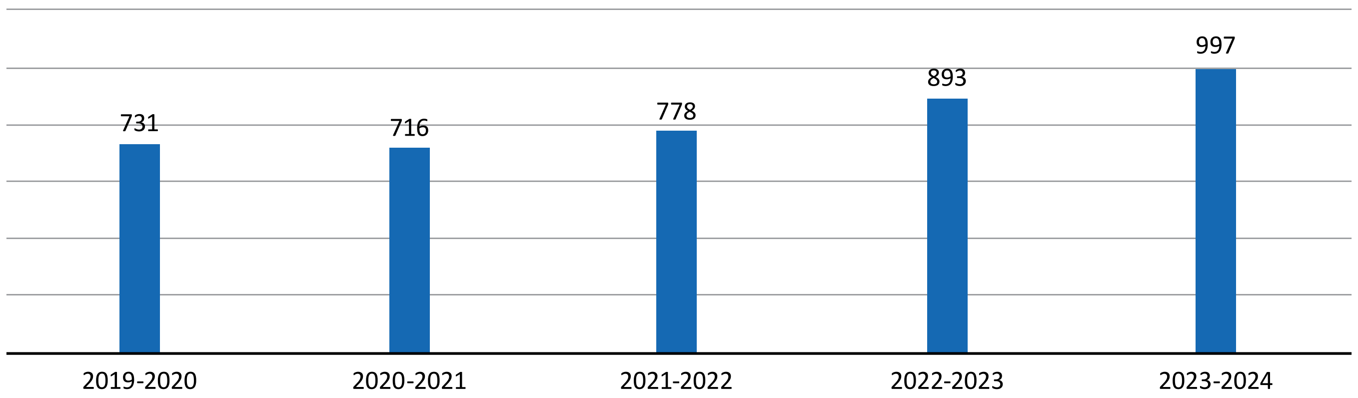


(Source – Ministry of Coal)

Production and Imports

In the fiscal year 2023-24, the actual production of raw coal reached 997.25 million tonnes (MT), which fell short of the annual target of 1012.14 MT.

Coal Production (Million Tonnes)



(Source – Ministry of Coal)

In the 2023-24, all-India lignite production stands at 42.82 million tonnes, a slight decrease from the 44.03 million tonnes recorded during the corresponding period in the preceding year, indicating a reduction of 2.75%.

Growth and Dynamics of the Short-Term Power Market in India

The short-term power market in India experienced significant growth and transformation in the fiscal year 2022-2023 (FY23). This sector accounted for approximately 12% of the total electricity procured in India during this period, with the remaining 88% being primarily procured by distribution companies through long-term contracts and short-term intra-state transactions.

From 2009-10 to 2022-23, the volume of short-term transactions of electricity increased at a higher rate (Compound Annual Growth Rate or CAGR of 8.7%) compared to the overall gross electricity generation (CAGR of 5.9%). In terms of volume, the size of the short-term market in India expanded from 186.75 BUs in 2021-22 to 194.35 BUs in 2022-23, marking an annual growth of approximately 4%.

The volume of electricity transacted through power exchanges demonstrated remarkable growth, with a CAGR of 29% from 2008-09 to 2022-23. In contrast, the volume transacted through traders increased at a CAGR of 3.1% over the same period. In FY23, the weighted average price of electricity transacted through power exchanges was ₹6.25/kWh, while through trading licensees it was ₹5.85/kWh. These prices were significantly higher compared to the previous year (2021-22), which recorded prices of ₹4.69/kWh and ₹3.72/kWh respectively.

Additionally, the number of traders involved in electricity trading increased significantly, from 15 in 2008-09 to 38 in 2022-23, reflecting the growing participation and expansion of the market.

Cross-Border Trade and Renewable Energy Certificates

Key points about cross-border electricity trade and renewable energy certificates (RECs) are:

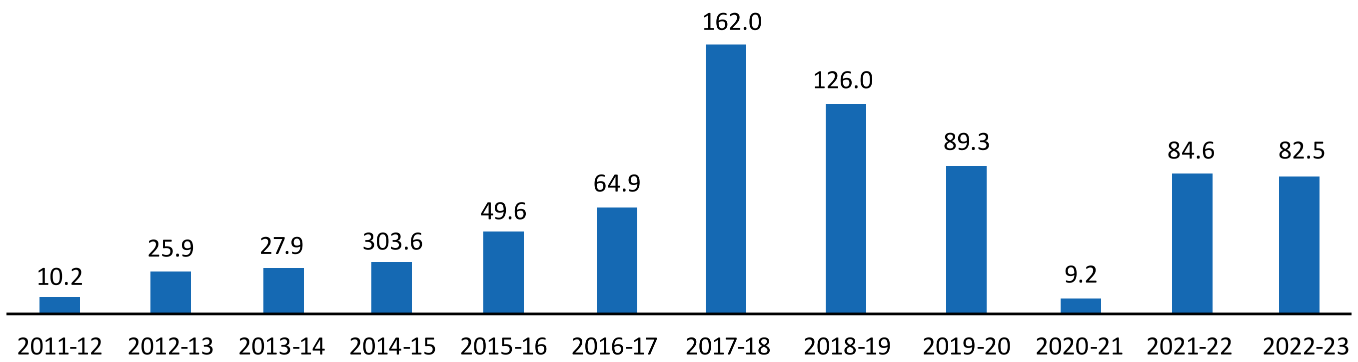
Cross-Border Electricity Trade:

India imports electricity from Bhutan and exports it to Bangladesh, Nepal, and Myanmar. India was a net importer from 2013-14 to 2015-16 and a net exporter from 2016-17 onwards. Cross-border trade in the Day Ahead Market of the Indian Energy Exchange (IEX) started in 2021-22, with Nepal on April 17, 2021, and Bhutan on January 1, 2022.

Renewable Energy Certificates (RECs)

The first REC trading session on power exchanges took place in March 2011. Since then, the number of RECs transacted has grown significantly, increasing from 10.15 lakh in 2011-12 to 162 lakh in 2017-18. However, there was a decline to 89.28 lakh in 2019-20.

Number of RECs transacted (Lakhs)



(Source - CERC)

In 2022-23, a total of 82.50 RECs were traded on power exchanges and through trading licensees. A new contract called "REC" has been available for trading since December 2022, and the REC Regulations 2022 also allowed trading RECs through trading licensees.

Key features of the CERC's 2022 regulations on Renewable Energy Certificates (RECs):

1. **Validity of RECs:** Once issued, the certificates are valid until they're used.
2. **No Floor and Forbearance Price:** There are no set minimum or maximum prices for trading RECs. Prices will be determined on power exchanges or agreed upon between eligible entities and electricity traders. The Commission will step in if there's high price volatility or sudden changes in transaction volumes.
3. **Fungibility of RECs:** The categorization of RECs into solar and non-solar has been removed. Now, RECs can be issued for all types of renewable energy technologies, including solar, wind, hydro, biomass, biofuel, and waste-to-energy.
4. **Certificate Multiplier:** This concept is introduced to promote newer and more expensive RE technologies. It increases the market value of different RE technologies based on their tariff range (₹/kWh) and will be valid for three years. Once assigned, the multiplier will be valid for fifteen years from the date of the project's commissioning.

RE Technologies	Tariff Range (₹/kWh)	Certificate Multiplier
On shore Wind and Solar	<=4	1
Hydro	4-6	1.5
Municipal Solid waste and Non-fossil fuel based Cogeneration	6-8	2
Biomass and Biofuel	8-10	2.5

5. **Trading Licensees:** RECs can now be traded through trading licensees, increasing competition and reducing transaction costs. This change will make it easier for all buyers, including small ones, to meet their Renewable Purchase Obligations (RPOs).

Overall, these developments highlight the robust growth trajectory of India's short-term power market. The market is becoming more dynamic, with rising trade volumes, increasing prices, and a growing number of participants. The introduction of cross-border trade and new REC regulations further enhances the market's diversity and reach, indicating a more integrated and flexible energy market in the region.

Critical Minerals

Critical minerals like copper, lithium, nickel, cobalt, and rare earth elements are essential for many rapidly advancing clean energy technologies, such as wind turbines, electricity networks, and electric vehicles. As the transition to clean energy accelerates, the demand for these minerals is rapidly increasing.

Building solar PV plants, wind farms, and electric vehicles generally require more critical minerals compared to fossil fuel-based equivalents. For example, an electric car typically needs six times the mineral inputs of a conventional car, and an offshore wind plant requires thirteen times more mineral resources than a gas-fired plant of the same size. Since 2010, the average quantity of mineral resources needed for new power generation capacity has risen by 50% due to the growing share of renewables in new investments.

The specific minerals needed vary by technology. Batteries rely on lithium, nickel, cobalt, manganese, and graphite, while rare earth elements are crucial for permanent magnets in wind turbines and EV motors. Electricity networks require large amounts of aluminium and copper, with copper being fundamental to all electricity-related technologies.

As countries intensify their efforts to reduce emissions, they must also ensure that energy systems remain resilient and secure. The increasing importance of critical minerals in a decarbonizing energy system requires policymakers to consider new potential vulnerabilities. Issues like price volatility, supply security, and geopolitical changes remain relevant even in an electrified, renewables-dominated energy landscape.

Different countries have developed their own lists of critical minerals based on their unique situations and priorities. The US has designated 50 minerals as critical due to their importance for national security and economic development. Japan has identified 31 minerals crucial for its economy. The UK considers 18 minerals as critical, while the EU has listed 34, and Canada has identified.

> In 2023, the Indian government made two significant moves with respect to critical minerals. First, in July 2023, a list of 30 critical minerals (excluding rare earths, which are distinctly identified in the periodic table) were identified.

The materials include:

List of critical minerals identified by India

Antimony	Beryllium	Bismuth	Cobalt	Copper	Gallium
Molybdenum	Lithium	Indium	Hafnium	Graphite	Germanium
Niobium	Nickel	Phosphorous	Potash	Rhenium	Silicon
Tungsten	Titanium	Tin	Tellurium	Tantalum	Strontium
Niobium	Vanadium	Zirconium	Selenium	Cadmium	

PGE – Platinum, Palladium, Rhodium, Ruthenium, Iridium, Osmium

REE – Lanthanum, Cerium, Praseodymium, Neodymium, Promethium, Samarium, Europium, Gadolinium, Terbium, Dysprosium, Holmium, Erbium, Thulium, Ytterbium, Lutetium, Scandium, Yttrium

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Secondly, in November 2023, existing mining laws were amended to permit private sector participation in the auction of 20 blocks of critical minerals and rare earths. Additionally, the Ministry is actively engaged in the Mineral Security Partnership (MSP) and collaborates with numerous countries through multilateral and bilateral partnerships to ensure India's critical mineral needs are met. These efforts are essential for India's overall development and resilience in global markets and strategic landscapes supporting economic stability, technological advancement, and strategic independence.

Battery Storage

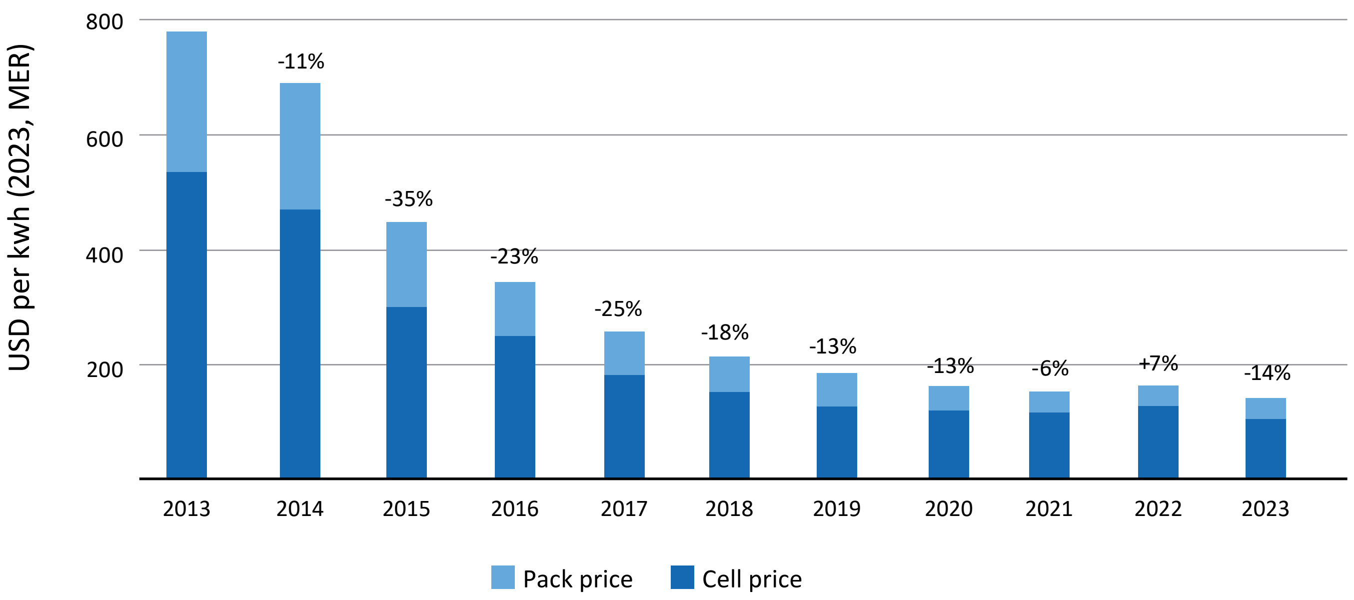
Battery storage was the fastest-growing commercially available energy technology in the power sector in 2023, with deployment more than doubling year-on-year. There was strong growth in utility-scale battery projects, behind-the-meter batteries, mini-grids, and solar home systems for electricity access, adding a total of 42 GW of battery storage capacity globally. Electric vehicle (EV) battery deployment also increased by 40% in 2023, with 14 million new electric cars making up the vast majority of batteries used in the energy sector.

Batteries are essential for transitioning away from fossil fuels and accelerating energy efficiency through electrification and enhanced use of renewables-based power. At COP 28, countries commit to work together to triple the world's installed renewable energy generation capacity to at least 11,000 GW by 2030. In order to achieve the same, maintaining electricity security, energy storage must increase six-fold. The energy sector now accounts for over 90% of annual lithium-ion battery demand, up from 50% in 2016 when the lithium-ion battery market was ten times smaller. Falling costs and improved performance have made lithium-ion batteries a cornerstone of modern economies, supporting the proliferation of personal electronic devices, including smartphones, as well as growth in the energy sector.

> In 2023, there were nearly 45 million EVs on the world's roads, including cars, buses, and trucks, and over 85 GW of battery storage in the power sector globally.

Over the past decade, lithium-ion batteries have outperformed alternatives, thanks to a 90% cost reduction since 2010, higher energy densities, and longer product lifetimes. The price of lithium-ion batteries has fallen from USD 1,400 per kilowatt-hour in 2010 to less than USD 140 per kilowatt-hour in 2023, one of the fastest declines for any energy technology ever, owing to progress in research and development and economies of scale in manufacturing. They also offer much higher energy densities than lead-acid batteries, allowing for lighter and more compact battery packs.

Prices for lithium-ion batteries steadily declined over the last decade with a spike in but dropping again in 2023



(Source – IEA)

Strong government support for the rollout of EVs and incentives for battery storage are expanding markets for batteries worldwide. China is currently the largest market for batteries, accounting for over half of all batteries used in the energy sector today.

India has allocated USD 2.5 billion through its Production-Linked Incentive (PLI) Scheme to develop a domestic battery manufacturing industry.

In India, the recently released National Framework for Promoting Energy Storage Systems requires renewable projects, excluding hydropower plants, to install energy storage with a capacity equivalent to at least 5% of the renewable capacity. Additionally, inter-state transmission system charges have been waived for battery storage projects for up to twelve years. Furthermore, India has set up the Viability Gap Funding Mechanism to reimburse up to 40% of the capital cost of storage projects. These measures aim to strengthen and ensure the resilience of the country's energy infrastructure, facilitating a smoother transition to renewable energy sources, enhancing energy security, and reducing reliance on fossil fuels. By promoting the development and integration of energy storage systems, India is positioning itself to better manage the intermittent nature of renewable energy, improve grid stability, and support the overall sustainability of its energy sector.

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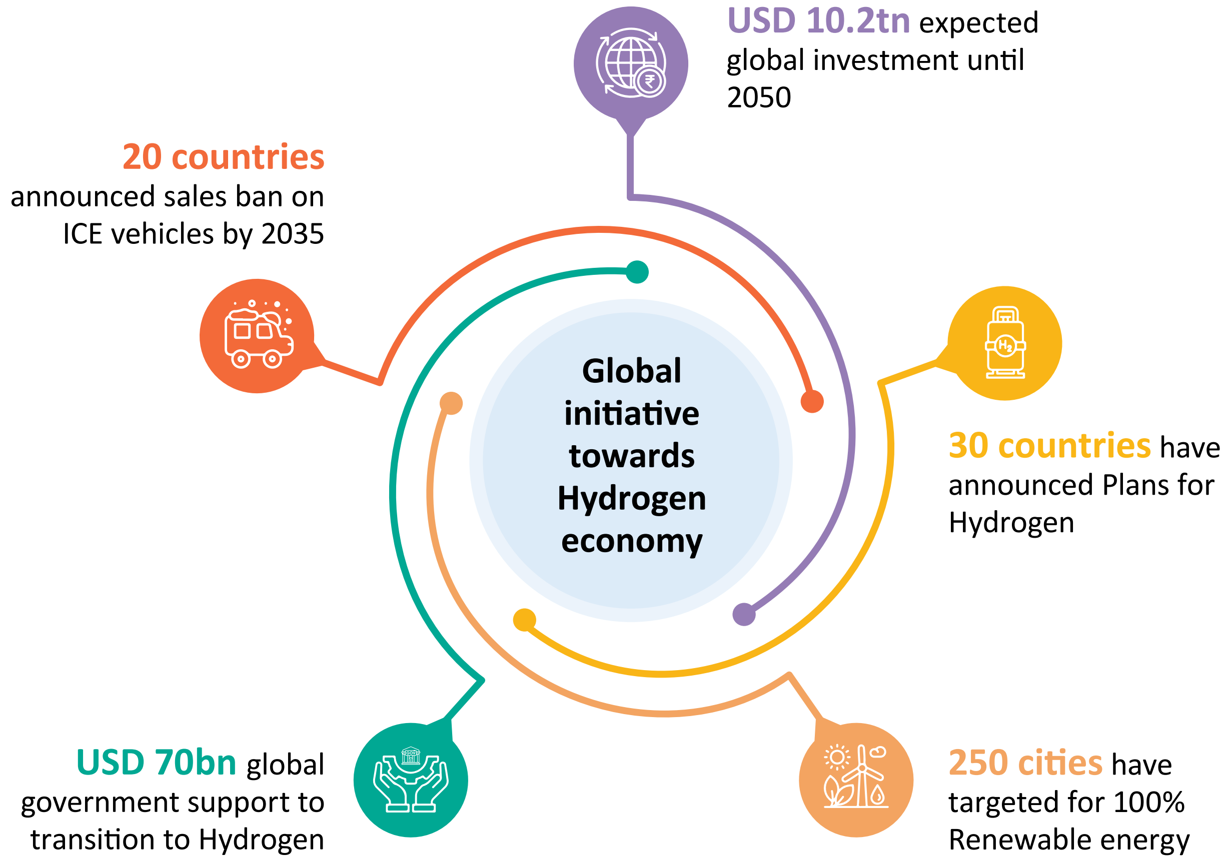
Green Hydrogen

The push for low-emission hydrogen production is gaining momentum, with a multitude of projects in the pipeline globally. Projections suggest that global annual production could soar to 38 Mt by 2030 if all proposed initiatives come to fruition. However, there are challenges in the upward trajectory, notably escalating equipment and financial costs, which threaten project viability despite government support. Inflationary pressures further compound these challenges, particularly impacting the capital-intensive nature of projects along the hydrogen value chain.

While governments have initiated funding support for initial large-scale projects, delays in implementing support schemes are impeding investment decisions. On a brighter note, global electrolyser manufacturers are showing optimism, with ambitious expansion plans on the horizon. Although electrolyser production stood at just over 1 GW in 2022, manufacturers are targeting a substantial increase, aiming for a manufacturing capacity of 155 GW per year by 2030.



Green hydrogen is positioned as a critical solution for addressing India's energy security requirements while simultaneously reducing emissions in sectors like steel, fertilizers, refinery, cement, and mobility, ultimately contributing to the country's net-zero goals. The National Green Hydrogen Mission was launched by the Government of India launched in early 2023 to spearhead this transition.

Presently, the majority of India's hydrogen production relies on grey hydrogen, which involves fossil fuels and emits CO2.

> The National Green Hydrogen Mission aims to shift this paradigm by targeting production of 5 MMTPA of Green Hydrogen by 2030.

India possesses significant renewable energy potential, which will be instrumental in supporting the growth of green hydrogen. However, rapid capacity expansion is essential. To facilitate this, the government has introduced several PLI schemes to encourage the expansion of renewable energy capacity across various sectors such as solar, wind, biomass, hydro, and pumped Storage, as well as battery Energy Storage Systems (BESS) to ensure continuous renewable energy supply for green hydrogen production.

Pilot projects have already been launched to explore the use of hydrogen in sectors like steel, shipping, and mobility, with more initiatives in the pipeline.

Automation in the Power Sector

The global utility sector is undergoing unprecedented evolution, largely driven by the twin forces of decarbonization and decentralization. This transition signifies a departure from the traditionally conservative regulatory framework towards a future where innovation is paramount. Digitalization is emerging as a central player in balancing energy demand and supply, optimizing efficiencies across the value chain, enhancing customer experiences, and reshaping business paradigms. Thus, key emerging technologies such as the Internet of Things (IoT), big data analytics, and artificial intelligence (AI) are increasingly pivotal for facilitating automation within the power sector.

Alongside digitalization, governments worldwide are proactively advocating for the integration of automation technologies in the power sector to bolster energy efficiency, curtail losses, fulfil escalating energy demand, and enhance the quality of power distribution. Consequently, advanced automation systems like Supervisory Control and Data Acquisition (SCADA), Advanced Metering Infrastructure (AMI), and Distribution Management System (DMS) are being widely embraced across the power sector value chain.

Key benefits of automation in the power sector include:

- Increased efficiency
- Reduced losses
- Adoption of Smart grids
- Predictive maintenance
- Better safety
- Optimised operations
- Better reliability
- Enhanced asset management
- Reduced costs
- Load forecasting
- Energy efficiency

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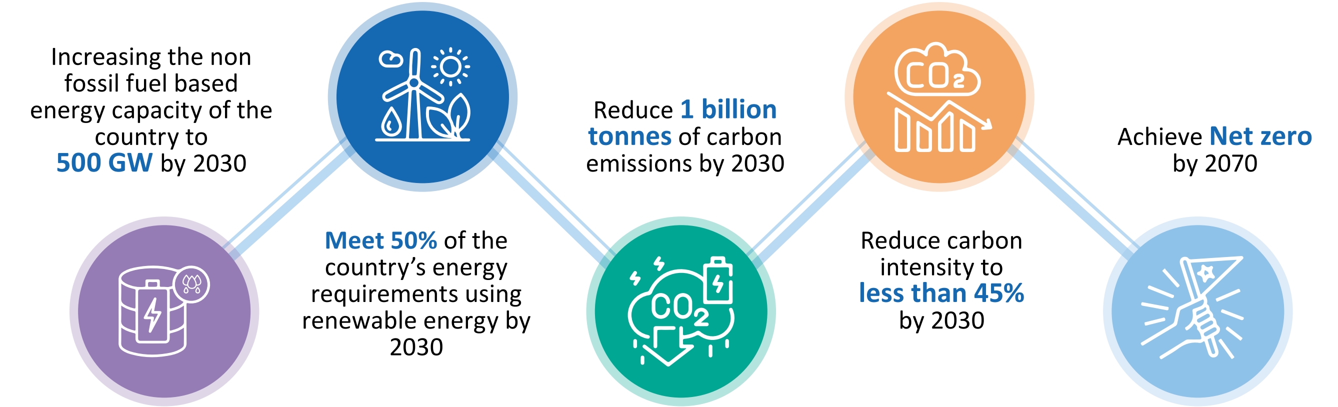
Future Outlook

Outcomes of COP-28: Advancing Global Climate Action

The 28th Conference of Parties (COP-28) recently concluded in Dubai, UAE, where representatives from 197 countries gathered to address the pressing issue of global warming. During the conference, nations presented their strategies to combat climate change and engage in crucial discussions about future climate actions. Notable resolutions from COP-28 include the ambitious goal of tripling global renewable energy capacity and doubling the rate of energy efficiency improvements by 2030. Additionally, there is a strong emphasis on reducing non-CO2 emissions, particularly methane, on a global scale in the same timeline. COP-28 also highlights the importance of transitioning away from fossil fuels in energy systems in a just and equitable manner, with the aim of achieving net-zero emissions by 2050. Furthermore, member countries reached an agreement to operationalize the Loss and Damage (L&D) fund, which aims to provide compensation to nations most impacted by climate change. The conference also saw signatories pledging to collaborate to triple the world's installed renewable energy generation capacity to at least 11,000 GW by 2030. Lastly, a significant declaration launched at COP-28 sets the ambitious goal of tripling global nuclear energy capacity by 2050, underscoring the importance of diverse clean energy sources in addressing climate challenges.

India's Goals

As part of its comprehensive Panchamrit action plan, India aims to achieve several milestones including:



India's long-term low-carbon development strategy is based on seven key transitions. These are:

Developing low-carbon electricity systems in line with development goals.

Creating an integrated, efficient, and inclusive transport system.

Promoting urban adaptation, energy and material efficiency in buildings, and sustainable urbanization.

Decoupling economic growth from emissions and fostering an efficient, innovative low-emission industrial system.

Advancing carbon dioxide removal and related engineering solutions.

Increasing forest and vegetation cover while considering socioeconomic and ecological factors.

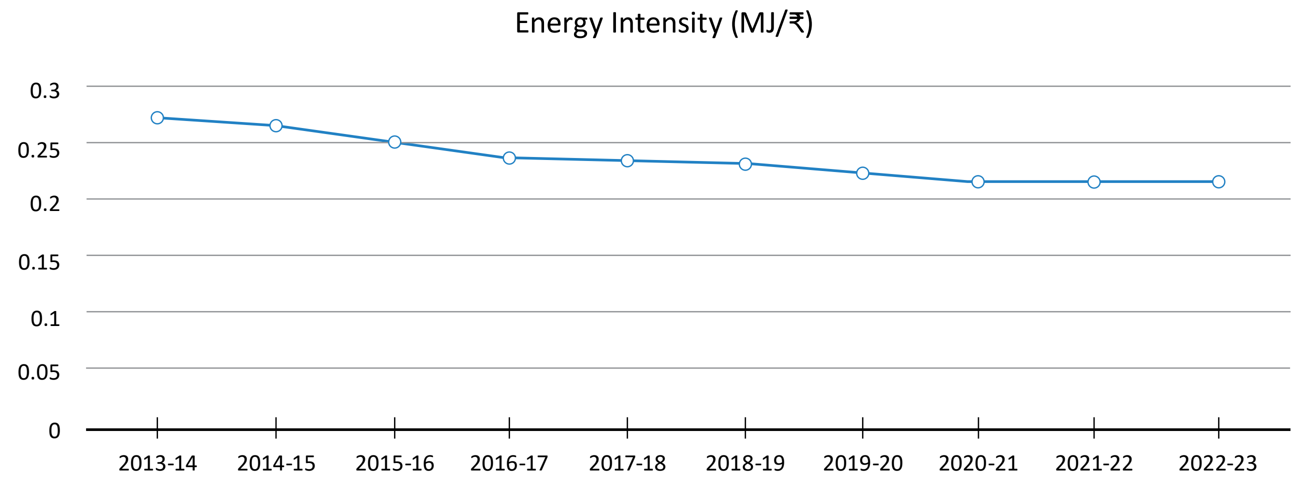
Addressing the economic and financial needs of low-carbon development.

Advancing Energy Access and Efficiency in India

Sustainable Development Goal 7 targets universal access to affordable, reliable, and modern energy for all. India has prioritized ensuring electricity availability to all its citizens. As of March 31, 2022, all villages in India have been electrified, covering 100% of villages based on 2011 census data.

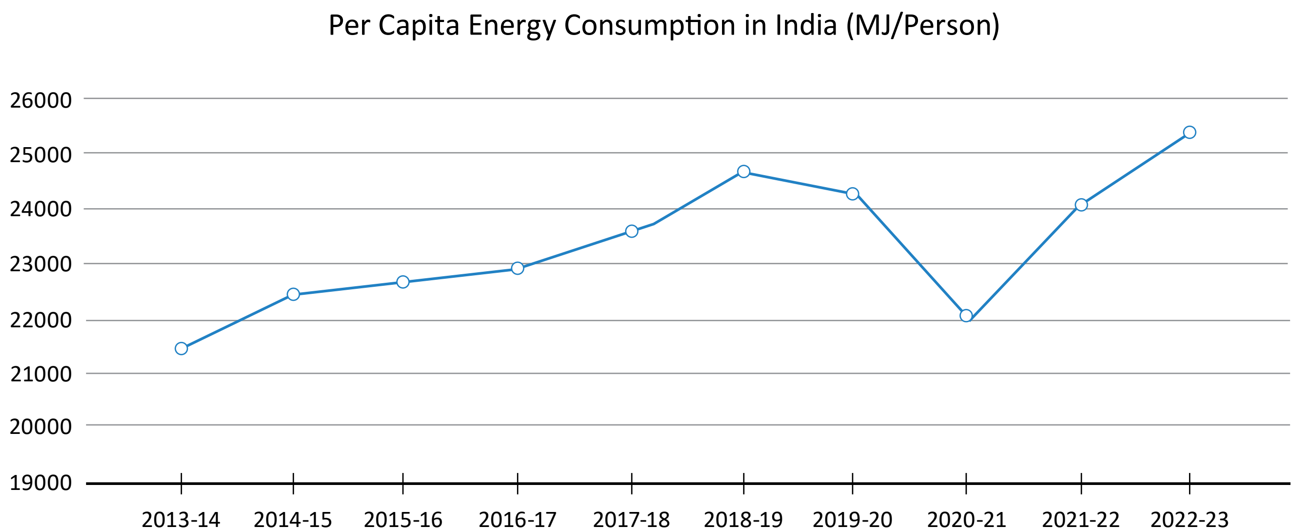
Energy intensity, which measures the energy consumed per unit of gross domestic product (at constant prices), along with per capita energy consumption (PEC), are widely used policy indicators, both domestically and internationally. Typically, these indicators are computed based on the consumption of conventional energy sources due to the lack of data on non-conventional energy consumption, especially in rural areas.

The energy intensity (at 2013-14 prices) has declined from 0.2737 mega joules per rupee in 2013-14 to 0.2188 mega joules in 2022-23.



(Source – Ministry of Statistics and Programme Implementation)

Likewise, per capita energy consumption rose from 21,419 mega joules in 2013-14 to 25,424 mega joules in 2022-23 which suggests growth in economy and quality of life.



(Source – Ministry of Statistics and Programme Implementation)

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SWOT Analysis

STRENGTHS

- Abundant resources: Availability of lignite, coal, and water for power generation.
- Diversified energy portfolio: Expertise in fossil fuel mining, thermal power generation, and renewable energy.
- Experienced management: A committed team with a strong track record.
- Financial performance: Demonstrated growth and a solid financial track record.
- Groundwater management expertise: Effective resource management practices.
- Harmonious industrial relations: Cultivation of a productive work environment.
- Mining expertise: Proficiency in open-cast lignite mining using SME technology.
- Research and development capabilities: Focus on exploration, mine planning, and innovation.
- Secure power purchase agreements: Long-term PPAs and operation of Pit Head Power Stations ensure stability.
- Expertise in MDO & Outsourcing operations

OPPORTUNITIES

- Smart Cities Initiative: Focus on infrastructure enhancement and power requisites.
- Power trading: Strategy for revenue expansion and optimization.
- Per capita power consumption: Prospect for heightened energy needs.
- Investments in green energy: Encouragement for renewable energy initiatives.
- Government pledge: Commitment to enhance electricity accessibility for citizens.
- Atmanirbhar Bharat Abhiyaan: Opportunities aligned with the self-reliant India campaign.
- Exploration: Venturing into green hydrogen, pump storage, and rare earth element mining.
- Diversification into critical minerals, underground coal gasification, surface coal gasification

WEAKNESS

- Increased mining expenses: Influence on operational budgets.
- Higher stripping ratio: Increased mining expenses

THREATS

- Water pumping expenses: Increased operational costs.
- Capacity underutilization: Power and resources left unused.
- Challenges in renewable energy adoption: Competition against thermal power generation.
- Rehabilitation and resettlement: Higher expenses associated with land acquisition and displacement.
- Land acquisition hurdles: Resistance and demands for compensation.
- International conflicts: Risks to energy supply chains.
- Delayed payment collection: Impact on cash flow.
- Changes in regulatory frameworks.

Segment-wise performance

Covered in the main report under the heading "Operational Performance"

Company Outlook

Covered 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.
- Risks arising from stringent environmental norms
- Competition consequent to de-regulation in the Indian power sector.
- Stringent norms prescribed by regulatory authorities affecting power tariff.

Internal Control Systems and 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 manuals for 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.

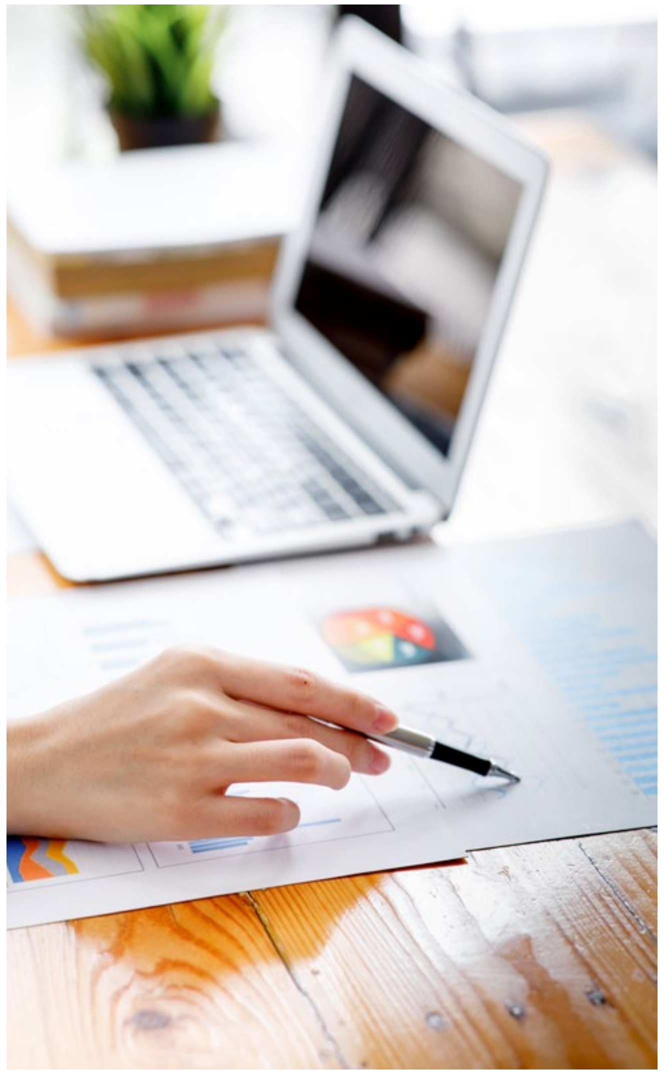
Internal Financial Controls over Financial Reporting

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; and
- 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 to prepare a comprehensive document for the key control areas along with responsibility matrix.



Financial Discussion and Analysis

A detailed discussion and analysis of 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 2023-24 placed elsewhere in this report.

A. Financial Position

The items of the Finacial Statements are as discussed under:

1. Property, Plant & Equipment (PPE), RoU Asset, Intangible Asset, Capital Work in Progress and Assets Under Development (Note-2 to Note-6):

Particulars	As at March 31		
	2024 (₹ Crore)	2023 (₹ Crore)	% Change
Gross Block of PPE (Note-2)	27,712.81	27,016.22	2.58
Net Block of PPE (Note-2)	17,830.85	18,502.90	-3.63
Net Block - RoU Asset (Note-3)	76.47	53.59	42.69
Net Block of Intangible Assets (Note-4)	225.95	175.42	28.81
Capital Work-In-Progress (Note-5)	1,923.37	1,011.59	90.13

During the year, the gross block of PPE increased by ₹696.59 Crore, whereas the net block decreased by ₹672.05 Crore. The increase in gross block is mainly due to capitalization of 10MW Smart City Solar, mining assets, LEP assets and acquisition of land in Neyveli as well as in Talabira, whereas the decrease in net block is mainly attributable to depreciation on the assets.

The increase in gross block in Right-to-Use Assets (RoU Assets) is mainly on account of the addition of new leases, which is partly offset by the periodic depreciation of ROU assets.

The increase in net block of Intangible Assets by ₹ 50.53 Crore is mainly attributable to allotment fee for North Dhadu (Western Part) Coal project during the year and the same was partially offset by periodic depreciation on the assets.

The significant increase in CWIP during the year is mainly due to FGD project of NNTPS, capital expenditure incurred towards land acquisition for Talabira Mines & Thermal, incurrence of CAPEX towards Solar 300MW – Barsingsar project.

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 (₹ Crore)	
	2024	2023
Investment in Subsidiaries	4,634.84	4,191.04
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:

- Additional subscription to equity shares @ ₹10 per Share of ₹393.70 Crore (PY ₹263.65 Crore) of NUPPL, through right issue. However, the percentage of holding remains unchanged.
- Investment in two wholly owned Subsidiaries of NLC, namely NLC India Green Energy Limited (NIGEL) & NLC India Renewables Limited (NIRL) with an investment of ₹50 Crore and ₹0.10 Crore respectively.

b. Non-Current Trade Receivables (Note-7b)

As per the Late payment surcharge rules 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 have 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 (₹ Crore)	
	2024	2023
Unsecured – Considered Good	222.50	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 (₹ Crore)	
	2024	2023
Loans to related parties	-	0.04
Loans to employees	14.28	33.93

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'. The fresh Deposits made during the year FY 2023-24 amounting to ₹106.67 Crore which includes deposits amounting to ₹54.64 Crore for the FY 2024-25.

Particulars	As at March 31 (₹ Crore)	
	2024	2023
Mine Closure Deposit	**639.41**	497.48

e. Other Non-Current Assets (Note-8)

Particulars	As at March 31 (₹ Crore)	
	2024	2023
Capital Advances	1,159.37	1041.26
Advances Other than Capital Advances	123.50	123.50

The increase in capital advance is mainly due to capital advance given for acquisition of 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 2024 and 31st March 2023 and the changes therein are as follows:

Particulars	As at March 31 (₹ Crore)		YoY Change (₹ Crore)	% Change
	2024 (₹ Crore)	2023 (₹ Crore)		
Inventories (Note 9)	1,047.64	833.92	213.72	25.63
Trade Receivables (Note 10a)	3,313.93	3,791.44	-477.51	-12.59
Cash and Cash Equivalents (Note 10b)	553.81	71.18	482.63	678.04
Bank balances other than cash and cash equivalent (Note 10c)	125.66	129.01	-3.35	-2.60
Loans (Note 10d)	170.90	4.83	166.07	3,438.30
Other Financial Assets (Note 10e)	1,220.22	2,760.36	-1,540.14	-55.79
Current Tax Assets (Net) (Note 11)	274.28	246.48	27.80	11.28
Other Current Assets (Note 12)	735.17	584.04	151.13	25.88

Inventories (Note-9)

The increase in the inventory is mainly on account of the increase in the closing stock of Lignite & Coal, during the current year compared with the previous year which is mainly due to increase in production.

Trade Receivables (Note-10a)

Trade receivables has decreased mainly due to realization of dues through bills discounting, dues realized through installment scheme of MOP which has been offset by billing of impact on account of CERC orders

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 period less than three months, to ensure liquidity.

Bank balances other than cash and cash equivalent (Note-10c)

The decrease in bank balance other than cash and cash equivalents is on account of withdrawal of deposits towards fund maintained for Post Retirement Medical Assistance by ₹3.60 Crore.

Loans (Note-10d)

Loans balances mainly represent the Secured loans of various nature such as House building Loan, Car/Scooter Loan, and unsecured loans such as Multipurpose Loans etc. has been given to employee. During the current financial year, based on the short-term funding arrangement with the NUPPL (Subsidiary company), the company has extended loan and an amount of ₹150 Crore is outstanding as on 31.03.2024.

Other Financial Assets (Note-10e)

The decrease in other financial assets mainly due to unbilled Revenue on accounts of provisional Lignite Transfer Price order of 2019-24 for Neyveli mines in the previous year.

Current Tax Assets (Net) (Note-11)

The increase in the Current tax assets is mainly on account of payment of advance tax, refund adjustment on account of previous year which has offset by increase in provision for income tax for the current financial year.

Other Current Assets (Note-12)

The increase in other current asset is mainly on account of increase in advances given to other parties by ₹135.32 Crore & further, the increase in GST Receivable (Input Tax Credit) by ₹65.51 Crore.

4. Assets held for Sale (Note-13):

All units of Thermal Power Station -I has been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2024 are reclassified as Assets held for sale as per the requirements of Ind-AS 105. The estimated net sale proceeds of the retired assets are expected to be above the residual value of assets appearing in the books.

5. Regulatory Deferral Account Debit Balances (Note-14):

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 reporting date and the adjustments arising from the above are adjusted in regulatory deferral balances from the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account debit balance consists of various incomes which accrue to the company from its Discoms due to various actions of the Regulator.

During the year, the Company has received Truing up order for the period 2014-19 and the provisional tariff order for the period 2019-24 for Barsingsar Thermal Power Station (BTPS). Consequent to the order, regulatory assets created in this regard has been withdrawn in the current year.

During the current financial year, the regulatory account balance has been increased by ₹ 30.13 Crore as compared to previous financial year mainly due to:

i. 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 ₹22.78 Crore (PY ₹23.33 Crore) has been considered as regulatory income during the Financial Year 2023-24 in line with mine closure guidelines.

ii. Regulatory Asset / income considered towards capital spares during the FY: 2023-24 as per CERC Tariff Regulations.

   The above increase in regulatory asset is partly off set by 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 ₹121.06 Crore as at 31st March 2024 has been accounted for as 'Regulatory deferral account debit balance' (31st March 2023: ₹134.24 Crore).

6. Total Equity (Note-15 & Note-16):

The total equity of the Company at the end of financial year 2023-24 increased to ₹15,993.91 Crore from ₹14,638.86 Crore in the previous year, an increase of 9.26%. The major reasons for the same are tabulated below:

Particulars	Total Equity (₹ Crore)	Book Value per Share (₹)
Opening balance as on 1st April, 2023	14,638.86	105.57
Profit for the year	1,840.38	13.32
Other comprehensive income and other adjustments to reserves	-6.20	-0.04
Dividend	-485.33	-3.50
Balance as on 31st March, 2024	15,993.91	115.34

The President of India holds 1,00,11,56,562 of shares constituting 72.20% of total share capital and the remaining 27.80% shares are held by Public & Domestic Institutional Investors as on 31.03.2024.

7. Non-Current and Current Liabilities:

Particulars	31st March, 2024 (₹ Crore)	31st March, 2023 (₹ Crore)	Difference
Long term borrowings including current maturities of long-term borrowings (Note-17a & 21a)	7,968.77	8,850.34	-881.57
Lease Liabilities (Note-17b & 21b)	35.85	27.18	8.67
Other Non-Current Financial Liabilities (Note-17c)	314.04	648.06	-334.02
Deferred Tax Liabilities (Net) (Note-19)	3,465.24	3,077.25	387.99
Other Non-Current Liabilities (Note-20)	723.61	619.99	103.62
Current Borrowings excluding current maturities of long-term loan (Note-21a)	-	498.00	-498.00
Current Trade Payable (Note-21c)	912.46	631.64	280.82
Other Current Financial Liabilities (Note-21d)	385.26	161.69	223.57
Other Current Liabilities (Note-22)	1,786.73	1,794.14	-7.41
Provisions (Note-18 & 23)	649.78	434.29	215.49

Details of Non-Current and Current Liabilities are discussed below:

Long term borrowings including Current maturities of long-term borrowings (Note-17a & 21a)

Particulars	31-Mar-24 (₹ Crore)	31-Mar-23 (₹ Crore)
Borrowings in non-current financial liabilities (Note-17a)	7,055.28	7,816.91
Current maturities of non-current borrowings included in current liabilities (Note-21a)	913.49	1,033.43
Total borrowings	7,968.77	8,850.34

Reduction in total borrowings is mainly due to repayment of terms loans and project specific loans

Lease Liabilities (Note-17b & 21b)

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 several lease agreements with various parties. The lease liability represents the present value of future lease payments as on March 31, 2024. The increase in the lease liability is due to new lease agreements, which was duly offset by the lease payments during the FY 2023-24.

Provisions (Note 18)

The non-current portion of retirement travel allowance provision has been classified under this head. Movement is on account of giving effect to actuarial valuation obtained.

Other Non-Current Financial Liabilities (Note-17c)

The other non-current financial liabilities represent liabilities towards capital expenditures. The liability has decreased to ₹314.04 in FY 2023-24 (P.Y. ₹648.06) mainly on account of certain project liabilities (₹212.88 crore) becoming due as per contractual obligations, hence the same are classified under other current financial liabilities.

Deferred Tax Liabilities (Net) (Note-19):

Deferred Tax Liabilities (Net) have increased from ₹3077.25 Crore as at 31st March, 2023 to ₹3,465.24 Crore as at 31st March, 2024. The net increase in deferred tax liability during the year amounting to ₹387.99 Crore is mainly on account of utilization of MAT credit during the current financial year which has been partly offset by increased of deffered tax asset recognised on loss/provision.

Other Non-Current Liabilities (Note-20)

Non-current liabilities have been increased from ₹619.99 Crore in FY 2022-23 to ₹723.61 Crore in FY 2023- 24, mainly due to increase in Mine closure liability instead of deposit by ₹87.88 Crore and ₹15.74 Crore on account of increase in deferred income.

Current Borrowings excluding current maturities of long-term loan (Note-21a)

In order to meet the short-term fund requirements, the company has taken short term borrowings of Treasury Bill linked Working Capital Loan, which carried interest rate in the range of 7.05% to 7.10%. The borrowing was fully paid during the FY 2023-24 against an outstanding amount of ₹498 Crore as on 31st March 2023.

Current Trade Payable (Note-21c)

The Trade Payables has been increased by ₹280.82 Crore, from ₹631.64 Crore as at 31st March, 2023 to ₹912.46 Crore as at 31st March, 2024.

Other Current Financial Liabilities (Note-21d)

Other financial liabilities represent financial liabilities such as unpaid dividends and accrued interest of long term as well as short term liabilities. Variance is mainly due to classification of capital liabilities which has become due for payment in the next 12 months.

Other Current Liabilities (Note-22)

Other current liabilities include unutilized revenue grant, Advances & Deposits from Customers and Other liabilities - Employees, Statutory, etc. There is a minor variation in the Other current liabilities during the year mainly due to increase in provision created for PRP which has been offset by decrease in advance from customers.

Provisions (Note-18 & 23)

Increase is mainly due to provision created towards differential mining charges and HPC wages in respect of Talabira Mines amounting to ₹162.30 cr which are under dispute.

8. Regulatory Deferral Account Credit Balances (Note-22):

Amount under regulatory deferral liabilities as on 31.03.2024 relates to the impact arises out of various regulatory orders for the previous tariff periods.

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. 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.

3. NLCIL has filed appeal against the TNERC order challenging the reduction in levelised tariff for Solar 130 MW and Solar 500 MW plants.

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.

I. 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 previous year CERC has admitted the review petition for disallowance of additional capitalization, 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. Meanwhile APTEL vide order dated 25.07.2023 has set aside the Commission s order in 149/MP/2014 and Hon'ble Commission vide order dated 14.03.2024 has issued revised order for 2009-14 Lignite price truing up where actual O&M expenses have been considered. In view of the order, the Company has considered in Regulatory Expenses cumulatively for ₹ 1,510.71 crore (₹182.54 cr including periodic cost has been provided in the current year) (PY:₹ 1,328.17 Crore) 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.

II. CERC has issued revised truing up order for Lignite transfer price 2009-14 in IA no 62/IA/2023 of 149/MP/2014 based on APTEL judgement dated 25.07.2023. Accordingly regulatory deferral liability which has been already created in earlier period to the tune of ₹1,328.98 Crore (Including Interest) has been reversed in the books of accounts during FY 2023-24.

III. CERC has issued Tariff order for Barsingsar Mines for the tariff period 2019-24. As per the order, regulatory liability recognized in earlier period amounting to ₹40.90 crore has been reversed during the year.

IV. Regulatory liability has been provided towards sharing of Non-tariff income arising from sale of coal / lignite for an amount of ₹418.81 Crore (PY: ₹143.54 crore).

9. Total Income (Note-25 & Note-26)

The total income of the Company at the end of financial year 2023-24 decreased to ₹11,391.74 Crore from ₹14,195.90 Crore in the previous year, a decrease of 19.75%. The major reasons for the same are tabulated below:

Sl. No.	Particulars	FY 2023-24 (₹ Crore)	FY 2022-23 (₹ Crore)	Change (₹ Crore)
A.	**Revenue**			
1	Sale of Power	7,838.39	10,283.23	-2,444.84
2	Sale of Lignite & Coal	2,629.17	2,565.20	63.97
3	Sale of by-products	83.96	88.81	-4.85
4	Consultancy & other services	35.60	38.79	-3.19
	Less: Transfer to CWIP & Rebate	68.48	21.03	47.45
5	**Revenue from Operations**	**10,518.64**	**12,955.00**	**-2,436.36**
B.	**Other Income**			
6	Interest on deposits, loan to subsidiary, loan to employees & others	473.26	388.68	84.58
7	Provisions written back	38.25	446.4	-408.15
8	Dividend from subsidiary	107.1	97.37	9.73
9	Others (Net off transfer to CWIP)	254.49	308.45	-53.96
	Total Income	**11,391.74**	**14,195.90**	**-2804.16**

The major reasons for variations in Revenue from operations from the previous year are briefly explained below:

Revenue from Operations (Note-25):

The revenue from sale of power has reduced by 23.78% mainly due to

(i) During the current, there has been a decline in the total power generation by 2,508.94 million units (MU) when compared to the corresponding period of the previous year.

(ii) During the previous year, 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 TPS-II, TPS-I Expansion & TPS II expansion and truing up order for control period 2014-19 for all thermals and Mines except Barsingsar thermal, order for billing of Wage revision & gratuity enhancement resulting to increase in power sales in previous year.

The decrease in above power sales is partly offset by net increase in power sales on accounts of receipt of Truing up order for Barsinsgar Thermals for the control period 2014-19, Tariff order for Barsingsar Thermal for the control period 2019-24 and revised truing up order for control period 2009-14 for Neyveli Mines.

Revenue from Sales of lignite has reduced due to decrease in lignite sales mainly due to NIL open sales in Mine IA during the FY 2023-24. The same is partially offset by increase of TAQA sales & also due to increase of base price of lignite based in interim tariff order for 2019-24.

Revenue from Coal sales has increased mainly on account of increase of E-auction coal sales during the current year as compared to previous year & also due to retrospective revision of coal reserve price in FY 2023-24. Further, same is partiality offset by reduction of sales to NTPC & reduction of coal price of E-auction.

Other Income (Note No. 26)

The Other income of the company has decreased by 29.64% during the current year as compared to the previous year, mainly due to:

- Reversal of ECL provision on debtors and reversal of provision created w.r.t Capital advance given for Barsingsar and Bithnok extension project in FY 2022-23.
- Surcharge income has been reduced due to better realization of debts during the year.

The above reduction is partially offset by

- Insurance claim with respect to TPS II fire incident amounting to ₹38.31 crore has been recognized based on the confirmation from the insurance company.
- Interest on others has increased on account of recognizing interest due on the CERC order impact.

10. Expenses (Note No-27 to 31)

The details of various expenses and movement with previous year are as follows:

EXPENSES	Note	FY 2023-24 (₹ Crore)	FY 2022-23 (₹ Crore)	Change (₹ Crore)
Changes in Inventories	27	(189.34)	268.42	-457.76
Employee Benefit Expenses	28	2,646.73	2,526.32	120.41
Finance Costs	29	642.89	755.63	-112.74
Depreciation & Amortization Expenses	30	1,441.76	1,419.69	22.07
Other Expenses	31	5,014.91	5,196.71	-181.80
Total Expenses		**9,556.95**	**10,166.77**	**-609.82**

The total expenses have decreased mainly due to the following reasons:

Note 27 The increase in level of closing stock of Lignite & Coal as compared to opening stock, resulting in reduction in movement of inventory in the current financial year.

Note 28 The increase in the Employee Benefit expenses is on account of increase in PRP & UIS provisions, annual & promotional increments and DA (Average DA of employees of FY 2023-24 is 41.10% as against 33.63% in FY 2022-23) in the current financial year, which was partly offset by reduction in average employee strength from 10,594 Nos. in FY 2022-23 to 10,043 Nos. in FY 23-24, mainly due to retirement of employees which is partly offset by induction of new Employees.

Note 29 Finance costs have reduced mainly due to recognition of fair valuation cost of Trade Receivables in the previous year 2022-23. Further, better fund management on account of collection from debtors through bill discounting and repayment of long-term loans in respect of commissioned projects has lowered the finance cost to company.

Note 30 The depreciation & amortization expenditure has increased mainly due to depreciation on new additions in Plants & Machinery and due to amortization of Land.

Note 31 The reduction in Other Expenses is mainly due to reduction in Trade receivable written off in the previous year 2022-23 which was partly offset by increase in Overburden removal expenditure, provision for contingency, loss allowance of debtors, repairs & maintenance, CISF expenses, etc.

11. Net Movement in Regulatory Deferral Account Balances Income/(Expenses) (Note-32)

The increase in Net movement in regulatory income by ₹3,245.76 Crore in FY 2023-24 as compared to FY 2022-23 mainly due to:

- During the current year, reversal of regulatory liability/expenses, based on the APTEL order with respect to Neyveli Mines Lignite Transfer Price (LTP) Truing up for the period control period 2009-14 to the tune of ₹1,328.98 Crore.

Above increase in regulatory income is off-set by

- During the current year, creation of additional regulatory liability including periodic costs with respect to CERC truing up order impact for the control period 2014-19 of Neyveli Mines.
- During the previous year, recognition of regulatory liability with respect to CERC truing up order of Neyveli Mines for the tariff period 2014-19 amounting to ₹739.17 crore.
- During the previous 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 these orders, regulatory assets created in this regard has been withdrawn in the previous year.
- Further, during the previous year the CERC has issued order 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 in the previous year.

Details of significant changes in Key Financial Ratios:

Name of Ratio	FY 2023-24	FY 2022-23	Variation (%)
Current Ratio	1.65	1.92	-14.06
Debt - Equity Ratio	0.50	0.64	-21.88
Interest Service Coverage Ratio	7.58	5.18	46.33
Inventory Turnover Ratio	11.18	13.94	-19.80
Trade Receivable Turnover Ratio	2.73	3.55	-23.10
Operating Margin	22.30	11.73	90.11
Net Profit Margin	16.10	11.71	37.49

Reasons for variations beyond 25%:

i. Interest Service Coverage Ratio

The Interest Service Coverage ratio has increased due to reduction in Finance Cost and increase in profit before tax in current year when compared with previous year.

ii. Operating Margin & Net Profit Margin:

The increase in Operating Margin & Net Profit Margin in the current financial year mainly on account of receipt of favorable CERC orders in case of Mines and Thermals.

The net worth of the company has increased from ₹14,638.86 Crore to ₹15,993.91 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 Sl. No. 9 to 11.

Corporate Social Responsibility

NLCIL, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, right from its inception, focusing on the socio-economic development of the operating regions for achieving inclusive growth. NLCIL had adopted a Corporate Social Responsibility Policy covering the various sectors for sustainable socio- economic development.

During the year 2023-24, NLCIL had spent ₹46.46 Crore, which is more than the 2% of the average net profits of the Company in the last three years.

Environmental Protection and Conservation, Technological Conservation, Renewable Energy

Covered in main report

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

Covered in 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 .

Place : Chennai
Date : 31st August, 2024

For and on behalf of the Board of Directors
Prasanna Kumar Motupalli
Chairman and Managing Director

Report on Corporate Governance

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, 2024, the Board of Directors of your Company comprised an Executive Chairman, five Executive Directors, two Non-Executive Government Nominee Directors and three Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2024 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.	Prasanna Kumar Motupalli	Chairman and Managing Director (CMD)	5	--	--	--
2.	K. Mohan Reddy#	Director (Planning & Projects)	3	--	2	1
3.	Suresh Chandra Suman	Director (Mines)	2	--	1	--
4.	Samir Swarup	Director (Human Resource)	--	--	--	--
5.	M. Venkatachalam	Director (Power)	2	--	--	--
6.	Prasanna Kumar Acharya	Director (Finance)	3	--	3	--
Non-Executive Directors						
5.	Vismita Tej	Government Nominee Director	--	--	--	--
6.	Beela Venkatesan	Government Nominee Director	7	--	--	--
Independent Directors						
7.	Subrata Chaudhuri	Independent Director	--	--	1	--
8.	Prakash Mishra	Independent Director	--	--	1	1
9.	Nivedita Srivastava	Independent Director	1	--	3	2

*Membership of only Audit Committee and Stakeholders Relationship Committee have been considered.
Shri K Mohan Reddy Ceased to be a Director w.e.f. 01st June, 2024 on attaining the age of superannuation.

Dates of Board Meetings & Directors' Attendance

During the financial year 2023-24, 15 meetings of the Board of Directors were held on the following dates:

8th May, 2023, 19th May, 2023, 13th July, 2023, 28th July, 2023, 18th August, 2023, 11th September, 2023, 6th October, 2023, 26th October, 2023, 22nd November, 2023, 22nd December, 2023, 11th January, 2024, 6th February, 2024, 26th February, 2024, 5th March, 2024 and 27th March, 2024.

The details of attendance of Directors at the Board Meetings held during the financial year 2023-24 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 26/09/2023	Remarks
Prasanna Kumar Motupalli	15	15	Yes	
K. Mohan Reddy	15	14	Yes	
Suresh Chandra Suman	15	15	Yes	
Samir Swarup	15	15	Yes	
M Venkatachalam	15	15	Yes	Appointed w.e.f 26.04.2023
Prasanna Kumar Acharya	4	4	NA	Appointed w.e.f. 15.01.2024
Vismita Tej	15	15	Yes	
Ramesh Chand Meena	2	1	NA	Relinquished w.e.f. 10.07.2023
Beela Venkatesan	13	8	Yes	Appointed w.e.f. 10.07.2023
Subrata Chaudhuri	15	14	Yes	
Prakash Mishra	15	15	Yes	
Nivedita Srivastava	15	15	Yes	
M T Ramesh	14	14	Yes	Relinquished w.e.f. 25.03.2024

Disclosures- Relationship between Directors inter-se:

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31st March, 2024.

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_10052024.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.

The Board had identified the skills/ expertise/ competencies for effective functioning of the Company. Further, the Board members are having following skill/experience/ competence required for effective functioning of the business and affairs of the Company:

Sl. No.	Skills/ expertise/ competencies	M Prasanna Kumar	Vismita Tej	Beela Venkatesan	Suresh Chandra Suman	M. Venkatachalam	Samir Swarup	P. K Acharya	Prakash Misra	Subrata Chaudhury	Nivedita Srivastava
1	Technical / Engineering	✓			✓	✓					
2	Mining	✓			✓						

Sl. No.	Skills/ expertise/ competencies	M Prasanna Kumar	Vismita Tej	Beela Venkatesan	Suresh Chandra Suman	M. Venkatachalam	Samir Swarup	P. K Acharya	Prakash Misra	Subrata Chaudhury	Nivedita Srivastava
3	Energy and Power	✓	✓	✓	✓	✓					
4	Finance, Accounting, Banking & Taxation	✓	✓			✓		✓	✓	✓	✓
5	Legal & Regulatory Framework	✓	✓	✓	✓	✓	✓	✓	✓		
6	Projects & Strategic Planning	✓		✓	✓	✓	✓				
7	Management and Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Human Resources & Public Relations	✓			✓	✓	✓				
9	Government / Public Policy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Corporate Governance & Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Marketing & Stakeholder Management	✓	✓		✓	✓			✓	✓	
12	IT & Cyber Technology	✓							✓	✓	
13	Academics and Research & Development	✓			✓	✓		✓		✓	✓
14	Leadership with long term Vision	✓	✓		✓	✓	✓	✓			
15	Commercial	✓		✓	✓			✓			
16	Ethics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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.

Shri M T Ramesh (DIN: 07313892) has tendered his resignation as an Independent Director of the Company w.e.f. 25th March, 2024 due to his personal commitments. He has confirmed that there are no material reasons other than what is stated above for his decision of resignation from the Board.

Separate Meeting of Independent Directors:

As per the requirement of Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 6th March, 2024 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, 2024 comprised of Three Independent Directors viz., Shri Prakash Mishra as the Chairman and Shri Subrata Chaudhuri and Prof. Nivedita Srivastava as its members and Functional Directors are invited during the Meeting.

(iii) **The details of Audit Committee meetings held during the year 2023-24 and attendance of members of the Committee are as under:**

Home | Overview | Value Creation | Statutory Reports | Financial Statements

Name of the Director (Sarvashri/ Smt.)	Total Meetings held during the tenure	Total Meetings attended during the tenure	Date of Meetings
Prakash Mishra	6	6	19th May, 2023 28th July, 2023 6th October, 2023 26th October, 2023 6th February, 2024 6th March, 2024
Subrata Chaudhuri	6	6	
Nivedita Srivasta	6	6	
M.T. Ramesh*	6	6	

*ceased to be a member of the Committee w.e.f. 25th March, 2024.

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, 2024 comprised of three Independent Directors viz. Shri Subrata Chaudhuri as the Chairman, Prof. Nivedita Srivastava and 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 2023-24 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	3	3	28th July, 2023 4th October, 2023 22nd November, 2023
Nivedita Srivastava	3	3	
Prakash Mishra	3	3	

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. During the year, the Board at their 535th Meeting held on 26th October, 2023, revised the sitting fees to @ ₹40,000/- per meeting for attending the meetings of the Board and ₹30,000/- per meeting for the meetings of the committees thereof.

ii. The details of remuneration paid to the Executive Directors during the year 2023-24 are as under:

Name of the Director (Sarvashri)	Salary for the year (in ₹)	Benefits (in ₹)	Performance Related Pay* (in ₹)
Prasanna Kumar Motupalli	52,64,657.00	10,90,034.00	-
K. Mohan Reddy	74,17,018.00	10,06,809.00	7,43,272.00
Suresh Chandra Suman	47,17,595.00	9,76,763.00	6,83,272.00
Samir Swarup	58,70,446.00	10,78,182.00	-
M. Venkatachalam**	45,57,122.00	9,43,854.00	-
Prasanna Kumar Acharya#	8,19,714.00	1,70,329.00	-

*PRP for the FY 2021-22 and PRP advance for the FY 2022-23.

** assumed office as Director (Power) w.e.f. 26th April, 2023. hence, the payment of PRP did not arise.

assumed office as Director (Finance) w.e.f. 15th January, 2024. 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 2023-24, 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 2023-24 are as under:

Sl. No.	Name of the Director (Sarvashri/Smt.)	Sitting fee paid for (in ₹)	
		Board Meetings	Committee Meetings
1.	Nivedita Srivastava	5,65,000	6,30,000
2.	Subrata Chaudhuri	5,25,000	5,20,000
3.	Prakash Mishra	5,65,000	3,85,000
4.	M T Ramesh	5,25,000	2,75,000

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, 2024 comprised of Four members viz. Prof. Nivedita Srivastava, Independent Director as its Chairperson and Dr. Suresh Chandra Suman, Shri K Mohan Reddy & Dr. Prasanna Kumar Acharya, Directors as its Members.

(iii) The details of Stakeholders' Relationship Committee meetings held during the year 2023-24 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	6th February, 2024
Nivedita Srivastava#	-	-	
Suresh Chandra Suman	1	1	
K. Mohan Reddy$$	1	1	
Prasanna Kumar Acharya*	1	1	

$ Ceased to be Chairman of the Committee w.e.f. 25th March, 2024.

appointed as member & Chairperson of the Committee w.e.f. 26th March, 2024.

* appointed as Member of the Committee w.e.f. 15th January, 2024.

$$ Ceased to be a member of the Committee w.e.f. 1st June, 2024.

Shri R. Udhayashankar, Company Secretary acts as Compliance Officer.

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 2023-24, 15 complaints were received from the shareholders/investors generally pertaining, 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 SEBI Listing Regulations.

(ii) Composition of the Committee: The Committee as on 31st March, 2024 comprised of Six Directors viz. Shri Subrata Chaudhuri as the Chairman and Prof. Nivedita Srivastava, Dr. Suresh Chandra Suman, Shri Samir Swarup, Shri M Venkatachalam & Dr. Prasanna Kumar Acharya as its Members.

(iii) The details of Risk Management Committee meetings held during the year 2023-24 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	8th May, 2023 26th October, 2023
Nivedita Srivastava	2	2	
Suresh Chandra Suman	2	2	
Samir Swarup	2	2	
M. Venkatachalam*	2	2	
Prasanna Kumar Acharya#	--	-	

*Appointed as a member w.e.f. 26th April, 2023.

Appointed as a member w.e.f. 15th January, 2024.

Corporate Social Responsibility Committee:

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

(ii) Composition of the Committee: The Committee as on 31st March, 2024 comprised of four Directors viz. Prof. Nivedita Srivastava as the Chairperson and Shri Prakash Mishra, Dr. 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 2023-24 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 the meetings
Nivedita Srivastava	4	4	8th May, 2023 28th July,2023 6th February, 2024 27th March, 2024
Prakash Mishra	4	4	
M T Ramesh#	3	3	
Suresh Chandra Suman	4	4	
Samir Swarup	4	4	

#Ceased to be Member of the Committee w.e.f. 25th March, 2024.

Senior Management

Particulars of senior management including the changes therein since the close of the previous financial year:

Details of the Executive Directors i.e. one level below of the Board:

Shri Hemant Kumar	Shri Ashok Dattatraya Keote
Shri Mathi K	Shri Hariramakrishnan N
Shri Jagadish Chandra Mazumdar	Shri Anbuchelvan B
Shri Jasper Rose I S	Shri Rajamohan S
Smt. Ranialli G	Shri Surianarayanan B
Shri Prabhu Kishore K	Shri Venkata suryanarayana murthy D
Shri Santhosh CS	

Details of the Executive Directors retired during the year and retired after the closure of Financial Year 2023-24:

Shri Kondas Kumar K	Shri Nedungkeeran R
Shri Sadish Babu N	Shri Rajasekhara Reddy A
Ms. Karthigai N	Shri Srinivas G
Shri Thiagaraju C	Shri Dhabaseelan G
Shri Mukesh Agarwal (Relieved from services and in Lien)	Shri N Franklin Jayakumar (Relieved from services and in Lien)
	Shri Satya Prasad K

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 2020-21	29th September, 2021 15.00 Hrs	Through Video Conferencing
AGM 2021-22	29th September, 2022 15.00 Hrs	Through Video Conferencing
AGM 2022-23	26th September, 2023 11.00 Hrs	Through Video Conferencing

Special Resolutions

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

Postal Ballot

No special resolution was passed through Postal Ballot during the previous year.

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, other press coverage, 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: 25th September, 2024, Wednesday, 15.00 Hours IST.

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 25th September, 2023 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 2022-23 was paid on 21st October, 2023 after obtaining approval of shareholders at the 67th Annual General Meeting. The Board of Directors had declared an Interim Dividend of ₹1.50/- per equity share (15%) on 06th February, 2024 and the same was paid on 04th March, 2024.

Unclaimed Dividend Account Details:

The unclaimed Dividend Account details as on 31st March, 2024 is as under:

Sl. No.	Account for the Year	Balance Amount as on 31.03.2024 (in ₹)	Due date for transfer to IEPF Authority
1.	2016-2017 (Interim)	52,37,545.24	19.04.2024*
2.	2017-2018 (Interim)	22,91,325.62	17.04.2025
3.	2017-2018 (Final)	1,96,923.25	30.08.2025
4.	2018-2019 (Interim)	23,25,213.06	23.04.2026
5.	2019-2020 (Interim)	42,26,561.22	01.04.2027
6.	2020-2021 (Interim)	6,50,678.00	17.03.2028
7.	2020-2021 (Final)	12,34,864.00	01.11.2028
8.	2021-2022 (Interim)	11,78,076.00	05.04.2029
9.	2021-2022 (Final)	12,95,973.50	03.11.2029
10.	2022-2023 (Interim)	17,76,754.00	16.03.2030
11.	2022-2023(Final)	14,42,499.00	31.10.2030
12.	2023-24 (Interim)	12,35,086.00	10.03.2031
	Total	**2,30,91,448.89**	

* The unclaimed dividend amount has been transfer to the Investor Education and Protection Fund Authority (IEPF) on 10th May, 2024.

Details of unclaimed Dividend amount and Shares transferred to IEPF

During the Financial Year 2023-24, the following shares and dividends were transferred to IEPF:

Dividend Account	Unclaimed Dividend amount (₹)	Unclaimed Shares
2015-2016 (2nd Interim)	2,50,592	5,194
2015-16 (Final)	9,14,960	20,833

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 2023-24 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 2023	82.62	75.61	82.8	76.5	61209.46	58793.08	18089.15	17312.75
May 2023	96.21	80.78	96.3	80.35	63036.12	61002.17	18662.45	18042.4
June 2023	109.1	92	109.8	92	64768.58	62359.14	19201.7	18464.55
July 2023	121.45	105.85	121.5	106	67619.17	64836.16	19991.85	19234.4
August 2023	139.20	114.7	139.25	114.65	66658.12	64723.63	19795.6	19223.65
September 2023	147.4	125.6	147.6	125.1	67927.23	64818.37	20222.45	19255.7
October 2023	141.7	117	141.7	116.8	66592.16	63092.98	19849.75	18837.85
November 2023	172.00	131.45	172.00	131.45	67069.89	63550.46	20158.7	18973.7
December 2023	266.45	169	266.7	169.05	72484.34	67149.07	21801.45	20183.7
January 2024	264.7	211.05	264.8	212	73427.59	70001.6	22124.15	21137.2
February 2024	293.6	204.5	293.75	204.55	73413.93	70809.84	22297.5	21530.2
March 2024	244.6	195.01	244.05	195	74245.17	71674.42	22526.6	21710.2

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, 2024 is as under:

Category	No. of Shares	% to Total
President of India	100,11,56,562	72.20
Financial Institution – State Government	5,97,01,260	4.31
Financial Institution - Banks	2,58,470	0.02
Insurance Companies	4,56,16,593	3.29
Mutual Fund	13,01,77,280	9.39
NBFCs	4,752	0
Corporate Bodies	88,62,027	0.64
Foreign Portfolio Investors – Corporate 1 & 2	3,31,21,805	2.39
NRI	26,42,526	0.19
Resident Individual/Employees	8,59,42,782	6.20
Clearing Member	40,03,944	0.29
Others	1,51,48,608	1.09
Total	**1,38,66,36,609**	**100**

Distribution of Shareholding as on 31st March, 2024

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of shareholding
1 - 500	2,38,847	90.55	2,29,27,485	1.6535
501 - 1000	13,890	5.27	1,13,78,724	0.8206
1001 – 2000	5,502	2.09	85,03,843	0.6133

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of shareholding
2001 – 3000	1,897	0.72	48,99,014	0.3533
3001 - 4000	760	0.29	27,72,301	0.1999
4001 - 5000	792	0.30	37,95,197	0.2737
5001 - 10000	1,085	0.41	82,71,497	0.5965
10001 and above	993	0.38	1,32,40,88,548	95.4892
Total	**2,63,766**	**100**	**1,38,66,36,609**	**100**

Dematerialisation of shares and liquidity

As on 31st March, 2024, the equity shares of the Company numbering to 1,38,48,19,702(99.87%) 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 2023-24, 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, Maranthai, Pudur, Ettankulam, Seliyanallur, Subbaiahpuram & Therkkupatti (Tirunelveli District), Senkulam, Pulangal, Sethupuram, Parattanatham & Thoppalakarai (Virudhunagar District), Avathandai, M. Pudukulam, Kumuthi, Kadamangalam (Ramanathapuram District), Onamakulam (Tuticorin District) and 51 MW WTGs in Kazhuneerkulam (Tirunelveli District) all in the State of Tamilnadu. Talabira-II & III Coal open cast Mines at Sambalpur and Jharsuguda 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 Pachwara South Coal Mine at Dumka 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:

Sl. No.	Rating Agency / Particulars		Rating Assigned
1	**ICRA**		
	Non-Convertible Debentures - Secured	₹2,000 Crore	[ICRA] AAA (Stable)
2	**CRISIL**		
	Working Capital Loan (State Bank of India)	₹5,000 Crore	CRISIL AAA/Stable
	Non-Convertible Debentures (Issued amount- ₹ 2,175 Crore) -Unsecured	₹3,000 Crore	CRISIL AAA/Stable
	NNTPS Loan (SIB ₹581 Crore and Proposed ₹1,078 Crore)	₹1,659 Crore	CRISIL AAA/Stable
3	**CARE Ratings**		
	Solar 500 MW (Axis Bank and Federal Bank)	₹ 371.69 Crore	CARE AAA; Stable
	NNTPS 1000 MW (Power Finance Corporation)	₹ 1,950 Crore	CARE AAA; Stable
	Commercial Paper	₹ 6,000 Crore	CARE A1+

Sl. No.	Rating Agency / Particulars		Rating Assigned
4	**India Rating (Fitch Group)**		
	Solar 709 MW (State Bank of India)	₹ 1,658 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+
	Sales Bill Discounting	₹ 6000 Crore	IND A1+
5	**Infomerics Ratings**		
	Talabira Mine (State Bank of India)	₹ 1,260.44 Crore	IVR AAA/Stable
6	**Acuite Ratings & Research**		
	Solar 300 MW (IndusInd Bank)	₹ 1000 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. The requirement of Appointment of atleast one Independent Director from the Board of the Holding Company on the Board of unlisted material subsidiary Company has also not been complied with. 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 Administative 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) Performance Evaluation of Directors

Ministry of Corporate Affairs (MCA) vide General Circular dated 05th June, 2015 has exempted Government Companies from the provisions of Section 178 (2) which provides about manner of performance evaluation of Board of Directors, Committee of Board of Directors and Director by the Nomination & Remuneration Committee and further exempted listed Government Companies from the provisions of Section 134(3)(p) which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology.

Further, MCA vide its Notification dated 05th July, 2017 exempted with the provisions of Schedule IV w.r.t. performance evaluation of Directors for the Government Companies, in case the matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies.

(iv) 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 and Capex Plan and external factors such as economic environment, taxation and other regulatory concern, macro-economic conditions and cost of borrowing are also considered for declaration of dividend.

The detailed Dividend Distribution Policy is available at the following web-link:
https://www.nlcindia.in/investor/dividenddistributionpolicy_15042017.pdf

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

(vi) Disclosure of commodity price risks and commodity hedging activities:
For FY 2023-24, 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.

(vii) Disclosures in relation to the Sexual Harassment of Woman at work place:
During the year 2023-24, Three complaints were received and same have been resolved and as such no case is pending at the end of the year.

(viii) 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.

(ix) Items of expenditure debited in the books of accounts, which are not for the purposes of the business: Nil

(x) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management: Nil

(xi) Disclosure on Loans and advances in the nature of loans to firms/ Companies:
During the financial year 2023-24, no loan or advances in the nature of loan has been given to firms/companies in which directors are interested except loan provided to the Subsidiary and Joint Venture Companies.

(xii) Certification from Company Secretary in Practice
D. Hanumanta Raju & Co, Company Secretaries, Hyderabad 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**.

(xiii) 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:

(₹ in crore)

Type of service	FY 2023-24	FY 2022-23
Audit fees	1.04	1.03
Tax Audit fees	0.11	0.10
Others	0.42	0.42
Total	**1.57**	**1.55**

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(xiv) 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.

(xv) 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

(xvi) 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 Subsidiary;

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. Govind and Bala Associates, Chennai.	21st September 2023
2	Neyveli Uttar Pradesh Power Limited	09th November, 2012	Lucknow	M/s. D S Sinha & Co., Kanpur.	13th September 2023

(xvii) **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 2023-24 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
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; 5 Shareholders & 1000 Shares

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year; 0

(c) number of shareholders to whom shares were transferred from suspense account during the year; 0

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; 16 Shareholders & 1800 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

Prasanna Kumar Motupalli

Chairman and Managing Director

Place : Chennai

Date : 31st August, 2024

Certificate on Corporate Governance

Annexure – 5

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

Sundaram & Srinivasan,
Chartered Accountants,
No. 23, Ramaswamy Iyer Rd,
Sriram Colony, 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 1st August 2024.

2. We have examined the compliance of conditions of Corporate Governance by NLC INDIA Limited ("the Company"), for the year ended March 31, 2024, 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 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)(a) of SEBI LODR Regulations, 2015 read with Para 3.1.1 and 3.1.2 of DPE Guidelines on Corporate Governance with regard to optimum combination being 50% of Board of Directors shall comprise of non-executive director from 25.03.2024

    b. As per Regulation 17 (l)(b) of SEBI (LODR) Regulations, 2015 read with 25(6) of Regulations 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.

    c. 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 and Para 6.1 of DPE Guidelines have not been complied with respect to NLC Tamil Nadu Power Limited.

    d. The requirement of criteria for evaluation and 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 2023, September 2023, December 2023, and March 2024.

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 Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No 001997S

M.S.N.M. Santosh
Partner
M No. 221916
UDIN: 24221916BKFZPL3165

For Sundaram & Srinivasan,
Chartered Accountants,
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 24217914BKBOYF5701

Place: Chennai
Date: 26-08-2024

Secretarial Audit Report

Annexure – 6

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
NLC INDIA LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC INDIA LIMITED** (a Navaratna PSU) having **CIN: L93090TN1956GOI003507** and having its registered office at No.135, EVR Periyar High Road Kilpauk, Chennai, Tamil Nadu- 600 010 (hereinafter called the '**Company**'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and 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, confirmations, clarifications 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 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable to the Company during the period under review**)

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

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

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

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

    (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - (**Not applicable to the Company during the period under review**);

    (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- (**Not applicable to the Company during the period under review**);

    (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 period under review**);

    (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (**Not applicable to the Company during the period under review**);

    (i) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

    (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Corporate Governance Guidelines issued by Department of Public Enterprises ("**DPE**") vide their OM. No. 18(8)/2005-GM dated May 14, 2010.

(vii) Other laws specifically applicable to the Company include:

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

(b) Coal Mines Regulations, 1957.

(c) DGMS Guidelines on Periodic Medical Examination for Mines.

(d) Mines Vocational Training Rules, 1966.

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

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

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

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

(i) Mines and Mineral (Development and Regulation) Act, 1957.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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:

- As required under Regulation 17(1) of SEBI LODR Regulations, 2015 the Company should have at least half of the Board as Independent Directors, if the Chairman is an Executive Director. However, it has been observed that the Company is having 11 (Eleven) Directors on its Board as on 31.03.2024 including 6 (Six) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. The Company is yet to appoint 5 (Five) Independent Directors.
- As required under Regulation 24(1) of SEBI LODR Regulations, 2015, the Company is yet to appoint atleast one Independent Director of the Company on the Board of Directors of NLC Tamilnadu Power Limited since it is one of the Unlisted Material Subsidiary of the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However, the appointment of Independent Directors is not as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines. 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. In terms of Articles of Association of the Company all appointments to the Board are made by Government of India.

Adequate notice(s) is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We 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.

We further report that during the period under review:

- The Company has incorporated 2 (Two) Wholly Owned Subsidiary Companies i.e "NLC India Renewables Limited" on 14th June, 2023 for taking over the existing renewable assets of the Company and "NLC India Green Energy Limited" on 13th October, 2023 for undertaking new renewable energy projects.
- The Promoter of the Company i.e. The President of India, acting through Ministry of Coal, Government of India had issued a notice for offer for sale of upto 97,064,562 equity shares which is 7.00% of the total paid up equity shares of the company, through stock exchange mechanism. Further 43,713 shares representing 0.00436% of the paid up equity share capital of the company were also offered to the employees of the company under OFS.

  The number of shares and percentage of shares held by the Promoter before and after the disinvestment done through Offer for Sale were 1,098,221,224 equity shares (79.20% of the paid up equity share capital) and 1,001,156,662 equity shares (72.20% of the paid up equity share capital) of the Company.

- The Company is in receipt of an administrative warning letter dated 24.08.2023 from SEBI for non-compliance of Regulation 30(2) read with Regulation 30(6) and Clause 7 of Para A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 caused due to delayed disclosure made by the Company in respect of appointment of Company Secretary approved at the Board Meeting held on 25.11.2022 and intimated to the Stock Exchanges on 01.12.2022.
- BSE Limited and National Stock Exchange of India Limited have individually imposed on the Company a fine of Rs. 21,53,500 including GST for non-compliance with the requirements pertaining to the composition of the Board of Directors as per Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

  The Company had replied to the Stock Exchanges on the said matter stating that, being Government Company, as per Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with the President of India. Ministry of Coal, the Administrative Ministry, has been requested periodically to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements. Further, the stock exchanges were requested to waive the fine imposed on the Company. Till date, the Company has not paid any fine in this regard.

Place: Hyderabad
Date: 07.08.2024

For D. Hanumanta Raju & Co
Company Secretaries

CS - MOHIT KUMAR GOYAL
Partner
FCS: 9967; CP NO: 12751
UDIN: F009967F000915773
PR NO: 699/2020

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,
NLC INDIA LIMITED

Our report of even Date is to be read along with this letter:

1. Maintenance of Secretarial Records 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 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.

4. Where ever 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 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: Hyderabad
Date: 07.08.2024

For D. Hanumanta Raju & Co
Company Secretaries

CS - MOHIT KUMAR GOYAL
Partner
FCS: 9967; CP NO: 12751
UDIN: F009967F000915773
PR NO: 699/2020

Reply to the Observations of Secretarial Auditor

SL No	Secretarial Auditor's Observations (as per S. No. of the Report)	Management Reply/Explanation
1	As required under Regulation 17(1) of SEBI LODR Regulations, 2015 the Company should have at least half of the Board as Independent Directors, if the Chairman is an Executive Director. However, it has been observed that the Company is having 11 (Eleven) Directors on its Board as on 31.03.2024 including 6 (Six) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. The Company is yet to appoint 5 (Five) Independent Directors	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	As required under Regulation 24(1) of SEBI LODR Regulations, 2015, the Company is yet to appoint atleast one Independent Director of the Company on the Board of Directors of NLC Tamil Nadu Power Limited since it is one of the Unlisted Material Subsidiary of the Company .	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 Tamil Nadu Power Limited.

Place : Chennai
Date : 31st August, 2024

For and on behalf of the Board of Directors
Prasanna Kumar Motupalli
Chairman and Managing Director

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024
[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

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 having CIN: U40102TN2005GOI058050 and having its registered office at No.135, EVR Periyar High Road Kilpauk, Chennai, Tamil Nadu- 600 010 (hereinafter called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and 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, confirmations, clarifications 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 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, 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 to the company during the 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 to the company during the period under review)

(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 period under review);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the company during the period under review);

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

(d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - (Not applicable to the company during the period under review);

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- (Not applicable to the company during the period under review);

(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 period under review);

(h) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - (Not applicable to the company during the period under review);

(i) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

(j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Corporate Governance Guidelines issued by Department of Public Enterprises ("DPE") vide their OM. No. 18(8)/2005-GM dated May 14, 2010.

(vii) Other laws specifically applicable to the company include:

A. The Electricity Act, 2003 and the rules made thereunder.

B. Indian Boiler Act, 1923 and the rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.

(ii) The Listing Agreements entered into by the Company with BSE Limited with respect to Listing of Commercial Papers;

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:

- As required under the DPE Guidelines, the Board of Directors of the Company shall comprise of at least one-third of the Board as independent directors in case the Chairman is non-executive director. Therefore, the Company is yet to appoint 3 (Three) Independent Directors.
- The Composition of Audit Committee and Nomination and Remuneration Committee is not as per DPE guidelines due to non appointment of Independent directors on the Board of the Company.
- As required under Section 149 of Companies Act, 2013 and Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, there was no Woman Director on the Board of the Company from 01.04.2023 to 25.09.2023. However, the Company has appointed Woman director w.e.f. 26.09.2023 and has complied with the said provision.

We further report that

The Board of Directors of the Company is duly constituted. However, the appointment of Independent Directors is not as per the provisions of the DPE Guidelines on Corporate Governance. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We 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.

We further report that the Company has not transferred remaining unspent Corporate Social Responsibility (CSR) amount in respect of other than ongoing projects, to a Fund specified in Schedule VII of the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

We further report that during the period under review, the company has allotted Commercial Papers, in various tranches, aggregating to Rs. 3,600 crores and the same were listed on BSE Limited. Subsequently, Commercial Papers aggregating to Rs. 2,600 crores were redeemed on their respective maturity dates.

Place: Hyderabad
Date: 12.08.2024

For D. Hanumanta Raju & Co
Company Secretaries

CS - MOHIT KUMAR GOYAL
Partner
FCS: 9967; CP NO: 12751
UDIN: F009967F000949961
PR NO: 699/2020

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,
NLC TAMIL NADU POWER LIMITED

Our report of even Date is to be read along with this letter:

1. Maintenance of Secretarial Records 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 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.
4. Where ever 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 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: Hyderabad
Date: 12.08.2024

For D. Hanumanta Raju & Co
Company Secretaries

CS - MOHIT KUMAR GOYAL
Partner
FCS: 9967; CP NO: 12751
UDIN: F009967F000949961
PR NO: 699/2020

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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 March 31, 2024 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 19th September, 2023;
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 March 31, 2024 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 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.

4. The Company has not undertaken training program for the new Board members appointed during the quarter ended 30/06/2023, as prescribed under the DPE Guidelines on Corporate Governance.

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NLC INDIA
CREATING WEALTH FOR WELLBEING

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 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 77,19,68,700 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.

b. the Members have accorded approval to increase the Authorized Share Capital of the Company up to ₹8,000 crore divided into 800,00,00,000 Equity Shares of ₹10 each, ranking pari-passu in all respect with the existing Equity Shares, and to alter the relevant clauses of the Memorandum of Association and Articles of Association of the Company.

c. the Members have accorded approval to amend Clause III A (Main Objects) of the Memorandum of Association of the Company by inserting the following Clause 1A after the existing Clause 1:

'To plan, promote and organize an integrated and efficient development of power generation through non-conventional/renewable energy sources in all its aspects whether wind, hydro, solar, tidal, geothermal, biomass, steam, wave, waste, hybrid or any other form, kind or description in India and abroad, including preparation of feasibility and definite project reports, construction, generation, operation and maintenance said power stations including transmission, distribution and sale of such power.'

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.

CS Dileep Dixit
Practicing Company Secretary
FCS No. 6244
CP No. 6770

UDIN: F006244F000848217
Place : Lucknow
Date : 29th July, 2024

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: KH 419, G. N. Extension, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.

E-mail id: cosec.nuppl@nlcindia.in

Our Secretarial Audit Report of even date for the Financial Year 2023-24 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.

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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 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 Company has not undertaken training program for the new Board members appointed during the quarter ended 30/06/2023, 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.

CS Dileep Dixit
Practicing Company Secretary
FCS No. 6244
CP No. 6770

UDIN: F006244F000848217
Place : Lucknow
Date : 29th July, 2024

Annexure – 6A

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 of
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 registered office at No.135, EVR Periyar High Road Kilpauk, Chennai, Tamil Nadu- 600 010 (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 Directors 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 for the Financial Year ending on 31st March, 2024 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.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Subrata Chaudhari	05346876	05/11/2021
2.	Mr. Prakash Mishra	09388622	08/11/2021
3.	Ms. Nivedita Srivastava	09388948	10/11/2021
4.	Mr. Mohan Reddy Kalasani	09514050	21/02/2022
5.	Mr. Suresh Chandra Suman	09549424	11/05/2022
6.	Mr. Prasanna Kumar Motupalli	08456692	12/01/2023
7.	Mr. Samir Swarup	09648745	27/02/2023
8.	Ms. Vismita Tej	08255194	22/02/2023
9.	Mr. Prasanna Kumar Acharya	09625170	15/01/2024
10.	Mr. Venkatachalam Manickam	10045337	26/04/2023
11.	Ms. Beela Rajesh	02729408	10/07/2023

As the Company is a Central Public Sector Enterprise under administrative control of Ministry of Coal / Government of India, the President of India appoints all members of the Board. Our responsibility is to express an opinion on this, 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: Hyderabad
Date: 07.08.2024

For D. Hanumanta Raju & Co
Company Secretaries

CS - MOHIT KUMAR GOYAL
Partner
FCS: 9967; CP NO: 12751
UDIN: F009967F000915795
PR NO: 699/2020

C&AG COMMENTS

Annexure – 7

CONFIDENTIAL

सत्यमेव जयते

भारतीय लेखापरीक्षा एवं लेखा विभाग
प्रधान निदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय,चेन्नै

Indian Audit and Accounts Department
Office of the Principal Director of Commercial Audit, Chennai

No. PDCA/CA-I/NLCIL/4-546/2024-25/236 Date: 18.07.2024

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 2024.

*****

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 2024.

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 18.7.24

(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 31 MARCH 2024

The preparation of financial statements of NLC India Limited for the year ended 31 March 2024 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 15.05.2024.

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 2024 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.

In view of the revision made in the financial statements by the management, as indicated in Note No. 2 and 60 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under Section 143(6)(b) of the Act.

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

S. Velliangiri

(S. Velliangiri)
Principal Director of Commercial Audit

Place: Chennai
Date: 18/07/2024

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NLC INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of consolidated financial statements of NLC India Limited for the year ended 31 March 2024 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 15.05.2024.

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 2024 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, NLC India Renewables Limited, NLC India Green Energy 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.

In view of the revision made in the consolidated financial statements by the management, as indicated in Note No. 2 and 63 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report, under Section 143 (6) (b) read with Section 129(4) of the Act.

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

S. Velliangiri

(S. Velliangiri)
Principal Director of Commercial Audit

Place: Chennai
Date: 18/07/2024

Business Responsibility & Sustainability Reporting (BRSR)

Section A: General Disclosures

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	2023-24
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	Shri. R Udhayashankar, Company Secretary Telephone - 044 28369139 Email - cosec@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).	The disclosures made under this report are made on a standalone basis for NLCIL.
14.	Name of assurance provider	Since the assurance for BRSR (Business Responsibility and Sustainability Reporting) is not currently mandatory, the company has chosen not to undertake it.
15.	Type of assurance obtained	

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY23-24)
1.	Electricity supply	Electric power generation	75%
2.	Mining	Mining of coal and lignite	25%

17. 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	75%
2.	Sale of Coal	05101	19%
3.	Sale of Lignite	05201	6%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	15	9	24
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/UTs)	10
International (No. of Countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

NIL

c. A brief on types of customers

The company provides energy and auxiliary services to a diverse customers that includes state distribution firms, commercial enterprises, and industrial consumers. Additionally, the company has a fuel supply contract with an independent power producer, TAQA Neyveli Power Company Pvt. Ltd. Neyveli. 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. NLCIL provides consultancy services to clients operating in the mining sector and to firms engaged in solar power generation.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	3,579	3,268	91%	311	9%
2.	Other than Permanent (E)	102	70	69%	32	31%
3.	**Total employees (D + E)**	**3,681**	**3,338**	**91%**	**343**	**9%**
Workers						
4.	Permanent (F)	6,789	6,250	92%	539	8%
5.	Other than Permanent (G)	15,999	15,100	94%	899	6%
6.	**Total workers (F + G)**	**22,788**	**21,350**	**94%**	**1,438**	**6%**

b. Differently abled Employees and Workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	39	37	95%	2	5%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	39	37	95%	2	5%
Differently Abled Workers						
4.	Permanent (F)	164	134	82%	30	18%
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**164**	**134**	**82%**	**30**	**18%**

21. Participation/Inclusion/Representation of women

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	11	3	27.27
Key Management Personnel (KMP) (Excluding Whole-time Directors)	1	0	0

22. Turnover rate for permanent employees and workers (Disclosure trends for the past 3 years)

Category	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	2.58	0.64	2.41	1.04	0.02	1.06	1.45	1.51	1.46
Permanent Workers	**0.05**	**0.18**	**0.06**	0.04	0.01	0.05	0	0.18	0.01

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) 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 listed Entity	Does the entity indicated at 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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
3.	Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint venture	50%	No
4.	MNH Shakti Limited (MNH)	Joint venture	15%	No
5.	NLC India Green Energy Limited (NIGEL)	Subsidiary	100%	Yes
6.	NLC India Renewables Limited (NIRL)	Subsidiary	100%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover ₹ 10,518.64 Crore

(iii) Net worth ₹ 15,993.91 Crore

VII. Transparency and Disclosures Compliances

25. 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 grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Y	NA	NIL	NA	NIL	NIL	NA
Communities	Y	185	6	NA	327	4	NA
Shareholders	Y	NIL	NIL	NA	16	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	NIL	NIL	NA
Others		NIL	NIL	NA	NIL	NIL	NA

*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

26. 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

S.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: • The Company conducts routine assessments to ensure the effectiveness of its Fire Detection and Suppression System, weekly inspections of fire pumps, hydrant pipelines, and valves. A fire crew is on standby around the clock, with fire and foam tenders readily available at all sites. • According to the company's Safety and Health policy, every individual is empowered to identify and halt any unsafe practices. • Free medical facilities are available to NLC employees and contract workers. • The Company has successfully adopted ISO 45001-2018 standards.	Negative

S.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)
				• Additionally, a collaborative fire safety campaign with the CISF fire crew is organized annually. All employees and contract workers receive practical training on how to use portable fire extinguishers. **Safety in Mines** • NLCIL has put into effect a thorough array of safety protocols to ensure a secure and healthy work environment across all mining operations. This includes yearly safety evaluations by an ISO Team, monthly reviews by Central Safety Council Members, safety-focused workshops, training sessions, and consistent safety officer gatherings. Neyveli mines utilize cutting-edge technology with integrated safety features and stringent enforcement of Standard Operating Procedures. Safety Management Plans have been developed based on risk assessments and cover all mining activities. • Safety meetings, inspections, and educational activities are conducted on a regular basis. This includes Tri-partite & Bi-partite meetings and Safety Week Celebrations. The company has well-established and supervised safety equipments, first aid, fire safety, and accident investigation protocols.	
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	NLCIL has implemented various measures to mitigate emissions, including the following: • Installation of water sprinkler and fog systems. • Utilizing water sprinklers on haul roads. • Employing vehicle-mounted water sprayers and pressurized mobile water sprinkling systems for internal mine roads. • Implementing conveyor water spraying. • Installing water spray pipelines at working faces. • Establishing fixed water sprinkler guns in the bunker area. • Introducing a fog cannon dust suppression system in the Coal Stock Yard. • Equipping facilities with electrostatic precipitators. • Progressing towards the implementation of flue gas desulfurization.	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

S.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)
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 and 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	• Every industry is equipped with the necessary Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) to ensure that treated wastewater meets environmental standards. • Implementation of rainwater harvesting within NLCIL premises. • Facilitation of artificial groundwater recharge using the gravity method in designated recharge zones. • Enhancement of groundwater levels through the artificial recharge technique through injection wells.	Negative
8.	Governance	R	Being a regulated entity, compliance in all aspects is a priority	• NLCIL has formulated policies that focus on essential elements of Environmental, Social, and Governance (ESG) to steer the company's culture. • The company offers training and awareness initiatives to combat corruption and prevent anti-competitive practices. • Efforts are made to educate stakeholders about updates in regulatory standards. • The company employs risk management practices under the supervision of the Board. • Comprehensive training and guidance on the code of conduct are provided to all stakeholders.	Negative
9.	Training, education and development	O	We understand the changing landscape in the context upskilling, compliance managements and career development	During the pandemic, significant initiatives were undertaken for deployment and enhancement of digital accessibility for the workforce. Additionally we conduct several training courses both internal and external for our employees upskilling and development.	Positive
10.	Climate Strategy	R	Given the carbon-intensive nature of the operations, it is crucial for to develop a climate strategy that aligns with the evolving regulatory landscape and compliance requirements of carbon markets.	The company has ventured into renewable power and aims to expand further in the sector. Additionally, Research and Development team (CARD) is focused on creating innovative solutions to reduce the carbon footprint.	Negative
11.	Innovation and Digitization	O	We are convinced that ongoing innovation is essential to foster eco-friendly advancements and establish an employee-friendly workplace.	We hold the conviction that continuous innovation is necessary to encourage environmentally conscious solutions and cultivate a workplace that is conducive to employee well-being.	Positive
12.	Sustainable Supply Chain	O	In our commitment to delivering uninterrupted power to our customers, we recognize the significance of maintaining a sustainable supply chain.	• Establishing guidelines for a sustainable supply chain. • Conducting capacity-building programs for suppliers that focus on environmental, social, and economic aspects to ensure mutual benefits. • Voluntary collection of Environmental, Social, and Governance (ESG) data from suppliers.	Positive

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S.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)
13.	Ethics and integrity	O	As a regulated entity it is essential to maintain the highest standards of ethics in the organization	• Ethics, as a fundamental value, are integrated into all business processes, ensuring adherence to principles of ethics and integrity. • Implementation of policies such as the code of conduct, whistleblower protection, complaint resolution, and prohibition of unethical business dealings. • Full compliance with laws and regulations to maintain a transparent and corruption-free work environment. • Installation of display boards in all offices urging visitors to resist coercion and to report any corrupt activities directly to the 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
15.	Decommissioning of Old Plants	R	Some of our plants have attained their end of life. We would be decommissioning such plants.	The process of plant decommissioning is regulated by the standards set by the Ministry of Power (MoP). • Ensure safety and security of individuals and the minimization of environmental impact throughout the decommissioning phase.	Negative
16.	Operational Efficiency and Plant Reliability	O	Operational efficiencies are key parameter for resource conservation	We are in the process of implementing supercritical boilers that feature reduced fuel consumption and can lower CO2 emissions. We are also embracing Green mining technologies to reduce the environmental footprint of our mining operations.	Positive

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1a. 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								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	ESG Policy-https://www.nlcindia.in/new_website/ESG_policy_28082023.pdf 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) 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 set an ambitious growth objective to become a significant player in the energy sector, with a goal to boost its power generation capabilities to 20,130 MW by the year 2030. To achieve self-reliance in fuel supply, the company intends to increase its lignite extraction capabilities from the present 30.10 million tonnes per annum (MTPA) to an impressive 41.35 MTPA. Additionally, it plans to substantially raise its coal mining capacity from the current 20.00 MTPA to an outstanding 62.00 MTPA. Furthermore, NLCIL is focused on significantly expanding its renewable energy capacity to 10,110 MW by 2030, up from its current capacity of 1,431 MW.								
6. Performance of the entity against the specific commitments, goals 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/policies	Functional Directors bear the responsibility of effectively implementing and overseeing the Business Responsibility policies within their specific functional domains.								
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.	Yes, we have established an ESG Committee to look into sustainability. The committee reports to Board of Directors.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by 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 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 rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly/ Annually								

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

P1	P2	P3	P4	P5	P6	P7	P8	P9
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:

Questions	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)									

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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	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	8	• World Mining Congress (WMC) • Special-Ownership & Responsibility • Orientation Prog. For Functional Directors of CPSES-DPE • CII Annual Session 2023 • Master Class For Directors	100%
Key Managerial Personnel (KMPs)	13	• Capital Markets Week Learning from G20 • RO-Assessment Centre and Development Centre • Special Webinar on Navigating the Changes Through The Lens • RO-Cyber Hygiene and Security • Company Secretaries of CPSES on Effective Functioning	100%
Employees other than BoD and KMPs	1028	• Functional and Behavioral Training • Health and Well-Being • Management Development • Quality and Environmental Standards	94%
Workers	894	• Safety • Skill Development and Upgradation • Statutory Program • Women Empowerment • CSR Awareness	75%

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 ₹)	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 ₹)	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.

Case Details	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 established comprehensive internal regulations that address anti-bribery and anti-corruption measures. In its dedication to upholding ethical standards, NLCIL has partnered with reputable entities like the Central Vigilance Commission (CVC) and Transparency International India (TII) to establish the Integrity Pact Program. This program ensures rigorous oversight of all tender processes involving amounts over ₹ 1 Crore, enforcing a stringent integrity agreement between NLCIL and its vendors/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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directors	NA	NA
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Topic	FY 2023-24 Current Financial Year		FY 2022-23 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Number of days of accounts payables	72	58

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2023-24 Current Financial Year	FY 2023 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributor	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NA	NA
	b. Sales (Sales to related parties / Total Sales)	NA	NA
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties / Total Investments made)	NA	NA

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
17	17 Vendor's Meeting have been conducted throughout the year	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.

Yes, the Company has the following policies to avoid/manage the conflict of interest, applicable on stakeholders of the Company.

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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	24%	37%	The Center for Advanced Research and Development (CARD) has initiated the Innovation Incubation Centre (IIC). The IIC is dedicated to projects that aim to enhance environmental quality and the societal effects of various products and methodologies. Furthermore, it engages in research and development activities such as the production of Green Hydrogen, feasibility assessment of Lignite/Humic acid for semiconductor applications, Sustainable utilization of Coal through Flash Graphene extraction, Lignite to Syngas for power generation, Enhancing Life of Bottom Rollers used in Bucket Wheel Excavators, among others.
Capex	93%	95%	

2. a Does the entity have procedures in place for sustainable sourcing? (Yes/No)- 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 bulk of the resources utilized by NLCIL are obtained through environmentally responsible methods, mainly from the company's own coal and lignite mines. Additionally, the company is vigorously assessing and applying sustainability evaluations for its vendors to ensure that sustainability is integrated throughout its entire supply chain.

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) Plastic Management (including packaging): Since 2006, Neyveli Township has prohibited the use of plastic bags and wrappers. To tackle the accumulation of plastic waste, such as oil and milk sachets, a structured method has been established. This waste is gathered, shredded, and then integrated into construction materials for local projects, transforming plastic refuse into useful building additives and fostering environmental sustainability.

b) Electronic Waste Handling: NLCIL orchestrates the collection and disposal of electronic waste through an electronic auction facilitated by MSTC, entrusting it to recyclers authorized by the Pollution Control Board.

c) Management of Hazardous Materials: NLCIL ensures the safe disposal of hazardous waste produced through an e-tender by MSTC, directing the waste to recyclers, co-processors, or disposal facilities approved by the Pollution Control Board.

d) Utilization of Other Waste Products: NLCIL is committed to repurpose 100% of the fly ash generated by its lignite and coal-powered thermal power plants.

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 independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	If yes, provide the 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 2023-24 Current Financial Year	FY 2022-23 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 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as 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	3,268	3,268	100%	3,268	100%	NA	NA	3,268	100%	NA	NA
Female	311	311	100%	311	100%	311	100%	NA	NA	311	100%
Total	**3,579**	**3,579**	**100%**	**3,579**	**100%**	**311**	**100%**	**3,268**	**100%**	**311**	**100%**
Other than Permanent employees											
Male	70	70	100%	70	100%	NA	NA	70	100%	NA	NA
Female	32	32	100%	32	100%	32	100%	NA	NA	32	100%
Total	**102**	**102**	**100%**	**102**	**100%**	**32**	**100%**	**70**	**100%**	**32**	**100%**

b. Details of measures for the well-being of workers:

Category	% of workers 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	6,250	6,250	100%	6,250	100%	NA	NA	6,250	100%	NA	NA
Female	539	539	100%	539	100%	539	100%	NA	NA	539	100%
Total	**6,789**	**6,789**	**100%**	**6,789**	**100%**	**539**	**100%**	**6,250**	**100%**	**539**	**100%**
Other than Permanent workers											
Male	15,100	15,100	100%	15,100	100%	NA	NA	NA	NA	NA	NA
Female	899	899	100%	899	100%	NA	NA	NA	NA	NA	NA
Total	**15,999**	**15,899**	**100%**	**15,899**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the Company	1.49%	0.90%

2. Details of retirement benefits

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	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 workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	-	-	-	-	-	-
NLC Pension Scheme	100	100	Y	100	100	Y
Post retirement Medical Assistance (PRMA)	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 organization is dedicated to fostering an inclusive workplace for differently abled individuals, in line with the stipulations of the Rights of Persons with Disabilities Act, 2016. In pursuit of this goal, the organization has established a tailored manual designed to facilitate equal opportunities for everyone. This manual is in harmony with the directives issued by the Department of Personnel and Training (DoP&T) and includes a range of amenities and support systems intended to create a supportive work atmosphere for Persons with Disabilities (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 is committed to maintaining a culture of open and transparent communication, creating an atmosphere where employees feel comfortable voicing their concerns to their business heads, the HR department, or members of the senior management. The company adheres to an open-door policy, ensuring that employees at all levels have the opportunity to engage with the senior management team. Furthermore, NLCIL has introduced the Corporate Whistleblower Initiative (CWI), which serves as an official channel for employees to report issues across a variety of topics. Information about the grievance process and the CWI is effectively communicated to employees through a specialized module, which includes awareness-sessions as part of the employee induction program.
Other than Permanent Workers	Additionally, NLCIL has established a thorough policy for the prevention, prohibition, and resolution of sexual harassment against women in the workplace, adhering to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy is accessible on the company's website, and an Internal Complaints Committee (ICC), predominantly composed of female members, is tasked with investigating such complaints. NLCIL actively organizes workshops, group discussions, online training sessions, and awareness campaigns to educate employees about preventing sexual harassment at work, ensuring consistent and proactive involvement in addressing this crucial issue.
Permanent Employees	The steps for the grievance redressal mechanism are outlined as follows: • Employees are required to lodge their grievances promptly using the specified format, and this should be done immediately or at most within three months from the date of the incident. • To ensure swift, accurate, and efficient resolution of grievances, employees are classified into three distinct groups: (a) Workmen and Staff, (b) Supervisors and Executives, and (c) Executives at the level of General Manager and above. A dedicated Corporate Level Redressal Committee has been established for each category of employees.
Other than Permanent Employees	**The grievance handling process is divided into two stages:** **I. Stage-I** involves the employee presenting their grievance directly to the head of their Department/Unit using the designated FORM-I, following the proper channels. Upon receiving the grievance, the Department/Unit Head will engage with the employee to address the issue and will return FORM-I with comments or actions to be taken, within a 15-day period from the date the grievance was received. **II. Stage-II** allows for an appeal process. If the employee is dissatisfied with the outcome or response received at Stage-I, they may appeal to the respective Corporate Level Grievance Redressal Committee using FORM-II. Appeals must be submitted in duplicate to the Committee's Secretary and must include a copy of FORM-I, which contains the Department/Unit Head's remarks or proposed resolution.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	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	**3,579**	**2,566**	**72%**	**3,676**	**2,778**	**76%**
Male	3,268	2,346	72%	3,357	2,535	76%
Female	311	220	71%	319	243	76%
Total Permanent Workers	**6,789**	**4,890**	**72%**	**7,105**	**4,848**	**68%**
Male	6,250	4,597	73%	6,534	4,475	68%
Female	539	293	54%	571	373	65%

8. Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	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	3,268	79	2%	13	0.39%	3,357	151	4%	643	19%
Female	311	19	6%	2	0.64%	319	17	5%	150	47%
Total	**3,579**	**98**	**3%**	**15**	**0.41%**	**3,676**	**168**	**5%**	**793**	**22%**
Workers										
Male	6,250	151	2%	11	0.17%	6,534	1,930	30%	1326	20%
Female	539	41	8%	0	0.00%	571	47	8%	196	34%
Total	**6,789**	**192**	**3%**	**11**	**0.16%**	**7,105**	**1977**	**28%**	**1522**	**21%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3,268	3,268	100%	3,357	3,357	100%
Female	311	311	100%	319	319	100%
Total	**3,579**	**3,579**	**100%**	**3,676**	**3,676**	**100%**
Workers						
Male	6,250	6250	100%	6,534	6,534	100%
Female	539	539	100%	571	571	100%
Total	**6,789**	**6,789**	**100%**	**7,105**	**7,105**	**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, what is the coverage of such a 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) - Y

As per Safety and Health policy, every employee and worker have the authority to challenge and stop unsafe activities.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services (Y/N) - Y

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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.013	0
	Workers	0.065	0.13
Total recordable work-related injuries	Employees	1	0
	Workers	2	8
No. of fatalities	Employees	0	0
	Workers	3	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	3	0

*Including the contract workforce

The FY 2022-23 number on high consequences work related injury has been revisited and revised in this year's BRSR.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- NLCIL systematically conducts safety evaluations on an annual basis for all its mining operations through the ISO Team, while external agencies with accreditation carry out safety audits for thermal power stations once every two years.
- Internal Safety Organization, along with Central Safety executives, regularly perform inspections at both mines and thermal plants. They generate safety observation reports which are then shared with the heads of respective units to ensure adherence to safety protocols.
- In the event of any accidents or incidents, comprehensive investigations are launched to ascertain the root causes. Following these investigations, appropriate corrective measures are put into action to avert similar occurrences in the future.
- The Central Safety Council organize inspections and meetings on a monthly basis according to a pre-set annual agenda, with a focus on various units.
- Statutory officials with the requisite qualifications are responsible for the oversight of mines and thermal plants. They have established specialized divisions dedicated to the maintenance of safety and health standards.
- NLCIL has developed detailed standard operating procedures (SOPs) for all operations related to mining and thermal power generation. These SOPs are rigorously enforced and undergo regular revisions to ensure their effectiveness. Additionally, SOPs are made available in the local language to facilitate better comprehension and execution.
- The Central Safety Wing at NLCIL convenes monthly meetings with safety officers from all units, including NLCIL, NUPPL, NTPL, CLUVPL, MNH, NIGEL, and NIRL to discuss and promote safety measures.
- Regular meetings of the Unit Safety Committee are also held on a monthly basis at both mining and thermal plant locations.
- Each mining site is equipped with fire tenders that operate 24/7, managed by the Central Industrial Security Force (CISF) personnel.
- NLCIL has a specialized division with expertise in managing groundwater, which plays a crucial role in analysing and controlling the risks associated with water.
- The organization's Vocational Training Centre boasts a state-of-the-art simulator for virtual training of equipment operators. This initiative is aimed at reducing the risk of accidents during the actual operation of equipment.
- 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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	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		NIL	NIL	

14. Assessments for the year

Category	% 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.

Following are the corrective actions taken/underway:

- Distribution of Personal Protective Equipment (PPE): Employees at both mining and thermal power facilities are equipped with essential and role-specific PPE to safeguard their well-being. A detailed PPE issuance log is kept to accurately track the distribution frequency of PPE.
- Enforcement of Standard Operating Procedures (SOP): Thoroughly developed SOPs for all operational activities within mines and thermal plants are in place. Strict compliance with these SOPs is mandated to ensure uniform and safe working conditions.
- Lock Out and Tag Out (LOTO) Measures: Compliance with LOTO protocols is critical before initiating any task. Workers are provided with LOTO ID cards, which are attached to the corresponding locks and include comprehensive information about the accountable individual. These locks remain in place until the associated task is fully completed.

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- Comprehensive Training and Evaluation: Safety training encompasses instructional videos, practical demonstrations of PPE use, and interactive discussions for feedback. Follow-up assessments confirm the effectiveness of the training sessions. The Group Vestibule Training Centre (GVTC) also offers simulator-based training for Heavy Earth Moving Machinery (HEMM) Operators, enhancing skill development in the vernacular.
- Diligent Workmen's Inspectors Monitoring: Regular safety checks by Workmen's Inspectors from various fields such as Mining, Mechanical, and Electrical provide an all-encompassing safety review. Their findings are promptly communicated to Safety Officers and Unit Heads for immediate remedial action, reinforcing a strong safety ethos.
- Lighting Improvement Efforts: Frequent illumination assessments are conducted in mining areas to ensure proper lighting levels in compliance with standards. The transition to LED lighting is progressively being implemented on SME machines, haul roads, and other areas within both mines and thermal plants.
- Daily Safety Communication via Public Address System: Safety messages and updates are broadcasted daily through the public address system, enforcing a mindset of safe work practices. Each workday begins with a collective recitation of the Safety Pledge.
- Safety Training for Contract Workers: In-depth safety training is provided to contract workers engaged in LHS/JT-2 Structural reinforcement tasks, guaranteeing uniform safety measures during welding, cutting, and material handling.
- Thorough Safety Audits: A cross-functional team regularly performs safety audits at all Mines and Thermal Power Plants, fostering ongoing improvements and adherence to safety regulations.
- Monthly Safety Officers Assembly: Safety Officers from all NLC units, including NTPL, NUPPL, CLUVPL, MNH, NIGEL, and NIRL convene monthly under the leadership of ED/Central Safety. These meetings facilitate the exchange of knowledge, sharing of best practices, and the strengthening of a proactive safety culture.
- Central Safety Council (CSC) Diligence: The CSC, with members from various units, conducts detailed monthly reviews, followed by presentations of their observations to unit heads and ED/Central Safety in the afternoon. This vigilant approach underscores our commitment to upholding a stringent safety infrastructure.

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 meticulously complies with the calculation and payment of all statutory dues related to its transactions, as per the current regulations. Both internal and statutory audits thoroughly examine this process. For contract workers, division executives and HR executives provide monthly approvals to confirm adherence to all statutory mandates. Payments for all kinds of work are disbursed only after receiving such clearances. Additionally, regular inspections by the appropriate authorities are conducted to guarantee ongoing compliance with statutory duties.

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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Employees	0	0	0	0
Workers	3	2	3	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:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	The Company mandates that its value chain partners adhere to current regulations, which encompass health and safety standards as well as working conditions. These requirements are clearly stipulated within procurement agreements. Monitoring of performance encompasses a range of criteria, not limited to but inclusive of compliance with health and safety protocols and working conditions regulations. While there has not been a targeted evaluation focusing solely on the health and safety practices and working conditions of value chain partners, regular inspections of significant value chain partners are conducted.
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 utilizes a proactive and strategic approach to stakeholder engagement, selecting key stakeholders from a broad spectrum of potential entities. The identification process hinges on a thorough assessment of the significant impact each group has on the Company's ability to create value, as well as the influence the Company has on these groups. Currently, the Company has identified seven pivotal internal and external stakeholder groups, namely Employees, Government and Regulatory Authorities, Customers, Local Communities and Civil Society Organizations/NGOs, Suppliers, Academic and Research 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.
Government and Regulatory Bodies	No	Compliance meetings, comments given on regulatory matters, industry associations, mail communication	Continual on a need basis	Policy advocacy, statutory meetings
Community	Yes	CSR activities, community meetings, mail communication	Catering to the requirements as and when need arises	CSR initiatives
Institutions	No	Mail communication, industry association	On a need basis	Talent collaboration, training programmes
Suppliers	No	Mail communications, seminars, conferences	On a need basis	Business related discussions, awareness and training programmes, workshops, and seminars

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 is committed to continuous dialogue with stakeholders regarding Environment, Social, and Governance (ESG) matters, facilitated by specialized departments within the organization. NLCIL emphasizes the collection of regular feedback from stakeholders, integrating their perspectives into the company's strategic direction to maintain congruence with its mission and vision. To focus on the most significant issues affecting both stakeholders and the business, internal discussions take place to identify and select the primary areas of concern. Subsequently, these selected issues are tackled through engagement with pertinent stakeholders, taking into account their urgency and influence.

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 highly values the inputs and recommendations from its diverse stakeholder base. The Company proactively interacts with stakeholders to ensure their expectations are effectively reflected in its policies and actions. In response to the needs and preferences voiced by stakeholders, NLCIL carries out a variety of CSR initiatives. These initiatives cover an extensive array of projects, such as advancing healthcare through medical camps, establishing healthcare facilities for public hospitals, enhancing sanitation by supporting the construction of toilets, providing educational assistance with scholarships for students, and executing rural development programs that offer accessible social amenities in Neyveli, among others. NLCIL is committed to ongoing dialogue with the local communities, contributing to the growth of a community that is both value-oriented and self-reliant.

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 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	3,579	67	1.87%	3,676	49	0
Other than permanent		0	0		0	0
Total employees	3,579	67	1.87%	3,676	49	0
Workers						
Permanent	6,789	460	0	7,105	35	0
Other than permanent		0	0		0	0
Total workers	6,789	460	0	7,105	35	0

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	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	3,268	-	-	3,268	100%	3,357	-	-	3,357	100%
Female	311	-	-	311	100%	319	-	-	319	100%
Total	3,579	-	-	3,579	100%	3,676	-	-	3,676	100%
Other than Permanent Employees										
Male	70	-	-	70	100%	72	-	-	72	100%
Female	32	-	-	32	100%	30	-	-	30	100%
Total	102	-	-	102	100%	102	-	-	102	100%

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	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)
Workers Permanent										
Male	6,250	-	-	6,250	100%	6,534	-	-	6,534	100%
Female	539	-	-	539	100%	571	-	-	571	100%
Total	6,789	-	-	6,789	100%	7,105	-	-	7,105	100%
Other than Permanent Workers										
Male	15,100	-	-	15,100	100%	14,786	-	-	14,786	100%
Female	899	-	-	899	100%	980	-	-	980	100%
Total	15,999	-	-	15,999	100%	15,736	-	-	15,736	100%

3. Details of remuneration/salary/wages, in the following format*:

a. Median remuneration / wages:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	2,52,679	0	NA
Key Managerial Personnel (Including Whole-time Directors)	7	2,22,985	0	NA
Employees other than BoD and KMP	3,262	1,56,856	343	98,561
Workers	6,250	1,16,832	539	72,664

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	8.25	8.29

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 rigorously follows the principles set forth in the Constitution of India and complies with all applicable human rights legislation, including the Right to Information (RTI) Act, the Prohibition of Child Labour Act, the Sexual Harassment at Workplace Act, and other pertinent labor laws. The Company has instituted a specialized task force dedicated to the oversight and administration of human rights matters, ensuring swift resolution of any issues that may emerge. It is significant to note that NLCIL has not encountered any stakeholder grievances related to human rights infringements, highlighting its dedication to maintaining the highest ethical and legal standards in this area.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

NLCIL has implemented a comprehensive grievance redressal system that includes the gathering complaints, their careful examination through an established process, and their prompt resolution. Moreover, NLCIL rigorously complies with the redressal protocols mandated by applicable human rights legislation. By adhering to these legal requirements, NLCIL ensures that issues concerning human rights are resolved effectively and suitably, reinforcing its dedication to protecting and advocating for human rights within its domain of impact.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	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	3	Nil	Nil	1	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

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7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	1
Complaints on POSH as a % of female employees / workers	0.0000756	0.000038
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is unwavering in its commitment to protect stakeholders from discrimination or harassment of any kind, actively taking steps to avert negative outcomes. To this end, a Whistleblower policy has been established, which not only promotes the process of reporting misconduct or malpractices but also offers strong safeguards for those who report in good faith. These safeguards include defense against harassment, unfair treatment, or victimization, ensuring that individuals who disclose information are protected from any form of retribution or adverse effects. By encouraging a secure and supportive atmosphere for voicing concerns, the Company cultivates a culture of openness, responsibility, and security for all parties involved.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, business agreements and contracts contain human rights requirements.

10. Assessments of the year

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company is in compliance with all applicable laws
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

11. 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 is committed to upholding the core principles of human rights across all facets of its business activities. This commitment aligns seamlessly with the Company's Human Rights Statement, which acts as a directive benchmark. NLCIL emphasizes the significance of fostering awareness and maintaining ethical behavior among its workforce. To this end, the Company regularly organizes training sessions centered on the Code of Conduct. These efforts are designed to acquaint employees with the guiding principles and values that should steer their conduct, nurturing an organizational culture that prizes responsible and ethical actions.

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 is dedicated to providing an accessible environment for visitors with disabilities at its Registered Office, Corporate Office, and all operational units. The premises are outfitted with ramps to enable smooth navigation for specially abled. Sufficient elevators and facilities are available to accommodate the unique requirements of visitors with disabilities. Acknowledging the needs of those who are visually impaired, the Company offers application forms in Braille to promote inclusiveness and ensure equal access for everyone. NLCIL's commitment to accessibility includes fostering an environment that is both inviting and accommodating for differently abled individuals.

4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	NLCIL prioritizes ensuring that its value chain partners adhere to the same values, principles, and business ethics that the Company itself maintains. Although a targeted assessment of value chain partners has not been carried out, specific agreements exist within certain lending arrangements to meticulously oversee these aspects. These provisions mandate that NLCIL's partners maintain elevated standards of behavior and ethics in all their business interactions, thereby fostering a culture of honesty and responsible business conduct throughout the value chain.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
From renewable sources		
Total electricity consumption (A) (GJ)	34,312	43,117
Total fuel consumption (B) (GJ)	-	-
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumed from renewable sources (A+B+C) (GJ)	34,312	43,117
From non-renewable sources		
Total electricity consumption (D) (GJ)	1,523	1,641
Total fuel consumption (E) (GJ)	24,85,27,811	27,62,41,506
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F) (GJ)	24,85,29,334	27,62,43,147
Total energy consumed (A+B+C+D+E+F) (GJ)	24,85,63,645	27,62,86,265
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.00236	0.00213
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	NA	NA
Energy intensity in terms of physical output – Energy consumption per unit of gross power generated (GJ/Gross power generated in kWh)	0.0127	0.0126
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

The data for FY 2022-23 has been revisited and revised in this year's report. IPCC factors have been used to arrive at the energy consumption from fuels.

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 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.

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- 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 ESCert.
- 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 ESCert 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, among others are being carried out.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water withdrawal by source (in Million litres)		
(i) Surface water	10,240	8,505
(ii) Groundwater	146	22
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	1,19,262	1,09,774
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	1,29,648	1,18,301
Total volume of water consumption (in Million liters)	90,898	87,085.94
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000086	0.00000067
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NA	NA
Water intensity in terms of physical output (ML/kWh)	0.0000046	0.0000040
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Data on water consumption for FY 2022-23 was revisited and revised in this year's report.

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. Provide the following details related to water discharged:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water discharge by destination and level of treatment (in kilo liters)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
No treatment (Water sent for treatment to Central Effluent Treatment Plant) *	0	0
With treatment – please specify level of treatment	48,962	39527
(v) Others	0	0
No treatment	0	0
With treatment – Tertiary treatment	0	0
Total water discharged (in million liters)	**48,962**	**39527**

Data on water treatment for FY 2022-23 was revisited and revised in this year's report.

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 external agencies.

5. 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.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format*:

Parameter	Please specify unit	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
NOx	µg/m3	110-395	110-478
SOx	µg/m3	747-2345*	741-2528*
Particulate matter (PM)	µg/m3	35.35-108	37-120
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA

* FGD implementation is under progress for reduction of SO2 emissions

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.

Yes. Carried out by TNPCB, 3rd party laboratories.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO_2 , CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	2,51,54,950	2,79,78,031
Total Scope 2 emissions (Break-up of the GHG into CO_2 , CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	303	324
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO_2 equivalent	2,51,55,253	2,79,78,354
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Kg Per ₹	0.00024	0.00022
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output (tCO_2 e/kWh)	tCO_2 e/kWh	0.001287	0.001274
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	-	-

Data on emissions for FY 2022-23 was revisited and revised in this year's report. IPCC and CEA factors have been considered for calculation of scope 1 and scope 2 emissions respectively.

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 agency.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

- NLCIL is committed to following government regulations and protocols in its mining operations, while also actively engaging in various environmental and sustainability efforts. These efforts include the adoption of clean energy solutions for mining processes, extensive creation of green belts, biological restoration of decommissioned mine lands for agricultural use, and the incorporation of renewable energy sources like wind and solar power.
- NLCIL's extensive green belt serves as an effective carbon sink, markedly enhancing the air quality in nearby regions. Annually, the company reclaims around 100 hectares of land, planting 2,500 trees per hectare in accordance with the guidelines set by the Ministry.
- In the thermal power stations, NLCIL utilizes state-of-the-art technologies such as Electrostatic Precipitators (ESP), Super Critical Boilers, and is in the process of adopting Flue Gas Desulfurization (FGD) to ensure emissions remain below the stipulated standards.
- Every NLCIL unit is actively engaged in energy-saving practices to further diminish greenhouse gas (GHG) emissions.
- NLCIL's venture into renewable energy marks a significant step in reducing the country's dependence on coal-based fuels. The company has established solar power plants with a capacity of 1,380.06 MW and wind power plants with a capacity of 51 MW across various sites. Moreover, battery-operated cars have been introduced at the NLCIL General Hospital to reduce the carbon footprint typically associated with traditional vehicles.

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- Expansion into Renewable Energy NLCIL's forward-looking goals for transitioning to renewable energy generation will play a crucial role in decreasing reliance on coal and, most importantly, will contribute to a substantial reduction in the industry's carbon footprint in the near future.
- NLCIL is progressing on 510 MW project under the CPSU scheme and shall execute in three phases across locations including Rajasthan, Gujarat and Neyveli. Moreover, the Company emerged as successful bidder for 150 MW Hybrid project under the Solar Energy Corporation of India (SECI) framework.
- By 2030, we plan to increase the renewable capacity from 1431 MW to 10,110 MW by implementing various Solar & Wind Projects. At present 2,110 MW of RE projects are under implementation.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	0	0
E-waste **(B)**	10.04	12.91
Bio-medical waste **(C)**	11.196	12.3
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	60.59	21.57
Radioactive waste **(F)**	0	0
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand+ Filter bags etc. **(G)**	0	0
Transformer Oil	0	0
Used Oil/ Spent resin	77.46	91.62
Other Non-hazardous waste generated **(H)**. MS Scrap + Aluminum scrap (Break-up by composition i.e., by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	159.286	138.4
Waste intensity per rupee of Turnover (Total waste generated in Metric tonnes / Revenue from operations in Cr ₹)	0.0000000015	0.0000000011
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
Waste intensity in terms of physical output (MT/kWh)	0.0000000081	0.0000000063
Waste intensity (optional) –the relevant metric may be selected by the entity	-	-
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	0
(ii) Re-used	0	0
(iii) Other recovery operations	-	-
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	-	-
E-waste	10.04	12.91
Biomedical waste	11.196	12.3
Battery	60.59	21.57
Hazardous	77.46	91.62
Total	**159.286**	**138.4**

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 agency.

10. 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 is actively involved in organic and bio-farming on rehabilitated land, maintaining soil fertility and promoting sustainable agriculture in an environmentally friendly way.
- In Neyveli Township, NLCIL has built a modern sewage treatment facility with a 30 MLD (million liters per day) capacity. The output from this plant, including treated water and manure, is used for developing green zones and for horticultural purposes, including nurturing plant nurseries.
- An extensive Integrated Solid Waste Management System (ISWMS) is planned for the entire Neyveli Township, informed by a pilot study and historical waste data. This system will feature a biogas plant that processes domestic and municipal solid waste to generate energy, as well as facilities for converting waste to electricity to harness greenhouse gases, and for producing bio-manure through vermi-composting and micro-nutrient composting with biochest.
- For over sixty years, NLC India Limited has been in step with the national vision of a "Clean & Green India," consistently adopting cutting-edge environmental technologies.
- NLCIL has completed a research and development project in partnership with the Vellore Institute of Technology (VIT), which repurposes bottom ash from thermal power stations as an alternative to fine aggregates (sand) in construction. An experimental building of 920 square feet has been constructed using bottom ash in place of fine aggregates.
- NLCIL ensures 100% utilization of the fly ash produced by its thermal power plants by distributing it to brick and cement industries, and by using it internally to manufacture fly ash bricks, solid blocks, RCC (reinforced cement concrete) door and window frames, lamp posts, slabs, and other items.

11. 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 II & III OCP	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

12. 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
Environmental Impact assessment was not undertaken this year					

13. 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 agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Not Applicable

(ii) Nature of operations: Not Applicable

(iii) Water withdrawal, consumption, and discharge in the following format:

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Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	Currently, no plant is located in a water stressed area.	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 kilolitres)		
Total volume of water consumption (in kilolitres)		
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 kilolitres)*		
(i) Into Surface water	Currently, no plant is located in a water stressed area.	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 kilolitres)		

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. NA

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 Current Financial Year	FY 2023 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, 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 ₹ of turnover	tCO_2e/₹ 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.

3. 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

4. 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:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Green Hydrogen	Hydrogen that is generated using electrolysis powered by renewable energy sources, resulting in zero emissions, is referred to as green hydrogen. This production process does not release any greenhouse gases, contributing to the decarbonization of multiple industries. NLC India Limited appointed. Engineers India Limited as the Project Management Consultancy to oversee the establishment of Proton Exchange Membrane (PEM) electrolyzer-based green hydrogen demonstration facility in Neyveli, with a project duration of eight months.	Established a 4 MW Proton Exchange Membrane (PEM) electrolyzer-based green hydrogen demonstration facility in Neyveli.
2.	Study on Development of Hi-Tech Agriculture using Hydroponics / Aeroponics	In an effort to rehabilitate the land, an advanced agricultural setup employing hydroponics and aeroponics methods is being implemented. The main objective of this endeavor is to create a hydroponic farming system in the restored section of Mine-IA, which will be equipped with Internet of Things (IoT) technology to enable the live collection of data and monitoring of plant development.	In-depth studies suggest that this novel approach has significant potential to boost revenue generation while making effective use of scarce land resources.
3.	Activated carbon development using lignite – HA sludge	The creation of activated carbon from lignite and Humic Acid (HA) sludge is an important advancement in utilizing waste effectively and supporting environmental well-being. When humic acid is extracted, the leftover HA sludge is high in carbon. The idea is to convert this carbon-dense substance into activated carbon using a suitable method. Activated carbon is sought after for its extensive porosity and large surface area, which make it excellent for adsorbing impurities, thus making it valuable for water and air purification.	This initiative repurposes HA sludge, giving waste byproducts a valuable new use and diminishing their environmental impact. It offers a cost-effective and sustainable method for creating activated carbon, improving green waste management practices, and conserving resources.
4.	Lignite to Syngas for power generation	The Integrated Gasification Combined Cycle (IGCC) technology transforms carbon-rich materials into a hydrogen-rich synthesis gas (syngas), which is subsequently utilized to produce electricity in a combined cycle power station. This method enables the effective use of diverse carbon-based fuels and facilitates more efficient capture and control of pollutants compared to traditional coal or lignite-fired power plants. In line with this, a work order was issued to BHEL to conduct a feasibility study for the development of an IGCC pilot plant that will generate power from lignite.	Establishment of a pilot plant using Integrated Gasification Combined Cycle (IGCC) technology for electricity generation from lignite. This will help in effective and efficient use for carbon related fuels and reduce the release of pollutants in the environment.
5.	Development of eco-friendly geo-polymer ash based green bricks using solar heating	The creation of environmentally friendly geo-polymer bricks made from ash and cured with solar energy presents a sustainable method for brick production. These bricks incorporate fly ash, a byproduct of thermal power stations, significantly decreasing their ecological footprint. By substituting traditional kiln firing with solar heating, the process cuts down on energy use and carbon output. This inventive method not only lessens the carbon footprint but also enhances the effective use of waste. These green bricks, which demand less water and raw materials, offer a more eco-conscious choice for building, aiding in the advancement of a more sustainable tomorrow.	Fly ash generated is utilized thereby ensuring waste management and environmental sustainability

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

NLC India Limited has put into action an all-encompassing disaster management strategy, with the foremost aim of protecting the safety and health of employees at the facility. This strategy includes a variety of goals such as providing quick and effective emergency responses, reducing environmental harm, lessening the loss of property for both the facility and the nearby community, executing rescue missions, and administering medical care to those injured.

The disaster management strategy prepares for a broad spectrum of potential catastrophes, including natural phenomena like geological, hydrological, climatic, and atmospheric events, as well as human-induced disasters of a sociological or technological kind. The primary goal of this strategy is to promote a forward-thinking, comprehensive, and coordinated approach to enhance readiness for disasters, lessen their impact, and improve emergency reactions in case of unexpected crises. It acts as an extensive guide and reference for power sector utilities, addressing all aspects of the disaster management cycle, as outlined in the "Crisis and Disaster Management Plan for the power sector."

6. 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?

NLC India Limited is taking several steps to reduce its environmental footprint, including the adoption of clean renewable energy sources, the use of Circulating Fluidized Bed Combustion (CFBC) and supercritical boilers, the practice of eco-friendly mining, and the installation of pollution control systems like dust suppression mechanisms, bag filters, and water jets/sprinklers.

The Company conducts regular assessments to monitor the effectiveness of these green initiatives in reducing environmental stress. The results of these assessments are communicated to regulatory bodies through various reports such as Environmental Statements,

Environmental Compliance reports, and Fly Ash Reports. Some of these reports, including the Fly Ash Reports, are also accessible on NLCIL's website for public viewing.

NLCIL is actively contributing to the resolution of global environmental challenges by undertaking numerous projects. A key focus is expanding the renewable energy capacity to significantly cut down on greenhouse gas emissions. NLCIL has made strides in this area by installing 1,380.06 MW of solar power capacity and 51 MW of wind power capacity, thereby reinforcing its commitment to renewable energy.

To address pollution from its thermal power projects, NLCIL has introduced environmental safeguards such as high stacks for the dispersion of gaseous and particulate emissions, electrostatic precipitators for dust management, and the commencement of flue gas desulfurization (FGD) processes to limit sulfur dioxide (SO2) emissions.

In the mining operations, NLCIL has adopted environmental protection measures like water sprinklers for dust suppression and the creation of lush green belts along the roads within and surrounding the mining areas.

NLCIL also prioritizes environmental education and has organized various programs on topics like environmental and pollution control, energy saving, co-generation methods, mining mitigation, and environmental impact assessment.

Through these comprehensive measures and initiatives, NLCIL is diligently pursuing environmental sustainability and fostering responsible practices in all its operational activities.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

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 trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a 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 the 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 resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
The Company is deeply involved in engaging with stakeholders, working alongside industry players and government agencies to provide meaningful input into the creation of policies concerning energy, economic reforms, water management, mining methods, sustainability, and both conventional and alternative energy sources. Additionally, the Company is proactive in its interactions with trade and industry groups to influence the regulatory framework and policy decisions related to the power sector. Through its active participation in these dialogues, the Company aims to aid in the development of robust and influential policies that advance the interests of the industry while encouraging sustainable operations.					

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 (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
1	Mine II - NLCIL	Tamil Nadu	Cuddalore	105	30.48%	4.46 Cr
2	Talabira II and III OCP - NLCIL	Odisha	Sambalpur	1,512	12.03%	10.06 Cr
			Jharsuguda	1,461	Not yet started	-
3	NLC Talabira Thermal Power Project	Odisha	Jharsuguda	1,305	8.20%	13.4 Cr
			Sambalpur	284	Not yet started	-

3. Describe the mechanisms to receive and redress grievances of the community.

NLC India Limited actively engages with the community through various Corporate Social Responsibility (CSR) initiatives, managed by a designated CSR head who acts as the central figure for community grievance redressal. Community members have the option to communicate with NLCIL via program officers who are experts in specific domains. These officers serve as the first point of contact for the community to express their concerns and grievances, which can be conveyed either verbally or in writing. Collaborating closely with the CSR head, the program officers are committed to ensuring that all issues are listened to, comprehensively addressed, and resolved to the community's contentment. This system establishes efficient communication pathways, guaranteeing that community members have straightforward access to NLCIL for sharing their input and grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	50.53%	49.95%
Directly from within India	99.41%	99.95%

Data for FY 2022-23 has been revisited and revised in this year's report.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	0.002%	-
Semi-urban	0.015%	0.11%
Urban	**0.15%**	-
Metropolitan	**0.01%**	-

Note – Data disclosed includes the information on the job created for the particular year.

*(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

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:

State	Aspirational District	Amount Spent (₹ In Lakh)
Swachhata related activities at two locations of swachh iconic places(SIP) in Rajasthan state	Jaisalmer district, Rajasthan	50.38
Financial Support to help in promoting the quality education for students from Tribal areas of Odisha, Saraswathi Sihshu Vidya Mandir pariasalana samithi, Balimela	Malkangiri district, Odisha	78.30

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
Nil				

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 Projects	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Promoting Healthcare	3,39,016 People,143 villages were benefitted	70%
2.	Providing Safe Drinking Water	62,248 People were benefitted	
3.	Promoting Sanitation	13,025 People were benefitted	
4.	Promoting Education	38,365 People were benefitted	
5.	Promoting Special Education	145 People were benefitted	
6.	Promoting Employment Enhancing Skills	1,324 People were benefitted	
7.	Promoting gender equality, empowering women setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens	2,000 Widows were befitted	
8.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna Animal welfare, Agro-forestry, Conservation of natural resources, maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for the rejuvenation of river Ganga	1,000 School Children were benefitted	
9.	Protection of national heritage, art and culture	5,000 tourists and general public were benefitted	
10.	Measures for the benefit of armed forces veterans, war widows and their dependents;	42 Students were benefitted	
11.	Promoting Rural Sports	10,330 People were benefitted	

S. No.	CSR Projects	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
12.	Rural development projects, Providing Infrastructure, Roads and Access	67,600 People were benefitted	
13.	Water Resource Augmentation	General Public	

Principle 9: Businesses should engage with and provide value to their consumers in a 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) acts as the supervisory body for managing the tariff structures of power generation companies that are under the ownership or control of the Central Government. Power plants are mandated to lodge applications for tariff determination, which may include generating tariff applications, miscellaneous applications, or review applications.

When there are objections to the decisions rendered by the Central and State Electricity Regulatory Commissions, the Appellate Tribunal for Electricity (APTEL) steps in as a specialized appellate authority with expertise across multiple disciplines. Established in 2005, APTEL's primary responsibility is to adjudicate appeals, which are typically initiated by Distribution Companies (DISCOMs) or power generation stations, especially concerning disputes over capacity and energy charges that CERC may have rejected. The appeal procedure entails the filing of legal documents, known as pleadings, followed by a series of hearings. After the hearings, APTEL may decide to send the case back to the CERC for additional review and to ensure adherence to its directives.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Parameter	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 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
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	NA	NA	NA	NA	NA	NA

4. Details of instances of product recalls on account of safety issues:

	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

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7. Provide the following information relating to data breaches:

a. Number of instances of data breaches – Not Applicable

b. Percentage of data breaches involving personally identifiable information of customers - Not Applicable

c. Impact, if any, of the data breaches - Not Applicable

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 & 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.

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Consolidated

Independent Auditors' Report

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

Sundaram & Srinivasan,
Chartered Accountants,
#23, C.P.Ramasamy Road,
Alwarpet,
Chennai – 600018

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, 2024, 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 ended including a summary of the material accounting policies and other explanatory information which are included in 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 31st March, 2024, 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 Matters" 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 60 (c) of the Standalone Financial Statements, wherein the non-availability of adequate quantum of land for lignite mining operations at Neyveli mines 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.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

1. Note 10(a)(e), with regard to amount billed on VSVS to DISCOMs and pending adjudication, the Company considers the entire outstanding amount of ₹ 318.12 Crore as recoverable.

2. Note 54, with regard to the determination of the transactions with MSME vendors and balances thereof, have been done based on the certificates received from the respective parties as made available in the GEM Portal system. The disclosures in respect of MSME vendors, interest liability thereon as per MSME Act, Income tax computations as such need to be ascertained from MSME Vendors are computed manually and accounted accordingly.

3. Note 17(a)(k), where the Company has to raise 25% of incremental borrowings by way of issuance of debt securities, the Company after considering its liquidity position and the size of the Bond requirement, the Company did not raise funds by way of issuing any debt securities during FY 2023-24.

Our Opinion on the Standalone Financial Statements is not modified in respect of the above matters.

As reported by the auditor of the Talabira Branch in their Independent Auditor's Report dated 14th May, 2024 is below:

We draw attention to Note 23(c) in the Notes to the Standalone Financial Statements regarding provision made during the year, towards differential mining charges and HPC wages amounting to ₹ 162.30 Crore which are under dispute.

Opinion of the auditor of the branch with respect to branch's financial statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.	**Contingent Liabilities and Commitments**	
	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 judgement is required in estimating the amount of provisioning. The Company's assessment is supported by the facts of matter, their own judgement, 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 ₹ 34,370.17 Crore have been considered by the Company towards contingent liability and commitments representing claims of third parties. Refer Note 52 of the Standalone Financial Statements. Included in the above, is a sum of ₹ 7,329.38 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 ₹ 1,420.27 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, judgemental 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	**Capital Work in Progress - Projects on hold**	
	Accuracy of impairment provisions in respect of exploration and evaluation assets and projects under "Capital work in progress" which involves critical judgement 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 expenses of Bithnok and BTPSE project from the management; • Noted that the total project cost comprises 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, 2024.
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 judgement 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 ₹ 383.91 Crore as at 31st March, 2024. Refer Note 10(a)(c) to 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 ECL provision and examined certain assumptions used by the Company; • We also tested the arithmetical accuracy and assessed the judgements used in the management's model used to calculate provision for credit losses; • We have initiated confirmation of balances and the differences, if any, were reconciled by the Management in respect of confirmations received. We have reviewed the same and noted on the explanations provided by the management in arriving at the loss allowance for the year ended 31st March, 2024; 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 amounting to ₹ 18,056.80 Crore represents 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 include 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. Refer Note 2 and 4 to the Standalone Financial Statements.	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 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 judgements and there are no material changes.
5	**Financial Liabilities – Borrowings**	
	The Balance Sheet as at 31st March, 2024, reflects financial liabilities-Borrowings totaling ₹ 7,968.77 Crore. These liabilities encompass various forms of borrowings, comprising bonds issued, bank borrowings, and foreign currency borrowings. Refer Note 17(a) and 21(a) of the Standalone Financial Statements. The above includes an amount of ₹ 913.49 Crore classified as current liabilities. There may be complex accounting requirements around the subsequent measurement and presentation of financial liabilities. Evaluating the suitability of debt covenants and assessing the potential risk of covenant violations necessitates substantial auditor judgement.	Our key audit procedures included the following: • We have evaluated the appropriateness of the accounting policies and disclosures related to financial liabilities. • Tested the accuracy and completeness of financial liability balances by examining supporting documentation like debt agreements and analysed debt covenant calculations prepared by management and considered the existence of any potential breaches. • Assessed the adequacy of disclosures in the financial statements related to financial liabilities.

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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 judgements 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' Responsibility 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.

As part of an audit in accordance with SAs, we exercise professional judgement 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 the Company, for which we are the independent auditors. In respect of the branches included in the Standalone Financial Statements, which have been audited by the respective branch auditors who 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 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.

Other Matters

a. 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 ₹ 4,052.73 Crore as at 31st March, 2024 and total income of ₹ 2,732.37 Crore for the year ended 31st March, 2024, total net profit before tax of ₹ 873.42 Crore for the year ended 31st March, 2024 and total comprehensive income of ₹ 873.42 Crore for the year ended 31st March, 2024, and net cash inflows of ₹ 0.71 Crore for the year ended 31st March, 2024. 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 Standalone Financial Statements section above.

b. Certain Debit/Credit balances pertaining to vendors are pending independent confirmation and consequential reconciliation thereof.

c. Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that at least half of the directors on the board should be independent directors. The Company has yet to fulfil this requirement, leading to penalties imposed by the Stock Exchanges.

d. During the year, the Company has not complied with the requirements relating to the appointment of at least 1 independent nominee director on the Board of NLC Tamil Nadu Power Limited, which is an unlisted material subsidiary, as required under Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. Regulation 19A(1) of the Securities Contract (Regulation) Rules, 1957, stipulating a minimum public shareholding of 25%, remained unmet until 11th March, 2024. Following this period of non-compliance, the Government of India has disinvested and reducing its stake by 7% through Offer For Sale (OFS).

Our opinion is not modified in respect of these matters.

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 except for the matters stated in the paragraph 2(k)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

   c. The reports on the accounts of the Branch Offices of the Company audited under Section 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 specified under Section 133 of the Act;

   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 Section 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 5th June, 2015, issued by the Ministry of Corporate Affairs;

   h. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3) of the Act and paragraph 2(k)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

   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 Section 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

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   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 52 to Standalone Financial Statements;

      ii. The Company has long term contracts for coal mining, power sale, lignite / coal sale, O&M / AMC Contracts, project execution etc. The Company has assessed all these contracts as at 31st March, 2024, and concluded that there were no material foreseeable losses that needs to be considered on account of these contracts. The Company did not have any derivative contracts as at 31st March, 2024;

      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 2022-23 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 2023-24 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.

      However, the aggregate of interim dividend paid by the Company during the FY 2023-24 and proposed dividend for the FY 2023-24 is less than the minimum dividend criteria prescribed under the guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Company vide its letter dated 23rd February, 2024 had applied for exemption from payment of minimum dividend for the FY 2023-24 as prescribed under DIPAM guidelines and the same is pending for approval.

      vi. Based on our examination, which included test checks, the Company has used SAP for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year. During the course of our audit, we did not come across any instances of the audit trail feature being tampered with.

Further, in relation to the 7 external applications that were integrated with SAP software, in connection with Auction & tender system, Integrated Weighment Tracking System, employees advance and reimbursement claims, GST Central Invoicing System & House Allotment, Rent Accounting & other Township related Management System, based on the audit procedures, we confirm that there is no audit trail (edit log) facility that was enabled (Refer Note No. 60(d) to the Standalone Financial Statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. As required by Section 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".

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M S N M Santosh
Partner
M No. 221916
UDIN: 24221916BKFZOU6999

For Sundaram & Srinivasan,
Chartered Accountants,
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 24217914BKBOTW1605

Place: Chennai
Date: 15th May, 2024

Annexure-I to the 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 31st March, 2024, we report that:

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE). The Company is in the process of tagging its PPE for easy identification.

(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 owners. 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 March 31, 2024. 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. 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:

(₹ in Crore)

Particulars	Loans
Aggregate amount granted/ provided during the year	
Subsidiary	250.00
Others – Employees	26.27

(₹ in Crore)

Particulars	Loans
Balance outstanding as at balance sheet date in respect of above cases	
Subsidiary	150.00
Others – Employees	17.56

(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.

(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 2022-23 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 2024, for a period of more than six months from the date they became payable, except in the case of Royalty 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

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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, 2024 on account of any dispute except as reported below:

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	Income Tax	0.09	0.09**	FY 2003-04	High Court
		0.27	-	FY 2006-07	ITAT
		0.32	-	FY 2009-10	ITAT
		0.40	-	FY 2011-12	ITAT
		1.46	-	FY 2012-13	Assessing Officer
		171.04	-	FY 2012-13	High Court
		42.97	-	FY 2013-14	High Court
		1.53	-	FY 2013-14	Assessing Officer
		77.79	-	FY 2013-14	High Court
		23.82	-	FY 2014-15	High Court
		2.38*	-	FY 2016-17	ITAT
		6.74	22.01**	FY 2017-18	ITAT
		0.17	-	FY 2018-19	Assessing Officer
		11.08	-	FY 2019-20	ITAT
Finance Act, 1994	Service Tax	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
CGST & SGST Act, 2017	GST	24.01	-	Aug 2018 to March 2019	Additional/ Joint Commissioner of Central Tax and Central Excise, Rourkela
CGST & SGST Act, 2017	GST	0.13	-	Oct 2017	Superintendent of GST and Central Excise, Chennai
CGST & SGST Act, 2017	GST	26.72*	-	Apr 2018 to Mar 2021	Additional Commissioner of GST and Central Excise, Chennai
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	467.98	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

* Time Limit for filing of appeal / writ against the demand order has not lapsed yet.

** Amount as appearing in the payment challans.

(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 first and second proviso to sub-section (1) 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.

(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.

(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 Manohar Chowdhry & Associates, Chartered Accountants, Firm Regn. No. 001997S	**For Sundaram & Srinivasan,** Chartered Accountants, Firm Regn. No. 004207S
M S N M Santosh Partner M No. 221916 UDIN: 24221916BKFZOU6999	**P Menakshi Sundaram** Partner M No. 217914 UDIN: 24217914BKBOTW1605

Place: Chennai
Date: 15th May, 2024

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, 2024 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.

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 31st March, 2024, 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 Matters

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 Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M S N M Santosh
Partner
M No. 221916
UDIN: 24221916BKFZOU6999

For Sundaram & Srinivasan,
Chartered Accountants,
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 24217914BKBOTW1605

Place: Chennai
Date: 15th May, 2024

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

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 explanation 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), Plant maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). "The Company is also using other support software's which are integrated to SAP ERP and those transactions are also through IT systems, like NLCIL eAuctioning & Tendering System (NeAT); Contract Labour Management System (CLMS); Integrated Weighment Tracking System (IWTS); Integrated Hospital Management System (IHMS); myLaptop Portal; Furniture Portal; Retirees Portal; Bill Tracking System; GST Central Invoicing System; eRecruitment System; House Allotment, Rent Accounting & other Township related Management System; The company has not carried out any system audit covering implications of processing of such transactions, any consequential effect on the integrity of accounts, along with related financial implications, etc., Based on our examination of records on sample basis and other audit procedures carried out and as per the information and explanation given to us, no accounting transactions have been processed/carried outside the IT system Accordingly, there are no implications on the integrity of the accounts. **As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanations given to us, the branch has a system in place to process all the accounting transaction 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 system (PS), Plant maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). Our examination of records on sample basis did not reveal any transaction not coming within the purview of various IT system as stated above. **As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 14th May, 2024 is reproduced below:** The Branch/Company has implemented SAP ERP system for recording of its financial transaction. The Branch/Company 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 (MM Module) is being operated. For monitoring of projects under implementation SAP PS Module is in place. For accounting transaction SAP FICO under operation. The Branch/Company has e-office during the year as part of its green-initiative and office automation for file management. In this, the decision-making process is captured from end-to-end in electronic mode and forms part of the transaction processing. The Branch/Company has e-tendering process in place for processing of tenders. For purchases GeM portal of the Government of India is being used. For Payroll, attendance and other inputs is captured in PIPAS (Oracle based) system and processed through the same. On our examination of records, all the transaction is done through IT systems for the Branch.	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. **As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 13th May, 2024 is reproduced below:** 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 Branch **As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 14th May, 2024 is reproduced below:** According to the information and explanation provided to us and so far, as it appears from our examination of the records of the Branch, there are no loans (except employee's loans and advances) in the books of Branch and no such cases of waiver write-off of debts/ loans/interest etc.	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 received ₹ 21.49 Crore for specific schemes from Central Government or its agencies and the receipt has been properly accounted for. During the year, we have noticed that the Company has received a sum of ₹ 10.58 crore and receivable of ₹ 2.38 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 issued by Government of Tamil Nadu are 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 Barsingsar branch of NLCIL in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given to us, grant/subsidy is dealt at Head Office Level. However, as per books of accounts of the branch, the Company has received Viability Gap Funding (VGF) of ₹ 21.02 Crore from Ministry of New & Renewable Energy (MNRE), Govt. of India for 300MW Solar Project at Barsingsar which has been properly accounted for. **As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 14th May, 2024 is reproduced below:** According to the information and explanation provided to us and so far, as it appears from our examination of the records of the Branch, no funds are received / receivable for any specific scheme from Central/State agencies by the Branch.	NA

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M S N M Santosh
Partner
M No. 221916
UDIN: 24221916BKFZOU6999

For Sundaram & Srinivasan,
Chartered Accountants,
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 24217914BKBOTW1605

Place: Chennai
Date: 15th May, 2024

Standalone Balance Sheet

as at March 31, 2024

(₹ in Crore)

	Particulars	Notes	As at March 31, 2024	As at March 31, 2023
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	2	17,830.85	18,502.90
	(b) Right-of-Use Asset	3	76.47	53.59
	(c) Intangible Asset	4	225.95	175.42
	(d) Capital Work-in Progress	5	1,923.37	1,011.59
	(e) Asset Under Development	6	-	-
	(f) Financial Assets	7		
	i) Investments	a	4,640.12	4,196.32
	ii) Trade receivables	b	222.50	377.15
	iii) Loans	c	14.28	33.97
	iv) Other Financial Assets	d	639.41	497.48
	(g) Other Non-Current Assets	8	1,282.87	1,164.76
			26,855.82	**26,013.18**
(2)	**Current Assets**			
	(a) Inventories	9	1,047.64	833.92
	(b) Financial Assets	10		
	i) Trade Receivables	a	3,313.93	3,791.44
	ii) Cash and Cash Equivalents	b	553.81	71.18
	iii) Bank balances other than cash and cash equivalents	c	125.66	129.01
	iv) Loans	d	170.90	4.83
	v) Other Financial Assets	e	1,220.22	2,760.36
	(c) Current Tax Assets (Net)	11	274.28	246.48
	(d) Other Current Assets	12	735.17	584.04
			7,441.61	**8,421.26**
(3)	Assets Held for Sale	13	47.45	-
(4)	Regulatory Deferral Account Debit Balances	14	807.75	777.62
	Total Assets and Regulatory Deferral Account Debit Balances		**35,152.63**	**35,212.06**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	15	1,386.64	1,386.64
	(b) Other Equity	16		
	i) Retained Earnings	a	12,219.99	10,873.34
	ii) Other Reserves	b	2,387.28	2,378.88
			15,993.91	**14,638.86**
	Liabilities			
(1)	**Non-Current Liabilities**			
	(a) Financial Liabilities	17		
	i) Borrowings	a	7,055.28	7,816.91
	ii) Lease liabilities	b	33.62	24.84
	iii) Other Financial Liabilities	c	314.04	648.06
	(b) Provisions	18	151.30	158.33
	(c) Deferred Tax Liabilities (Net)	19	3,465.24	3,077.25
	(d) Other Non-Current Liabilities	20	723.61	619.99
			11,743.09	**12,345.38**
(2)	**Current Liabilities**			
	(a) Financial Liabilities	21		
	i) Borrowings	a	913.49	1,531.43
	ii) Lease liabilities	b	2.23	2.34
	iii) Trade Payables	c		
	-Total outstanding dues of Micro and Small enterprises		50.01	40.50
	-Total outstanding dues of creditors other than Micro and Small enterprises		862.45	591.14
	iv) Other Financial Liabilities	d	385.26	161.69
	(b) Other Current Liabilities	22	1,786.73	1,794.14
	(c) Provisions	23	498.48	275.96
			4,498.65	**4,397.20**
(3)	**Regulatory Deferral Account Credit Balances**	24	2,916.98	3,830.62
	Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		**35,152.63**	**35,212.06**
	Material Accounting Policies	1		

The accompanying Notes 1 to 60 forms an integral part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS: 8591

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE)
DIN: 09625170

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. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Standalone Statement of Profit and Loss

for the Year Ended March 31, 2024

(₹ in Crore)

	Particulars	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
	INCOME			
I	Revenue from Operations	25	10,518.64	12,955.00
II	Other Income	26	873.10	1,240.90
III	**Total Income (I+II)**		**11,391.74**	**14,195.90**
IV	**EXPENSES**			
	Changes in Inventories	27	(189.34)	268.42
	Employee Benefits Expense	28	2,646.73	2,526.32
	Finance Costs	29	642.89	755.63
	Depreciation and Amortization Expenses	30	1,441.76	1,419.69
	Other Expenses	31	5,014.91	5,196.71
	Total Expenses (IV)		**9,556.95**	**10,166.77**
V	Profit / (Loss) before Exceptional items, Tax & Rate Regulatory Activity (III-IV)		1,834.79	4,029.13
VI	Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	32	953.10	(2,292.66)
VII	Profit / (Loss) before Exceptional Items and Tax (V+VI)		2,787.89	1,736.47
VIII	Exceptional Items-Expenses/(Income)	33	-	12.32
IX	**Profit / (Loss) before Tax (VII-VIII)**		**2,787.89**	**1,724.15**
X	Tax Expense:	53		
	(1) Current Tax			
	- Current Year Tax		723.16	977.45
	- Previous Year Tax		(39.24)	(54.24)
	- Tax Expenses / (Savings) on Rate Regulated Account		375.65	(557.90)
	(2) Deferred Tax (after MAT adjustment)		(118.26)	110.60
	Total Tax Expenses (X)		**941.31**	**475.91**
XI	**Profit / (Loss) for the Year (IX - X)**		**1,846.58**	**1,248.24**
XII	Other Comprehensive Income			
	Items not to be reclassified to Profit or Loss:	34		
	- Net Actuarial gains/(Losses) on defined benefit plans		(10.24)	(0.03)
	- Income Tax expenses/(savings) on net actuarial gains/(losses) on defined benefit plans		(4.04)	(0.01)
	Total other comprehensive income for the year-net of income tax (XII)		**(6.20)**	**(0.02)**
XIII	**Total Comprehensive Income for the year (XI+XII) (Comprising Profit or (Loss) and other Comprehensive Income)**		**1,840.38**	**1,248.22**
XIV	Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balances):			
	(1) Basic (in ₹)	35	9.15	21.51
	(2) Diluted (in ₹)		9.15	21.51
XV	Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balances):			
	(1) Basic (in ₹)	35	13.32	9.00
	(2) Diluted (in ₹)		13.32	9.00

The accompanying Notes 1 to 60 forms an integral part of the Standalone Financial Statements.

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS: 8591

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE)
DIN: 09625170

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. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Standalone Statement of Changes in Equity

for the Year Ended March 31, 2024

A. Equity Share Capital

(₹ in Crore)

	No of Shares	Amount
Balance as at 1st April, 2023	1,38,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2024	**1,38,66,36,609**	**1,386.64**
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**

B. Other Equity

(₹ in Crore)

Particulars	Retained Earnings and Other Reserves							Total
	KFW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Other Comprehensive Income	
Balance as at 01.04.2023	367.23	140.00	1,457.00	291.07	123.58	10,927.08	(53.74)	13,252.22
Total Comprehensive Income for the year								
Profit or loss	-	-	-	-	-	1,846.58	-	1,846.58
Other comprehensive income	-	-	-	-	-		(6.20)	(6.20)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**1,846.58**	**(6.20)**	**1,840.38**
Dividend paid :								
- Interim dividend FY 2023-24	-	-	-	-	-	(208.00)	-	(208.00)
- Final Dividend FY 2022-23	-	-	-	-	-	(277.33)	-	(277.33)
Appropriations- Transfer from / (to) Retained Earnings	1.98	10.00	-	-	(3.58)	(8.40)	-	-
Balance as at 31.03 2024	**369.21**	**150.00**	**1,457.00**	**291.07**	**120.00**	**12,279.93**	**(59.94)**	**14,607.27**

(₹ in Crore)

Particulars	Retained Earnings and Other Reserves							Total
	KFW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Other Comprehensive Income	
Balance as at 01.04.2022	362.90	130.00	1,457.00	291.07	109.29	10,123.46	(53.72)	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	**-**	**-**	**-**	**-**	**-**	**1,248.24**	**(0.02)**	**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**	**10,927.08**	**(53.74)**	**13,252.22**

For and on behalf of the Board of Directors

R. Udhayashankar	Dr. Prasanna Kumar Acharya	Prasanna Kumar Motupalli
COMPANY SECRETARY	DIRECTOR (FINANCE)	CHAIRMAN AND MANAGING DIRECTOR
FCS: 8591	DIN: 09625170	DIN: 08456692

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

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Standalone Statement of Cash Flow

for the Year Ended March 31, 2024

(₹ in Crore)

Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
A. Cash flow from operating activities:				
Net Profit Before Tax		2,787.89		1,724.15
Adjustments for:				
Less:				
Profit on Disposal of Asset	3.39		7.49	
Dividend from NTPL	107.10		97.37	
Interest Income	93.08		44.99	
Deferred income on govt grant	5.75		5.74	
	209.32		**155.59**	
Add:				
Depreciation/Amortisation	1,441.76		1,419.69	
Other non cash charges	396.45		(436.51)	
Loss on Disposal of assets	13.26		0.31	
Interest expense	642.89		670.44	
	2,494.36	2,285.04	**1,653.93**	1,498.34
Operating Profit before working capital changes		**5,072.93**		**3,222.49**
Adjustments for :				
Trade receivables		444.80		(734.98)
Loans & advances		(216.66)		(137.68)
Inventories & other current assets		1,073.04		(336.78)
Trade payables & other current liabilities		(552.52)		1,815.55
Cash Flow generated from Operations		5,821.59		3,828.60
Direct Taxes paid		(577.08)		(5.21)
Cash Flow Before Extraordinary Items		5,244.51		3,823.39
Grants received		21.66		(0.84)
Net Cash from operating activities		**5,266.17**		**3,822.55**
B. Cash flow from investing activities:				
Purchase of property, plant and equipment / preliminary expenses		(2,037.97)		(1,783.54)
Sale of property, plant and equipment / Projects from continuing operations		9.61		11.01
Sale/Purchase of Investments		(443.80)		(263.65)
Dividend Received from Subsidiary		107.10		97.37
Interest Received		95.85		50.64
Net Cash used in investing activities		**(2,269.21)**		**(1,888.17)**
C. Cash flow from financing activities:				
Short Term Borrowings (Net)		(617.94)		118.46
Long Term Borrowings (Net)		(761.63)		(1,009.15)
Payment of lease obligations		(20.70)		(2.54)
Interest paid		(628.81)		(677.20)
Dividend Paid		(485.25)		(416.29)
Net Cash (used)/received in financing activities		**(2,514.33)**		**(1,986.72)**
Net increase, decrease(-) Cash and Cash equivalents		482.63		(52.34)
Cash and cash equivalents as at the beginning of the year		**71.18**		**123.52**
Cash and cash equivalents as at the end of the year		**553.81**		**71.18**

Note : (-) Indicates Cash Outflow.

Standalone Statement of Cash Flow (Contd.)

for the Year Ended March 31, 2024

Details of Cash and Cash Equivalents:	AS AT March 31, 2024	AS AT March 31, 2023
Cash in Hand	0.01	-
Cash at Bank in Current Accounts	98.80	71.18
Cash at Bank in Deposit Accounts	455.00	-
Total	**553.81**	**71.18**

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS: 8591

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE)
DIN: 09625170

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. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies

for the Year Ended March 31, 2024

(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 - 600010 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.

The Company Classifies its assets & liabilities as current / non current in the balance sheet considering 12 months period as normal operating cycle.

Deferred tax assets/liabilities are classified as non-current.

Notes to Standalone Financial Statements

NOTE 1: Material 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.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if,

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

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

In accordance with Ind AS101, 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 AS16 and are having value of more than ₹ 5 lakhs are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit or Loss on consumption.

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Notes to Standalone Financial Statements

NOTE 1: Material 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.

Subsequent capitalisation:

Subsequent material expenditure incurred for bringing land into minable conditions are also capitalised as additional expenditure to land.

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: Material 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.

However, the cost of land which is not expected to be used after the linked asset has completed its effective life is amortized over the effective life of linked asset.

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 for 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.

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

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

On transition to Schedule II of the Companies Act, 2013, assets partially depreciated has been migrated as per the Companies Act, 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of the 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.

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

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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.

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 rate 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.

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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 has expired, 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, due to transfer of either 'risk & rewards' or 'control' of such financial asset.

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.

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 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.

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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.

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 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.

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Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

X. Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

XI. 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.

XII. 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.

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.

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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.

XIII. 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.

XIV. 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.

XV. 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.

XVI. 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

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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 includes 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 Regulations / 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 operations 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.

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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.

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.

XVII. 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.

XVIII. 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.

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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.

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.

XIX. 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.

XX. 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

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

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 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'.

XXI. 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 liabilities are disclosed when there is (i) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or (ii) a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

Notes to Standalone Financial Statements

NOTE 1: Material Accounting Policies (Contd)

XXII. 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.

XXIII. 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.

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

Non-Current Assets

NOTE 2: Property, Plant and Equipment

(₹ in Crore)

Description	Gross Block				Accumulated Depreciation & Amortisation				Net Block	
	As at 01.04.2023	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2024	As at 01.04.2023	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land										
Freehold Land	335.30	-	-	335.30	-	-	-	-	335.30	335.30
Lease hold Mining Land	354.95	49.70	-	404.65	23.92	-	11.63	35.55	369.10	331.03
Mining Land	785.35	169.92	-	955.27	699.23	-	46.17	745.40	209.87	86.12
Roads	125.41	19.35	0.59	144.17	86.63	0.46	2.27	88.44	55.73	38.78
Buildings	536.53	11.40	4.72	543.21	90.69	1.55	14.07	103.21	440.00	445.84
Electrical Installations	219.72	16.29	0.35	235.66	145.45	0.13	10.70	156.02	79.64	74.27
Water Supply & Drainage	122.26	2.17	0.49	123.94	84.34	0.30	5.19	89.23	34.71	37.92
Plant & Machinery	23,019.07	464.67	110.78	23,372.96	6,711.20	46.83	1,242.43	7,906.80	15,466.16	16,307.87
Furniture & Equipment	138.70	51.21	7.00	182.91	54.25	5.74	19.71	68.22	114.69	84.45
Vehicles	69.27	36.30	0.46	105.11	39.71	0.13	8.17	47.75	57.36	29.56
Assets Costing ₹ 5000 and below	2.10	0.04	0.07	2.07	2.10	0.07	0.04	2.07	-	-
Mine Development										
Mine-I	206.97	-	-	206.97	206.97	-	-	206.97	-	-
Mine-IA	518.13	-	-	518.13	113.17	-	21.31	134.48	383.65	404.96
Mine-II	348.51	-	-	348.51	192.56	-	25.99	218.55	129.96	155.95
Barsingsar Mine	110.85	-	-	110.85	50.78	-	10.01	60.79	50.06	60.07
Talabira Mines	123.10	-	-	123.10	12.32	-	6.16	18.48	104.62	110.78
Total	**27,016.22**	**821.05**	**124.46**	**27,712.81**	**8,513.32**	**55.21**	**1,423.85**	**9,881.96**	**17,830.85**	**18,502.90**
Previous Year	**26,070.93**	**969.57**	**24.28**	**27,016.22**	**7,125.28**	**17.90**	**1,405.93**	**8,513.32**	**18,502.90**	**-**

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 30.09.2020. The net block of TPS-I assets as on 31.03.2024 amounting to ₹ 47.45 Crore are reclassified held for sale as per the requirements of IND AS 105 (Refer Note no 13). 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 Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/SERC.

g) There is no impairment loss identified for the tangible fixed assets during the year.

h) The company has identified land with limited life and classified the same under the head mining land.

i) Based on physical verification of assets FY 2018-19, FY 2020-21 and FY 2022-23 (including conveyor belts and pipes) the net block of ₹ 13.26 crore were written off during the year.

Notes to Standalone Financial Statements

NOTE 2: Property, Plant and Equipment (Contd)

j) Based on physical verification of assets conducted during the previous years, the net book value of assets which are not available has been provided and the same are included as part of asset register.

k) Refer Note no. 17(a) for the property, plant and equipment pledged as security by the Company.

l) Pursuant to Supplementary audit conducted by Comptroller of Auditor General of India under section 143(6)(a) of Companies Act 2013, additional disclosures has been given as follows:

   i) NIRL, a wholly owned subsidiary of NLCIL was incorporated on 14.06.2023 for taking over of the existing renewable assets of 1420 MW with net book value (as on 31.03.2024) of ₹ 5107 crore under Asset Monetization. Transfer of the asset etc. is under process and exemption of Income Tax is awaited from GoI.

   ii) Freehold land includes 122.62 Ha having book value of ₹ 5.27 crore which was transferred to the District Collector, Govt of Tamilnadu, vide Gift Deed in May 2024.

NOTE 3: Right-of-Use Assets

(₹ in Crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2023	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2024	As at 01.04.2023	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land	38.08	19.45	-	57.53	0.75	-	0.44	1.19	56.34	37.33
Building	1.79	0.70	-	2.49	1.07	-	0.49	1.56	0.93	0.72
Vehicle	3.26	0.15	-	3.41	1.92	-	0.62	2.54	0.86	1.34
Plant and Machinery	16.44	5.61	-	22.05	2.24	-	1.47	3.71	18.34	14.20
Total	**59.57**	**25.90**	**-**	**85.47**	**5.98**	**-**	**3.02**	**9.00**	**76.47**	**53.59**
Previous Year	**58.57**	**1.14**	**0.14**	**59.57**	**3.98**	**0.14**	**2.14**	**5.98**	**53.59**	

NOTE 4: Intangible Assets

(₹ in Crore)

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 01.04.2023	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2024	As at 01.04.2023	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Software	37.28	1.79	0.53	38.54	26.87	0.07	5.49	32.29	6.25	10.41
Mining Rights	197.56	66.65	-	264.21	32.55	-	11.96	44.51	219.70	165.01
Total	**234.84**	**68.44**	**0.53**	**302.75**	**59.42**	**0.07**	**17.45**	**76.80**	**225.95**	**175.42**
Previous Year	**232.02**	**2.82**	**-**	**234.84**	**47.31**	**-**	**12.11**	**59.42**	**175.42**	**-**

a) There is no impairment loss identified for the assets during the year.

b) Mining Rights represents license obtained to operate coal and lignite mines which is capitalized in lines with the CERC regulations of tariff period 2019-24.

Notes to Standalone Financial Statements

NOTE 5: Capital Work-in-Progress

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023	
Plan Expenditure				
i) Neyveli New Thermal Plant				
Supply and Erection	735.97	-	175.51	-
Expenditure during Construction	-	735.97	-	175.51
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	4.06	-	-	-
Expenditure during Development	1.91	5.97	1.91	1.91
v) Talabira II & III Mine				
Expenditure on Land Acquisition	350.64	-	248.60	-
Expenditure during Development	0.01	350.65	0.01	248.61
vi) Odisha Thermal Power Project				
Expenditure on Land Acquisition	95.94	-	57.79	-
Expenditure during Construction	31.87	127.81	15.16	72.95
vii) TPS II - 2nd Expansion				
Supply and Erection	-		-	
Expenditure during Construction	62.26	62.26	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	2.04	2.04
x) Solar 300 MW - Barsingsar				
Supply and Erection	195.28	-	-	-
Expenditure during Construction	6.05	201.33	6.14	6.14
xi) Solar 200 MW - Gujarat				
Supply and Erection	-	-	-	-
Expenditure during Construction	5.29	5.29	-	-
xii) Solar 50 MW - MINE II (Captive)				
Supply and Erection	-	-	-	-
Expenditure during Construction	0.09	0.09	-	-

Notes to Standalone Financial Statements

NOTE 5: Capital Work-in-Progress (Contd)

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023	
xiii) Wind 50 MW - Hybrid				
Supply and Erection	-	-	-	-
Expenditure during Construction	0.06	0.06	-	-
xiv) North Dhadu (Western Part) Coal Project				
Supply and Erection	-	-	-	-
Expenditure during development	4.48	4.48	-	-
xv) MINE III				
Supply and Erection	-	-	-	-
Expenditure during Development	42.87	42.87	42.64	42.64
Non- Plan Expenditure				
Supply and Erection	162.61	-	156.39	-
Land Acquisition	162.08	-	122.71	-
Capital Goods in Stock & Transit	9.20	333.89	32.83	311.93
TOTAL		**1,923.37**		**1,011.59**

* Project on Hold. Discussions are underway with various stakeholders for revival of the project. Refer Note No. 23

CWIP Ageing schedule FY 2023-24

(₹ in 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 :	379.88	827.47	21.15	310.32	1,538.82
2) Projects that are temporarily suspended	-	-	-	50.66	50.66
B) Non Plan Expenditure	194.91	82.98	30.37	25.63	333.89
Total	**574.79**	**910.45**	**51.52**	**386.61**	**1,923.37**

CWIP Ageing schedule FY 2022-23

(₹ in 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 Expenditure	186.54	66.29	52.15	6.95	311.93
Total	**505.92**	**71.20**	**137.91**	**296.56**	**1,011.59**

Notes to Standalone Financial Statements

NOTE 6: Assets under Development

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Preliminary project expenditure	21.82	21.82
Less: Provisions	21.82	21.82
	-	-

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

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
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 (31.03.2023- 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 263,73,79,983 (31.03.2023-224,36,75,946) no. of equity shares @ ₹ 10 per share	2,637.38	2,243.68
- NLC India Renewables Limited (NIRL)- 100% stake	0.10	-
fully paid up 1,00,000 no. of equity shares @ ₹ 10 per share		
-NLC India Green Energy Limited (NIGEL) - 100% stake	50.00	-
fully paid up 500,00,000 no. of equity shares @ ₹ 10 per share		
(ii) Joint Venture		
- Coal Lignite Urja Vikas Private Limited (CLUVPL) 50% Stake		
fully paid up 10,000 (31.03.2023- 10,000)no. of equity shares @ ₹ 10 per share	0.01	0.01
(iii) Joint Venture		
- MNH Shakti Limited - 15% Stake		
fully paid up 52,65,000 (31.03.2023 - 52,65,000) no. of equity shares @ ₹ 10 per share	5.27	5.27
	4,640.12	**4,196.32**

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 2023-24 NLCIL has subscribed to additional equity shares of 3,93,704,037 nos. @ ₹ 10/- each of NUPPL (PY 26,36,49,090 nos. @ ₹ 10/- each) through rights issue.

c) During the year FY 2023-24, NLCIL has made investment in the following two wholly owned subsidiaries which are held in the name of full time directors in their capacity as nominees of NLC India Limited :

   i) NLC Renewables India Limited (NIRL) - 1,00,000 nos of equity shares having face value of ₹ 10 each

   ii) NLC India Green Energy Limited (NIGEL)- 500,00,000 nos of equity shares having face value of ₹ 10 each

Notes to Standalone Financial Statements

NOTE 7: Non Current Financial Assets (contd.)

B Trade receivables

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Unsecured		
-considered good	222.50	377.15
	222.50	**377.15**

As per the Late payment surcharge rules notified by Ministry of Power on 3rd June, 2022 one DISCOM had 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.

C Loans

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties		
Considered good -Secured	-	0.02
Considered good -Unsecured	-	0.02
Other Loans : loans to employees		
Considered good -Secured	10.20	22.09
Considered good -Unsecured	4.08	11.84
	14.28	**33.97**

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 40.

D Other Non-Current Financial Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Mine Closure Deposit	639.41	497.48
	639.41	**497.48**

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 on renewal. All the deposits are renewed every year. Fresh Deposits made during the year FY 2023-24 amounting to ₹ 106.67 crore which includes deposits amounting to ₹ 54.64 crore for the FY 2024-25.

Notes to Standalone Financial Statements

NOTE 8: Other Non-Current Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured considered good		
i) Capital Advances	1,159.37	1,041.26
ii) Advances Other than Capital advances		
- Advances given to Contractors/Suppliers	123.50	123.50
	1,282.87	**1,164.76**

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.

Current Assets

NOTE 9: Inventories

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials- Lignite	327.59	201.78
Raw Materials- Coal	93.56	30.03
Solid/Hollow/Fly Ash Bricks	2.81	0.99
Goods-in-transit (Stores and Spares)	14.19	19.68
Stores and Spares	652.28	620.39
Less: Provision for obsolete/unserviceable stores and spares	42.79	38.95
	1,047.64	**833.92**

a) Inventories are valued as per the accounting policy no. III

b) Refer Note No. 21 (a) for information on inventory pledged as security by the company.

NOTE 10: Financial Assets

A Trade receivables

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Secured	649.22	638.80
ii) Unsecured		
-considered good	2,664.71	3,152.64
- credit impaired	383.91	196.55
	3,697.84	3,987.99
Less: Loss allowances on debtors	383.91	196.55
	3,313.93	**3,791.44**

a) Based on arrangements among NLCIL, Banks and DISCOMs' certain bills which are due from DISCOMs' have been discounted periodically. Accordingly, trade receivables as on 31st March 2024 have been disclosed net of outstanding bills discounted amounting to ₹ 4,721.41 crore (31 March 2023 ₹ 3,316.81 crore). NLCIL is bound to repay the same to the banks in the event of default by the beneficiaries. However bills discounted which are yet to be honoured by the beneficiaries are shown under contingent liabilities.

Notes to Standalone Financial Statements

NOTE 10: Financial Assets (contd.)

b) Trade receivables for FY 2023-24 includes ₹ 4.07 crore (previous year ₹ 126.62 crore) and ₹ 15.82 crore (previous year ₹ 22.46 crore) receivable from NTPL and NUPPL respectively.

c) The Company has reviewed its outstanding debtors balance as on 31st March'2024. 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 ₹ 383.91 crore (PY ₹ 196.55 crore) has been considered towards loss allowances on outstanding debtors balance as on March 31, 2024.

d) Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28/06/2019 w.e.f. 01/08/2019 as Payment Security Mechanism under Power Purchase Agreements.

e) The Company has billed various DISCOMs an amount of ₹ 386.51 Crore during the previous financial year 2022-23 towards income tax recoverable as per the CERC tariff Regulations for different Tariff periods in respect of payments made under 'Vivad Se Vishwas Scheme' (VSVS). While few DISCOMs have paid ₹ 68.39 Crore, some of the DISCOMs have disputed this claim and initiated legal proceedings which are pending for adjudication. Accordingly, during the year, the Company has provided an amount of ₹ 122.13 Crore. However, the Company is of the opinion that the entire balance outstanding amounting to ₹ 318.12 Crore is recoverable.

f) A detailed ageing analysis of trade receivable has been provided in Note No 48.

g) Dues receivable through interest free installment scheme as per MOP Late Payment surcharge rules amounting to ₹ 177.64 crore.

h) Pending final order from CERC , an amount of ₹ 1,112.85 crore was withheld by a DISCOM.

B Cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Bank Balance		
- Current Account	98.80	71.18
- Short Term Deposits	455.00	-
ii) Cash and Stamp on hand	0.01	-
	553.81	**71.18**

(a) Stamps on hand as on 31.03.2024 - ₹ 27,566 /- (31.03.2023 - ₹ 43,210/-)

(b) Cash on hand as on 31.03.2024 - ₹ 87,204 /- (31.03.2023 - NIL)

C Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid Dividend Account Balance	2.31	2.23
Earmarked deposits with Banks :-		
i. Endowment fund in the name of NLC Schools	0.53	0.51
ii. PRMA Deposit	120.00	123.60
iii. Security for Bank Guarantee	2.82	2.67
	125.66	**129.01**

In order to meet the post retirement medical expenditure of employees retired before 1st January, 2007, the Company will maintain a minimum corpus of 3 years' requirements i.e. ₹ 120 Crore 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 on 24th March, 2024 and renewed on 25th March, 2024.

Notes to Standalone Financial Statements

NOTE 10: Financial Assets (contd.)

D Loans

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Loans to Related Party		
Considered good -Secured	0.01	-
Considered good -Unsecured	150.01	-
b) Other Loans : Loans to employees		
Considered good -Secured	8.97	0.96
Considered good -Unsecured	11.91	3.87
	170.90	**4.83**

i) Based on the short term funding arrangement with the NUPPL (subsidiary company), the company has extended loan and amount of ₹ 150 crore is outstanding as on 31.03.2024. Interest rate and terms of repayment are as per the arrangement in place.

ii) 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.

iii) 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.

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 the Companies Act, 2013 is not applicable.

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Due by Officers (including interest)	0.02	0.04
(ii) Maximum amount due at any time during the year (including interest)	0.04	0.04
(i) Due by Directors (including interest)	-	0.01
(ii) Maximum amount due at any time during the year (including interest)	0.01	0.01
(i) Due from Subsidiary Companies -		
(a) NTPL Loan Nil (previous year : Nil)	150	-
(b) NUPPL Loan ₹ 150 crore (previous year : Nil)		
(ii) Maximum amount due at any time during the year	150.00	100.00

E Other Financial Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits	-	5.00
Interest Accrued	27.60	30.37
Unbilled Revenue	1,139.65	2,674.99
Insurance Claim receivable	52.97	50.00
	1,220.22	**2,760.36**

a) Interest Accrued includes interest due on loans givens to employees and interest on various deposits towards PRMA and Mine closure etc.

b) Unbilled Revenue includes ₹ 835.88 crore (PY - ₹ 696.01 crore) of billing done after March 31, for Sale of Power related to March, 2024. In addition to that based on the outcome of APTEL/CERC order with respect to pooling of O&M with respect to Neyveli mines for the tariff period 2009-14, the resulting impact has been considered under the unbilled debtors as on 31.03.2024.

Notes to Standalone Financial Statements

NOTE 10: Financial Assets (contd.)

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 ₹ 38.31 Crore was recognized in the current financial year.

NOTE 11: Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Income Tax	823.57	474.13
Less : Provision for Tax	549.29	227.65
	274.28	**246.48**

NOTE 12: Other Current Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Disposable / Dismantled Assets & Spares	8.51	5.73
Prepaid Expenses	99.36	86.91
Advances other than capital advances (unsecured)		
i. Considered good		
- Related Party	13.46	66.08
- Staff Advances	42.68	55.10
- Others	330.65	195.33
ii. Considered doubtful	2.11	2.11
Less: Provision for doubtful advances	2.11	2.11
Deposits with Govt. Authorities		
- Towards Goods and Service Tax	0.03	-
- Towards Royalty	8.84	8.84
- Towards Advance TDS	0.21	0.23
- Port Trust and Customs authorities	10.71	10.70
- VAT Appeal	112.43	112.43
GST Receivable (Input Tax Credit)	107.23	41.72
TCS Receivable	0.39	0.35
Others	0.67	0.62
	735.17	**584.04**

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.

NOTE 13: Assets held for sale

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Building	1.86	-
Plant and Machinery	45.32	-
Others	0.27	-
	47.45	**-**

All units of Thermal Power Station -I has been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2024 are reclassified held for sale as per the requirements of IND AS 105. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

Notes to Standalone Financial Statements

NOTE 14: Regulatory Deferral Account Debit Balances

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Foreign Currency Fluctuation	121.06	134.24
Other items recoverable as per CERC Order/Regulations	447.22	426.69
Others	239.47	216.69
	807.75	**777.62**

(a) The regulatory deferral account balances has been accounted in line with the company's accounting policy. Refer note no 46 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 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 assets, Pending approval the said amount is being carried forward. An amount of ₹ 22.78 crore (PY : ₹ 23.33 crore) has been considered as regulatory income/assets based on the revised mine plan.

(d) During the year, the Company has received the provisional tariff order for the period 2019-24 of Barsingsar thermal power station. Consequent to receipt CERC order, regulatory assets created earlier has been reversed in the current year.

NOTE 15: Equity Share Capital

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
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 2023)	2000.00	2000.00
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 2023)	1,386.64	1,386.64
(Equity Shares being 1,00,11,56,562 (previous year 1,09,82,21,224) shares being 72.20% (PY :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 March 31, 2024	As at March 31, 2023
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.

Notes to Standalone Financial Statements

NOTE 15: Equity Share Capital (contd.)

(₹ in Crore)

c Shareholders holding more than 5% of shares	As at 31st March 2024	
	% of holding	% of holding
President of India	1,00,11,56,562	72.20%
Nippon Life India Trustee Ltd	7,02,39,520	5.07%

d 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%

Shares held by Promoters at the end of the year	No. of Shares	% of holding	% of change in holding
President of India	1,00,11,56,562	72.20%	7.00%
During the year, the promoter has disinvested 9,70,64,662 shares upto 7% of holding			

e Dividends	As at March 31, 2024	As at March 31, 2023
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31st March 2023 of ₹ 2.00 (31st March 2022 ₹ 1.5) per fully paid equity share	277.33	208.00
- Interim dividend for the year ended 31st March 2024 of ₹ 1.5 (31st March 2023 ₹ 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 NLCIL have recommended the payment of final dividend @15% amounting to ₹ 1.5 per share for FY 2023-24 (31st March 2023:₹ 2.00 per share which will be paid subject to approval of shareholders in the AGM.	208.00	277.33

f Movement in Equity Shares Last Five Years preceding 01.04.2023	
Number of Shares as on 01.04.2018	**1,52,85,68,427**
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 & FY 2022-23	
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 & FY 2022-23	
Aggregate number and class of shares bought back FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 & FY 2022-23	**14,19,31,818**
Number of Shares as on 31.03.2023	**1,38,66,36,609**
Shares bought back 14,19,31,818 no's. during the FY 2018-19.	

NOTE 16: Other Equity

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Retained Earnings	12,279.93	10,927.08
ii) Other Comprehensive Income		
Remeasurement of actuarial gains/ (losses) and interest cost	(59.94)	(53.74)
a) Total Retained Earnings (i + ii)	**12,219.99**	**10,873.34**
b) Other Reserves		
KfW Interest Differential Reserve	369.21	367.23
General Reserve	1,457.00	1,457.00
Contingency Reserve	150.00	140.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	120.00	123.58
Total other reserves (b)	**2,387.28**	**2,378.88**
	14,607.27	**13,252.22**

Notes to Standalone Financial Statements

NOTE 16 : Other Equity (contd.)

a) Retained Earnings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	**10,927.08**	**10,123.46**
Addition during the year	1,840.38	1,248.22
i) Retained Earning available for Appropriation	**12,767.46**	**11,371.68**
Less: Appropriations		
Transfer to / (from) KFW Interest Differential Fund Reserve	1.98	4.33
Transfer to General Reserve	-	-
Transfer to Contingency Reserve	10.00	10.00
Transfer to/(from) PRMA Reserve Fund	(3.58)	14.29
Interim Dividend	208.00	208.00
Final Dividend	277.33	208.00
ii) Other Comprehensive Income		
Remeasurement of Actuarial Gain/(loss)	(6.20)	(0.02)
Closing Balance	**12,279.93**	**10,927.08**

b) Other Reserves

(₹ in Crore)

KfW Interest Differential Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	367.23	362.90
Transfer from Retained Earnings	24.66	25.13
Less : Withdrawal / Adjustment during the year	22.68	20.80
Closing Balance	**369.21**	**367.23**

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.

(₹ in Crore)

General Reserve	As at March 31, 2024	As at March 31, 2023
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**

(₹ in Crore)

Contingency Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	140.00	130.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**150.00**	**140.00**

₹ 10 crore is apportioned from profit every year to secure the contingency payments in the future periods.

(₹ in Crore)

Capital Redemption Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	291.07	291.07
Transfer from Retained Earnings	-	-
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**291.07**	**291.07**

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Notes to Standalone Financial Statements

NOTE 16 : Other Equity (contd.)

In accordance with the applicable provisions of the Companies Act, 2013 read with Rules where a company purchases 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.

(₹ in Crore)

PRMA Reserve Fund	As at March 31, 2024	As at March 31, 2023
Opening Balance	123.58	109.29
Transfer from Retained Earnings	-	14.29
Less : Withdrawal / Adjustment during the year	3.58	-
Closing Balance	**120.00**	**123.58**

Represents reserve towards Post Retirement Medical Assistance (PRMA) benefits provided to retired employees (before 1.1.2007) and their spouse.

Non-Current Liabilities

NOTE 17 : Financial Liabilities

A Borrowings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
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	1,170.03	1,604.42
- Power Finance Corporation Ltd	1,350.00	1,650.00
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 #		
- 5.49 Million Euro (5.93 Million Euro) - I	45.38	49.09
- 37.84 Million Euro (40.64 Million Euro)-II	314.87	338.40
# Guaranteed by the Government of India.		
	7,055.28	**7,816.91**

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 ₹ 3000 Crore was availed from M/s. Power Finance Corporation Ltd. and outstanding amount as at 31.03.2024 is ₹ 1800 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 31.03.2020. The interest rate as on 31.03.2024 is @ 8.81% p.a. (on the basis of 3 year AAA Reuter rate i.e. 7.96% p.a plus fixed spread 0.85%).

   ii) NLCIL Bonds 2021 Series-I was issued on 12.02.2021 for an amount of Loan of ₹ 1175 Crore @ 6.05% p.a. The Bond is unsecured and will be repayable by bullet payment on 12.02.2026.

Notes to Standalone Financial Statements

NOTE 17 : Financial Liabilities (contd.)

iii) NLCIL Bonds 2021 Series-II was issued on 20.12.2021 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 13.04.2032.

iv) M/s. The South Indian Bank has sanctioned Rupee Term loan of ₹ 581 Crore out of which ₹ 116.20 Crore was drawn and the undrawn amount is ₹ 464.80 Crore as on 31.03.2024. The outstanding balance as on 31.03.2024 is ₹ 5,000. This Loan is secured by pari passu charge by hypothecation of Non-Current assets of NNTPS, repayable in 10 equal bi-annual instalments commencing from 30.09.2023. The interest rate as on 31.03.2024 is @ 7.44% p.a. (on the basis of 3M Treasury Bill-FBIL rate i.e. 6.90% p.a plus fixed spread 0.54%)

v) M/s. Indian Overseas Bank has sanctioned Rupee Term loan of ₹ 1078 Crore for FGD and other additional scope, and the entire sanctioned amount is undrawn as on 31.03.2024. This Loan is secured by hypothecation of Non-Current Assets of additional Scope NNTPS, repayable in 10 equal bi-annual instalments commencing from 30.04.2025. The interest rate as on 31.03.2024 is @ 7.71% p.a. (on the basis of RBI Repo rate i.e. 6.50% p.a plus fixed spread 1.21%)

b. 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 interest rate is on the basis of 5 Year G-Sec rate plus 1.22% fixed spread. Repayment for the loan was started from September’2019 in 10 equal half-yearly instalments and the loan was fully repaid on 08.03.2024. 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 31.03.2024 is ₹ 44.96 Crore. The interest rate as on 31.03.2024 is 8.39% p.a (On the basis of 5 Year G-Sec Rate i.e. 7.19% 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 31.03.2024 is ₹ 45.55 Crore. The interest rate as on 31.03.2024 is 8.40% p.a. (on the basis of 5 Year G-Sec rate i.e. 7.20% 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.

c. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with SBI for an amount of ₹ 2,552 Crore. Out of the facility, ₹ 2,319 Crore was drawn & outstanding amount as on 31.03.2024 is ₹ 1,425.24 Crore. The Interest rate as on 31.03.2024 is 8.55% p.a. (on the basis of 6 Month MCLR rate @ 8.55%). This loan is repayable in 20 equal half-yearly instalments, first repayment started on 31.12.2020. 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 300 MW Solar Power Project at Barsingsar, Rajasthan, borrowing arrangement has been done with M/s. IndusInd Bank Limited for an amount of ₹ 1,000 Crore and entire amount is undrawn as on 31.03.2024. The applicable Interest rate is linked to GoI 3 months Treasury Bill published by FBIL plus fixed spread of 1.17% p.a. This loan is repayable in 20 equal half-yearly instalments, first repayment started on 31.03.2025. This loan is secured by hypothecation of 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 ₹ 1,680.75 Crore. Out of the facility, ₹ 593 Crore was drawn & outstanding as on 31.03.2024 is ₹ 88.65 Crore. The interest rate as on 31.03.2024 is 8.55% p.a (on the basis of 6 Months SBI MCLR) repayable in 20 equal half- yearly instalments starting from 30.09.2021. 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 ₹ 1,475 Crore @ 8.09% p.a. and NLCIL BONDS 2020 SERIES I was issued on 27.01.2020 for an amount of ₹ 525 Crore @ 7.36% p.a. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) Thermal power station (including Land) to

Notes to Standalone Financial Statements

NOTE 17 : Financial Liabilities (contd.)

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 ₹ 1,184 Crore. These Bonds are repayable on 29.05.2029 & 25.01.2030 respectively. Out of ₹ 1,475 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 general purpose.

g. To meet the General Funding arrangement, an unsecured Bonds i.e. NLCIL Bond 2020 Series-II and was issued on 31.07.2020 for ₹ 500 Crore carrying an interest rate of 5.34% p.a. which is repayable through bullet payment on 11.04.2025

h. Bi-annual equal repayment (€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany, commenced from 30.12.2001, ending on 30.06.2036. This loan is unsecured and guaranteed by GoI @ guarantee fee of 1.20%. The outstanding loan, Euro 5.49 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 30.06.2002, ending on 30.06.2037. This loan is unsecured but guaranteed by GoI @ guarantee fee of 1.20%. The outstanding soft loan, Euro 37.84 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.

k. SEBI Circular on ease of doing business and development of corporate bond markets dated 19th October, 2023 provides for raising 25% of the incremental borrowings by the large corporates, done during FY 2022, FY 2023 and FY 2024 respectively by way of issuance of debt securities till March 31, 2024. However, after considering the liquidity positions and the size of the Bond requirements, the Company did not raise funds by way of issuing any debt securities during the FY 2023-24.

B Lease Liability

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability on		
- Land	10.60	6.96
- Building	0.47	0.38
- Vehicle	0.55	0.95
- P&M	22.00	16.55
	33.62	**24.84**

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 44.

C Other Financial Liability

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital purchase, Capital works-in-progress and other liabilities	314.04	648.06
	314.04	**648.06**

NOTE 18: Provisions

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Retirement Travel Allowance	151.30	158.33
	151.30	**158.33**

Notes to Standalone Financial Statements

NOTE 19: Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities		
on Depreciation	4,164.95	4,169.80
Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	255.29	141.88
MAT Credit entitlement	444.42	950.67
Deferred Tax Liabilities (Net)	**3,465.24**	**3,077.25**

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 ₹ 195.62 crore.

NOTE 20: Other Non-Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Mine Closure Liability	589.88	502.00
Deferred Income	133.73	117.99
	723.61	**619.99**

a) 'Deferred income includes capital grant of ₹ 72.07 crore and ₹ 37.59 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. During the FY 2023-24 company has received grant for the Solar 300 MW and Solar 10 MW smart city project amounting to ₹ 21.02 crore and ₹ 0.46 crore respectively.

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 ₹ 9 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 21: Financial Liabilities

A Borrowings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans Repayable on Demand		
(a) Secured :		
- Treasury Bill linked WCDL	-	498.00
(b) Current Maturities of long term borrowings		
Secured		
i. Term Loans - Banks	434.37	704.45
ii. Term Loans -Power Finance Corporation Ltd.	450.00	300.00
Unsecured		
Foreign Currency loans from KfW Germany	29.12	28.98
	913.49	**1,531.43**

The working capital facility availed from 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.

Notes to Standalone Financial Statements

NOTE 21: Financial Liabilities (Contd.)

B Lease Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability on		
- Building	0.55	0.44
- Vehicle	0.53	0.65
- P&M	1.15	1.25
	2.23	**2.34**

C Trade Payables

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables :		
- Towards Micro and Small Enterprises	50.01	40.50
- Other than Micro and Small Enterprises	862.45	591.14
	912.46	**631.64**

Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as on 31st March 2024, ₹ 56.31 Crore (previous year ₹ 45.47 Crore). Disclosures as required under the Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 54.

D Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Unclaimed Dividend	2.31	2.23
b) **Interest Accrued :**		
i. NLCIL Bonds	143.91	143.91
ii. KfW-Germany	0.73	0.78
iii. Term Loans from Banks.	25.43	14.52
iv. Treasury Bill linked WCDL	-	0.25
c) Capital Liability	212.88	-
	385.26	**161.69**

NOTE 22: Other Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Unutilised Revenue Grant	3.95	3.78
Advances and Deposits	907.06	994.08
Other liabilities		
- Employees	413.60	286.61
- Statutory	232.50	272.77
- Others	229.62	236.90
	1,786.73	**1,794.14**

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, caution deposits etc. which are to be settled / Adjustment against services / goods received from/to the vendors/Customers.

c) Advances and Deposits include income received in advance w.r.t coal and Fly ash sales and EMD for lignite supply. In addition to that EMD and ASD received from vendors are also included within.

Notes to Standalone Financial Statements

NOTE 23: Provisions

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Short-term Benefit of Leave Salary	66.69	49.87
Post Retirement Medical Benefit	18.63	18.63
Provision for Gratuity & Others	163.18	129.69
Provision for Loss on Assets	83.21	76.80
Provision for Contingencies	166.77	0.97
	498.48	**275.96**

a) Provision for loss on assets includes provision created on CWIP relating to Bithnok and Barsingsar expansion project amounting to ₹ 40.64 crore.

b) During the year, provision was created for ₹ 19.81 crore against degradation of modules with respect to Solar 10 MW plant.

c) Provision has been made towards the differential mining charges and HPC wages in respect of Talabira Mines amounting to ₹ 162.30 crore which are under dispute.

NOTE 24: Regulatory Deferral Account Credit Balances

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Foreign Currency Fluctuation	2.02	22.61
CERC Order/Petition filed with APTEL/Others	2,914.96	3,808.01
	2,916.98	**3,830.62**

a) Amounts under regulatory deferral liabilities as on 31.03.2024 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) Sharing of profits and incentives on additional generation in TS -II on adoption of pooled lignite price considering the cost of Mines – II Expansion.

3) NLCIL has filed appeal against the TNERC order challenging the reduction in levelised tariff for Solar 130 MW and Solar 500 MW plants.

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 years.

c) 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 previous year CERC has admitted the review petition for disallowance of additional capitalization, 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. Meanwhile APTEL vide order dated 25.07.2023 has set aside the Commissions order in 149/MP/2014 and Hon'ble Commission vide order dated 14.03.2024 has issued revised order for 2009-14 Lignite price truing up where actual O&M expenses have been considered. In view of the order, the Company has considered in Regulatory Expenses cumulatively for ₹ 1,510.71 crore (₹ 182.54 crore including periodic cost has been provided in the current year) (PY: ₹ 1,328.17 Crore) 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.

Notes to Standalone Financial Statements

NOTE 24: Regulatory Deferral Account Credit Balances (Contd.)

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.

d) CERC has issued revised truing up order for Lignite transfer price 2009-14 in IA no 62/IA/2023 of 149/MP/2014 based on APTEL judgement dated 25.07.2023. Accordingly regulatory deferral liability which has been already created to the tune of ₹ 1,328.98 Crore (Including Interest) has been reversed in the books of accounts during FY 2023-24.

e) CERC has issued Tariff order for Barsingsar Mines for the tariff period 2019-24. As per the order, regulatory liability earlier recognised amounting to ₹ 40.90 crore has been reversed during the year.

f) Regulatory liability has been provided towards sharing of Non tariff income arising from sale of coal / lignite for an amount of ₹ 418.81 Crore (PY: ₹ 143.54 crore).

NOTE 25: Revenue from Operations

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Sale of :		
- Power	7,838.39	10,283.23
- Lignite	648.68	791.70
- Coal	1,980.49	1,773.50
- Fly Ash & Other By-products	83.96	88.81
Other Operating Revenue :		
- Consultancy and Technical Fees	35.60	38.79
	10,587.12	**12,976.03**
Less: Transfer to Capital Work in Progress	-	-
Less: Rebate on sale of Power	68.48	21.03
	10,518.64	**12,955.00**

a) Power Sale includes Sale of Power through Trading for FY 23-24 ₹ 21.32 Crore. (FY 22-23 ₹ 94.64 Crore).

b) Pending disposal of tariff petition for NNTPS for the tariff period 2019-24, beneficiaries are being billed in accordance with the interim order issued by CERC for control period 2019-24 respectively.

c) During the Current year, CERC vide order dated 14.03.2024 has issued revised Lignite truing up order of Neyveli mines for the tariff Period 2009-14. Based on the same, Company has booked revenue for an amount of ₹ 140.71 Crore (which includes billing of TPS I).

d) During the year, the CERC has issued Truing up order for 2014-19 with respect to BTPS and resulting impact has been recognised as revenue amounting to ₹ 88.74 crore. In addition to that CERC has also issued tariff order for 2019-24 of BTPS and Barsingsar mines, the resulting impact amounting to ₹ 189.66 crore has been adjusted with the power sales. Consequent to the order received, a sum of ₹ 10.30 Crore were also adjusted on account of water charges, security expenses and power surrender cost thereof that was billed earlier in respect of Barsingsar Mines.

e) Pending disposal of tariff petition in respect of Talabira Mines for the tariff period 2019-24, the company has considered petition rate for the linked thermal plant.

f) Coal sales includes sales to subsidiary of NLCIL - NTPL amounting to ₹ 222.90 Crore (FY 2022-23 ₹ 257.53 crore).

g) Power sales include ₹ 276.36 crore of TPS-I which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-56.

Notes to Standalone Financial Statements

NOTE 26: Other Income

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
(a) Interest on		
(i) Bank Deposits	48.24	17.60
(ii) Employees Loans	1.77	3.07
(iii) Mine Closure Deposits	39.77	23.43
(iv) Loans to Subsidiary companies	3.30	0.89
(v) Others	380.18	343.69
(b) Unwinding of Interest Income	29.00	27.84
(c) Recoveries Towards Rent and Others	25.22	25.66
(d) Profit on Sale of Assets	3.39	7.49
(e) Provision Written Back	38.25	446.40
(f) Surcharge on sale of Power	18.53	86.46
(g) Dividend from Subsidiary Company		
- NTPL	107.10	97.37
(h) Exchange Fluctuation	0.15	0.20
(i) Deferred Income on Govt. Grant	10.18	12.64
(j) Miscellaneous	203.93	169.39
	909.01	**1,262.13**
(Add) / Less: Transfer to Capital Work in Progress	0.07	-
Less: Transfer to Mine Closure Liability	35.84	21.23
	873.10	**1,240.90**

a) Consequent to CERC truing up order for the tariff period 2014-19 received with respect to BTPS Thermal, revised Lignite truing up order for 2009-14 Interest income due on the order impact amounting to ₹ 484.18 Crore has been recognised under Interest others.

b) Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Company.

c) The other income include ₹ 407.84 crore (PY ₹ 31.09 crore) of TPS-I which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-56.

d) Miscellaneous Income includes

i) Scrap sales amounting to ₹ 39.74 crore (PY : ₹ 36.25 crore)

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 ₹ 38.31 Crore was recognized in the current financial year.

e) Dividend received from NTPL (subsidiary company) amounting to ₹ 107.10 crore has been recognised during the year.

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NOTE 27: Changes in Inventories of Raw Material

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
OPENING STOCK		
Raw Material		
- Lignite	201.78	480.99
- Coal	30.03	19.24
CLOSING STOCK		
Raw Material		
- Lignite	327.59	201.78
- Coal	93.56	30.03
Less : Transfer to Capital Work in Progress	-	-
Increase (-) / Decrease in Stock	**(189.34)**	**268.42**

NOTE 28 : Employee Benefit Expenses

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries, Wages and Incentives	2,121.67	2,041.98
Contribution to Provident and other funds	360.88	357.31
Gratuity	16.38	17.87
Welfare Expenses	156.52	116.22
	2,655.45	**2,533.38**
Less: Transfer to Capital Work in Progress	8.72	7.06
	2,646.73	**2,526.32**

a) Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 41.

b) Employee benefit expenses includes ₹ 3.52 crore (PY ₹ 19.58 crore) for TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 56.

NOTE : 29 Finance Costs

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest on :		
(i) KfW - Foreign Currency Loan	3.08	1.85
(ii) NLCIL Bonds	290.01	290.01
(iii) Loan from Banks	174.24	215.49
(iv) Loan from Power Finance Corporation	162.55	158.63
(v) Treasury Bill Linked WCL	4.54	5.96
(vi) Others (interest on Cash Credit & WCDL)	-	0.11
(vii) Interest on ROU Liability	3.47	2.32
(viii) Fair Value changes in Trade receivables	-	85.19
Others :		
(i) Guarantee Fees on KfW loan	5.00	5.03
	642.89	**764.59**
Less: Transfer to Capital Work in Progress	-	8.96
	642.89	**755.63**

Finance cost includes ₹ 0.36 crore (PY ₹ 0.37 crore) for TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 56.

Notes to Standalone Financial Statements

NOTE 30: Depreciation and Amortization Expenses

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Property, Plant and Equipment	1,377.83	1,354.43
Mine Development and other Amortisations	63.47	63.61
Depreciation on ROU Assets	3.01	2.14
	1,444.31	**1,420.18**
Less: Transfer to Capital Work in Progress	2.55	0.49
	1,441.76	**1,419.69**

Depreciation includes ₹ 0.36 crore (PY ₹ 0.43 crore) of TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 56.

NOTE 31: Other Expenses

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Consumption of Stores and Spares	822.86	811.63
Fuel	130.42	128.24
Mine Closure	45.56	46.66
Rent	1.46	1.31
Rates and Taxes		
- Electricity Tax	0.88	0.64
- Others	196.56	108.93
Repairs and Maintenance		
- Plant and Machinery	453.54	400.24
- Buildings	37.13	29.61
- Others	616.65	442.59
Overburden Removal Expenditure	591.97	551.74
Insurance	79.85	88.81
Payments to Auditors		
- Audit fees	0.96	0.96
- Tax Audit fees	0.10	0.09
- Other Certification Fees	0.15	0.28
- Reimbursement of expenses	0.23	0.13
Other professional fees	3.51	1.46
Travelling Expenses	39.43	33.46
Training Expenses	29.27	25.81
Family Welfare Expenses	30.80	38.97
Selling Expenses - Commissions	0.77	10.16
Afforestation Expenses	16.46	15.63
Royalty	904.09	914.76
Security Expenses (CISF)	207.66	196.03
Corporate Social Responsibility*	46.46	43.07
Miscellaneous Expenses	382.93	117.41
Loss on disposal /Write off assets	13.26	0.31
Provision for Stores & Materials	5.14	7.04
Provision for Fixed Assets/CWIP	6.40	15.29
Loss allowances for debtors	225.59	2.92
Provision for contingency	165.79	-
Trade Receivable written off	-	1,179.88
	5,055.88	**5,214.06**
Less: Transfer to Capital Work in Progress (CWIP)	40.97	17.35
	5,014.91	**5,196.71**

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NOTE 31: Other Expenses (Contd.)

a) Other Expenses includes ₹ 17.52 crore (PY ₹ 17.23 crore) of TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 56.

b) Surplus received on one of the CSR Project amounting to ₹ 0.90 crore has been adjusted with the CSR expenses during the year.

c) The company has restated the provision for loss allowance on debtors, the resulting impact amounting to ₹ 225.59 crore has been recognised as provision.

* The above includes the expenditure to be incurred under MOEF act.

NOTE 32: Net Movement in Regulatory Deferral Account Balances Income/ (Expenses) - Net

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Income		
a) CERC Regulations	18.92	19.06
b) Deferred Foreign Currency	16.73	26.79
c) Mine Closure	22.78	28.70
d) CERC Orders	1.61	(1,250.88)
Expenses		
a) Deferred Foreign Currency	-	-
b) CERC/SERC Orders	(893.06)	1,116.33
Net Movement	**953.10**	**(2,292.66)**

1. During the year, the Company has received the Truing up order for 2014-19 and provisional tariff order for the period 2019-24 of BTPS and Provisional Input price Order for 2019-24 of Barsingsar Mines and resulting impact has been considered in regulatory.

2. CERC has issued revised truing up order for Lignite transfer price 2009-14 in IA no 62/IA/2023 of 149/MP/2014 based on APTEL judgement dated 25.07.2023. Accordingly regulatory deferral liability which has been already created to the tune of ₹ 1,328.98 Cr has been reversed in the books of accounts during the period 2023-24.

3. 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 has been recognized under Regulatory Deferral asset. The same is pending for approval as of date. On similar basis mine closure expenses amounting to ₹ 22.78 Crore (PY : ₹ 23.33 Crore) for the financial year 2023-24 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.

4. As per CERC regulations (second amendment) 2019-24, it is required to share the Non tariff income arising from sale of coal and lignite to the beneficiaries. Accordingly amount of ₹ 275.27 crore has been recognised as regulatory expenses.

5. 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 33: Exceptional Items

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
VRS Compensation	-	0.11
Power Sales- VSVS	-	12.21
	-	**12.32**

Notes to Standalone Financial Statements

NOTE 34: Other Comprehensive Income

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
a) Remeasurement of Actuarial (Losses)/Gains	(10.24)	(0.03)
b) Tax expenses/(savings) remeasurement of Actuarial (Losses)/Gains	(4.04)	(0.01)
Total (a-b)	**(6.20)**	**(0.02)**

NOTE 35: Earning Per Share from continuing operations - Basic and Diluted (Before Net Regulatory Deferral Adjustments - Net of Tax)

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Profit after Tax (₹ in Crore)	1,269.13	2,983.00
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 (₹)	**9.15**	**21.51**

Earning Per Share from continuing operations - Basic and Diluted (After Net Regulatory Deferral Adjustments-Net of Tax)

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Profit after Tax (₹ in Crore)	1,846.58	1,248.24
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 (₹)	**13.32**	**9.00**

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

a) Disclosure of accounting policies

Pursuant to amendment in IND AS 1, the company has disclosed material accounting policies (Note no.1)

b) 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.

	Particulars	Before Reclassification	Reclassification	After Reclassification
1	Trade Payable **(Note no. 21 c)**	1,635.53	(1,003.89)	631.64
2	Other Current Liabilities **(Note no. 22)**	790.25	1,003.89	1,794.14
3	Lease Liabilities **(Note no 17 (b))**	27.18	(2.34)	24.84
4	Lease Liabilities **(Note no 21 (b))**	-	2.34	2.34
5	Provision for retirement travel allowance **(Note no 18)**	-	158.33	158.33
6	Provision for Gratuity and Others **(Note no 23)**	288.02	(158.33)	129.69

There are no changes in the cash flows from operating, investing and financing activities on account of the above reclassification.

Notes to Standalone Financial Statements

NOTE 37: Disclosure as per IND AS 21 'The Effects of changes in Foreign Exchange Rates

(₹ in Crore)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
a) The amount of exchange rate difference debited/(credited) to the Statement of Profit & Loss Account	0.43	2.01
b) The amount of exchange rate difference Adjustment and debited /(credited) to the carrying amount of fixed assets	2.22	22.56
	2.65	**24.57**

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.

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

(₹ in Crore)

Movement in Provisions	As at 01.04.2023	Additions	Withdrawals	As at 31.03.2024
(i) Provision for loss on Assets	76.80	21.02	14.61	83.21
(ii) Provision for contingencies	0.97	165.80	-	166.77
	77.77	**186.82**	**14.61**	**249.98**

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:

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
A) Amount Required to be spent during the year :		
i) Gross Amount (2% of average net profit of immediately preceding financial years as per the Companies Act 2013 and amendments thereto)	40.27	39.65
ii) Surplus arising out of CSR Projects	0.90	0.00
iii) Set off available from previous years	3.42	-
iv) Total CSR Obligation for year (i+ii-iii)	37.75	39.65
B) Gross amount approved by the Board of Directors for the year	98.44	82.13
C) Amount spent during the year on		
i) construction and acquisition of any asset	16.16	9.68
ii) on purposes other than (i) above	31.20	33.39
D) Set off available for succeeding year	9.61	3.42
E) Amount unspent during the year	-	-

Notes to Standalone Financial Statements

NOTE 39: Corporate Social Responsibilities (Contd.)

i) Amount spent during the year ended March 31, 2024

(₹ in Crore)

Particulars	In cash	Yet to be paid in Cash	Total
a) for construction or acquisition of any asset	13.18	2.98	16.16
b) on purposes other than (a) above	30.42	0.78	31.20

Amount spent during the year ended March 31, 2023

(₹ in Crore)

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

ii) Details of Short fall

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
a) out of amounts required to be spend during the year	-	-
b) previous years Shortfall	-	-
Reason for Shortfall :		

iii) Details of unspent amount

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
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	-	-

iv) Details of excess amount spent

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
opening balance	3.42	-
Amount required to be spent during the year	41.17	39.65
Amount spent during the year	47.36	43.07
closing balance	9.61	3.42

v) Details of on going project (to be given year wise)

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
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	-	-

Notes to Standalone Financial Statements

NOTE 39: Corporate Social Responsibilities (Contd.)

vi) Nature wise expenses on CSR activities

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
Medical-health & family welfare	8.07	13.48
Education & scholarship	10.63	24.87
Promotion of sports	0.46	0.53
Community development centre	0.88	2.06
Afforestation & environment sustainability	0.14	-
Sanitation & other Basic Amenities	3.13	-
Protection of National Heritage and culture	1.54	-
Safe drinking water supply/ cutting of drains	19.24	-
Others	3.27	2.13
	47.36	43.07

a) Surplus received on one of the CSR Project amounting to ₹ 0.90 crore has been adjusted with the CSR expenses during the year.

NOTE 40: 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	
Shri. K Mohan Reddy	Director (Planning and Projects)	
Shri. Suresh Chandra Suman	Director (Mines)	
Shri. Samir Swarup	Director (Human Resource)	
Shri. M Venkatachalam	Director (Power)	Appointed w.e.f. 26.04.2023
Dr. Prasanna Kumar Acharya	Director (Finance)	Appointed w.e.f. 15.01.2024
Independent Directors		
Shri. Subrata Chaudhuri	Non Executive Director	
Shri. Prakash Mishra	Non Executive Director	
Smt. Nivedita Srivastava	Non Executive Director	
Shri. MT Ramesh	Non Executive Director	Relinquished w.e.f. 25.03.2024
Nominee Directors		
Smt. Vismita Tej	Non Executive Director	
Smt. Beela Venkatesan	Non Executive Director	Appointed w.e.f 10.07.2023
Shri. Ramesh Chand Meena	Non Executive Director	Relinquished w.e.f. 10.07.2023
Chief Financial officer and Company Secretary		
Dr. Prasanna Kumar Acharya	Chief Financial Officer	Appointed w.e.f. 06.02.2024
Shri. Suresh Chandra Suman	Chief Financial Officer (Addnl Charge)	Relinquished w.e.f. 15.01.2024
Shri. R. Udhayashankar	Company Secretary	

ii) Subsidiaries, Joint Ventures and Associates :

- NLC Tamilnadu Power Limited (NTPL)	Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary
- NLC India Renewables Limited (NIRL)	Wholly Owned Subsidiary
- NLC India Green Energy Limited (NIGEL)	Wholly Owned Subsidiary
- MNH Shakti Limited (MNH)	Associate
- Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint Venture

Notes to Standalone Financial Statements

NOTE 40: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

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.

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

(₹ in Crore)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Short Term Employee Benefit	3.11	2.96
Post-employment benefits	0.30	0.24
Other long-term benefits	0.58	0.51
Sitting fees	0.47	0.42
	4.46	**4.13**

ii) Transactions with Subsidiaries

(₹ in Crore)

Particulars	NLC Tamilnadu Power Limited (NTPL)		Neyveli Uttar Pradesh Power Limited (NUPPL)	
	2023-24	2022-23	2023-24	2022-23
i) Sales/purchase of goods and services				
-Goods (excluding GST)/advance	222.90	256.50	-	-
- Services (excluding GST)	19.95	19.72	15.88	15.29
ii) Sales/purchase of Assets	0.03	0.04	0.08	-
iii) Loans issued	-	-	250.00	100.00
iv) Loans repaid	-	-	100.00	100.00
v) Equity contributions	-	-	393.70	263.65
vi) Other dues	-	0.44	-	-
vii) Dividend Received	107.10	97.37	-	-
viii) Advances/Arrears received for coal sales	416.13	-	-	-
ix) Interest Payable	-	-	3.30	0.89

(₹ in Crore)

Particulars	NLC India Renewables Ltd (NIRL)		NLC India Green Energy Ltd (NIGEL)	
	2023-24	2022-23	2023-24	2022-23
i) Equity Contributions	0.10	-	50.00	-
ii) Sales/purchase of goods and services (Excl of GST)	0.03	-	0.02	-
iii) Reimbursement of expenses	0.02	-	0.39	-
	0.15	**-**	**50.40**	**-**

Notes to Standalone Financial Statements

NOTE 40: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

iii) Transactions with Joint Venture & Associate:

(₹ in Crore)

Particulars	Coal Lignite Urja Vikas Private Limited		MNH Shakti Limited	
	2023-24	2022-23	2023-24	2022-23
i) Reimbursement of employee cost	-	-	-	-
ii) Loans issued	-	-	-	-
iii) Loans repaid	-	-	-	-
iv) Consultancy Service	-		-	-
v) Equity contributions	-	-	-	-
vi) Equity Reduction (receipts)	-	-	-	-

iv) Transactions with Post employment benefit plans:

(₹ in Crore)

Particulars	2023-24	2022-23
Contributions made during the year	329.36	330.73

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

(₹ in Crore)

Name of the Company	Nature of transaction	2023-24	2022-23
Bharat Heavy Electricals Limited	Purchase of Goods and Services	409.34	248.32
BEML Limited	Purchase of Goods and Services	57.08	92.01
Hindustan Petroleum Corporation Limited	Purchase of Fuel and Stores	238.06	155.48
Bharat Petroleum Corporation Ltd	Purchase of Fuel and Stores	151.94	226.23
Indian Oil Corporation Limited	Purchase of Fuel and Stores	200.84	242.66
Steel Authority Of India Limited	Purchase of Steel	35.38	25.10
Balmer Lawrie & Co Ltd	Purchase of Air Ticket & Lubricants	16.27	18.26
MSTC Ltd	Commission on e-auction	1.54	0.75
Mecon Ltd	Consultancy Services-MOEF norms	0.03	0.09
Instrumentation ltd	Supply of spares	0.16	0.74
Power Grid Corporation Of India Limited	Maintenance Contract	0.24	0.22
Central Power Research Institute (CPRI)	Consultancy and Testing Fee	0.46	0.53
Projects Development India Limited	Consultancy Services-Methanol Project	0.22	0.37
LIC India Limited	Risk Insurance Policy Premium	2.48	0.42
National Insurance company Ltd	PRMI Insurance/Mega Insurance	99.98	89.82
New India Assurance Company Limited	Insurance Premium (group insurance)	2.72	2.81
United India Insurance Company Limited	Insurance Premium	0.45	0.08
The Oriental Insurance Co Ltd	Insurance Charges	0.05	-
Railtel Corporation of India Limited	Internet Services	0.07	0.10
Rites Limited	Consultancy for Railway siding	12.05	-
NTPC limited	Sale of Coal	1,224.29	1,481.98
NALCO	Sale of Coal	26.60	24.69
BSNL	Land Line and Internet Services	1.16	2.47
Grid Controller of India Limited	Transmission Charges	36.93	32.28
National Informatics Centre Services	E mail Service	0.26	-
MMTC Limited	Purchase of gold coins	-	0.09
Certification Engineers International Ltd.	TPI Charges	0.17	0.23
Central Transmission Utility of Ind	Transmission Charges	0.82	0.65
National Power Training Institute	Seminar/Conference Participation Fee	0.22	0.12
Engineers India Limited	Project consultancy works	3.49	7.16
Hindustan Copper Limited	Seminar/Conference Participation Fee	-	0.10
National Securities Depository Ltd.	Annual Custodial Charges	0.12	0.13
Central Depository Services (I) Ltd	Annual Custodial Charges	0.16	0.15
Petroleum Conservation Research Association (PCRA)	Energy Audit	0.01	-
HLL Management Academy	Recruitment Process	0.25	-
National Productivity Council	Seminar/Conference Participation Fee	0.24	-

Notes to Standalone Financial Statements

NOTE 40: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

c) Outstanding balances with related parties are as follows:

i) Key Managerial Personnel

(₹ in Crore)

Particulars	Transactions value for the year ended March 31,		Balance outstanding as at March 31,	
	2024	2023	2024	2023
Shri.Shaji John/Director (Power)				
-towards CAR Loan	-	0.00	-	-
Shri. K Mohan Reddy				
- towards Multi purpose loan	0.01	0.01	-	0.01
Shri.Viswanath K/Company Secretary				
- CAR Loan	-	0.01	-	-
- Festival Advance	-	-	-	-
Shri Udhayashankar/Company Secretary				
- CAR Loan	0.01	0.01	0.01	0.02
- Multipurpose Loan	0.01	0.01	0.01	0.01

ii) Subsidiaries, Joint Ventures & Associates

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
1) NLC Tamilnadu Power Limited (NTPL)		
- Receivable		
- towards Other Loan & Advances	-	-
- Others	6.72	126.62
- Advance received		
- Coal Sales	26.45	-
2) Neyveli Uttar Pradesh Power Limited (NUPPL)		
- Receivable		
- towards short term loan(including interest accrued)	150.04	-
- Others	26.63	22.47
3) NLC India Renewables Limited (NIRL)		
- Receivable		
- towards reimbursement of expenses	0.04	-
4) NLC India Green Energy Limited (NIGEL)		
- Receivable		
- towards reimbursement of expenses	0.02	-
5) MNH Shakti Ltd		
There were no Receivables/payables as at the end of Financial Year with MNH Shakti.	-	-
6) Coal Lignite Urja Vikas Pvt Ltd (CLUVPL)		
There were no Receivables/payables as at the end of Financial Year with CLUVPL.	-	-

iii) Post Employment Benefit Plan:

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Post Employment Benefit Plan		
- Receivable	-	-
- Payable	**27.40**	**27.64**

d) Terms and conditions of transactions with the related parties

(1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(2) The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these companies.

Notes to Standalone Financial Statements

NOTE 40: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

(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 March 31, 2024 and March 31, 2023 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 are generally on nomination basis at the terms, conditions and principles applicable for consultancy/management services provided to other parties.

NOTE 41: 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 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 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.

(₹ in 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 April 1, 2023	1,059.04	1,059.01	0.03	587.78	579.97	7.81
Included in profit and loss						
Current Service Cost	17.21	-	17.21	26.47	-	26.47
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost/(income)	69.93	69.93	-	39.59	39.31	0.28

Notes to Standalone Financial Statements

NOTE 41: Employee benefits (Contd.)

(₹ in 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
Included in OCI						
Remeasurement of loss (gain) :						
Actuarial loss (gain) arising from						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	7.62	-	7.62	5.26	-	5.26
Experience adjustment	10.61	7.47	3.14	(7.16)	0.95	(8.11)
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	0.21	-	0.21	0.72	-	0.72
Other						
Contributions Paid by the employer	-	-	-	-	7.80	(7.80)
Benefits paid	(156.86)	(156.86)	-	(68.21)	(68.21)	-
Balance at March 31, 2024	**1,007.76**	**979.55**	**28.21**	**584.45**	**559.82**	**24.63**

(₹ in 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 April 1, 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						
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 at March 31, 2023	**1,059.04**	**1,059.01**	**0.03**	**587.78**	**579.97**	**7.81**

Notes to Standalone Financial Statements

NOTE 41: Employee benefits (Contd.)

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Represented by :				
Net defined benefit asset	979.55	1,059.01	559.82	579.97
Net defined benefit liability	1,007.76	1,059.04	584.45	587.78

I) Plan Asset

Plan assets comprises the followings:

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Equity Securities	7.70%	7.70%	3.56%	4.08%
Govt & Other Debt Securities	92.30%	92.30%	96.44%	95.92%

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

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Present value of funded obligation	1,007.76	1,059.04	584.45	587.78
Fair value of plan assets	979.55	1,059.01	559.82	579.97
Present value of net obligations	28.21	0.03	24.63	7.81
Unrecognised past service cost	-	-	-	-

II) Actuarial Assumptions

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

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Discount rate per annum	6.95%	7.15%	6.95%	7.15%
Expected return per annum on plan asset	6.95%	7.15%	6.95%	7.15%
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			
	March 31, 2024		March 31, 2023		March 31,2024		March 31,2023	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	988.95	1,027.38	1,038.17	1,080.79	571.53	598.13	574.56	601.70
Salary escalation per annum (+/- 50 BP)	1,011.24	1,004.55	1,062.99	1,054.93	598.32	571.23	601.93	574.24
Mortality (+/- 10%)	1,008.42	1,007.10	1,059.79	1,058.29	584.59	584.32	587.93	587.62
Attrition rate (+/- 10%)	1,009.01	1,006.50	1,060.40	1,057.67	584.78	584.13	588.12	587.43

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

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

Notes to Standalone Financial Statements

NOTE 41: Employee benefits (Contd.)

(₹ in Crore)

Expected maturity analysis of the defined benefit plans in future years	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024					
Gratuity	186.97	175.69	479.32	368.74	1,210.72
Leave Benefit	106.98	97.43	261.76	199.70	665.87
Total	**293.95**	**273.12**	**741.08**	**568.44**	**1,876.59**

(₹ in Crore)

Expected maturity analysis of the defined benefit plans in future years	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 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**

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:

(₹ in Crore)

Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2024	2023	2024	2023	2024	2023
Balance as at April 1	2,953.34	3,110.65	2,962.34	3,120.68	(9.00)	(10.03)
Current Service Cost	169.67	164.60	169.67	164.60	-	(0.00)
Interest cost (income)	220.60	218.92	-	-	220.60	218.92
Actuarial loss (gain)	14.18	12.68	(1.83)	(0.05)	16.01	12.73
Expected return on plan assets	(5.93)	(9.00)	227.61	221.62	(233.54)	(230.62)
Contributions Paid by the employer	321.90	325.40	321.90	325.40	-	-
Benefits paid	(735.43)	(869.91)	(735.43)	(869.91)	-	0.00
Balance at March 31	**2,938.33**	**2,953.34**	**2,944.26**	**2,962.34**	**(5.93)**	**(9.00)**

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 ₹ 5.93 Crore (Previous year ₹ 9 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 41: Employee benefits (Contd.)

I) Plan Asset

Plan assets comprises the followings:

(₹ in Crore)

Particulars	March 31, 2024		March 31, 2023	
	(₹ in Crore)	% of total assets	(₹ in Crore)	% of total assets
Equity Securities/Exchange Traded funds	35.32	1.20%	19.90	0.67%
Fixed Income/Debt Securities	2,908.94	98.80%	2,942.44	99.33%
	2,944.26	**100.00%**	**2,962.34**	**100.00%**

II) Actuarial Assumptions

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

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Discount rate per annum	6.95%	7.17%
Expected return per annum on plan asset	8.25%	8.15%
Super annuation age	60 Years	60 Years
Remaining work life	Average of 9.19 years	Average of 8.77 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 31.12.2006, 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 :

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
i. Amount recognised in the profit and loss account as premium paid to the Insurance Company	12.52	15.57
ii. Liability provided for the fixed Medical Assistance	18.63	18.63

NOTE 42: Financial Instruments - Fair value disclosures

March 31, 2024

(₹ in Crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
A. Financial Assets				
Investments	4,640.12	-	-	4,640.12
Loans	185.18	-	-	185.18
Trade Receivables	3,536.43	-	-	3,536.43
Cash and Cash equivalents	553.81	-	-	553.81
Other Bank balances	125.66	-	-	125.66
Other financial assets	1,859.63	-	-	1,859.63
B. Financial Liabilities				
Borrowings	7,968.77	-	-	7,968.77
Trade Payable	912.46	-	-	912.46
Lease Liability	35.85	-	-	35.85
Other financial liabilities	699.30	-	-	699.30

Notes to Standalone Financial Statements

NOTE 42: Financial Instruments - Fair value disclosures (Contd.)

March 31, 2023

(₹ in 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	631.64	-	-	631.64
Lease Liability	27.18	-	-	27.18
Other financial liabilities	809.75	-	-	809.75

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 43: Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is NIL (previous year ₹ 8.96 Crore). Interest rate adopted for capitalisation in the PY was 7.42%

NOTE 44: Disclosure as per Ind AS 116 'Leases'

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 44: Disclosure as per Ind AS 116 'Leases'(Contd.)

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 2024:

A) Right-of-use assets

(₹ in Crore)

Particulars	Plant & Machinery	Property	Vehicles	Land	Total
Balance at 1 April 2023	14.20	0.72	1.34	37.33	**53.59**
Additions	5.61	0.70	0.15	19.45	**25.90**
Deductions :					
Depreciation charge	1.47	0.49	0.62	0.44	**3.02**
Short closure	-	-	-	-	**-**
Balance at 31 March 2024	18.34	0.93	0.87	56.34	76.47

B) Lease Liabilities

(₹ in Crore)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening balance	27.18	27.40
Additions :		
- Addition to lease liability	25.90	1.13
- Interest towards lease liability	3.47	2.32
Deductions :		
- Payment of lease liability	20.70	3.67
- Short closure	-	-
Closing Balance	35.85	27.18

C) Maturity analysis – contractual undiscounted cash flows

(₹ in Crore)

Particulars	2023-24	2022-23
Less than one year	4.70	3.75
One to five years	43.93	11.46
More than five years	85.68	61.13
Total	**134.31**	**76.34**

D) Total undiscounted lease liabilities as at 31st March

(₹ in Crore)

Particulars	2023-24	2022-23
Lease liabilities included in the balance sheet as at 31st March	35.85	27.18
Current	2.23	2.34
Non-current	33.62	24.84

E) Amounts recognised in profit or loss

(₹ in Crore)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on lease liabilities	3.47	2.32
Total	**3.47**	**2.32**

F) Amounts recognised in the statement of cash flows

(₹ in Crore)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Total cash outflow for leases	**20.70**	**3.67**

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

(a) Subsidiaries

The Company's subsidiaries at 31st March 2024 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
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
NLC India Renewables Limited (NIRL)	India	100%	-	-	-	Generation of Energy
NLC India Green Energy Limited (NIGEL)	India	100%	-	-	-	Generation of Energy

(b) Joint Venture

The Company's Joint venture as at 31st March 2024 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2024	March 31, 2023	
Coal Lignite Urja Vikas Private Limited (CLUVPL)	India	50%	50%	Renewable Energy

(c) Associate

The Company's associate at 31st March 2024 are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2024	March 31, 2023	
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 46: Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

The Company is engaged in the business of mining of lignite/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. Presently CERC follows Hybrid Tariff approach wherein most of the components of the tariffs are now allowed on a normative basis irrespective of actual cost, while retaining a few of the cost determinants such as capital cost, additional capitalisation, Water Charges, Security expenses, Capital Spares etc. to be allowed on actual basis subject to a prudence check. Also 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 01.04.2019. The Company has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on July 26, 2022 and for Barsingsar mines on December 26, 2022 in line with regulations. Pending disposal of the said Petition, the Company has filed intralocutory 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. Company has also received Input price Tariff Order for 2019-24 with respect to Barsingsar Mines and the differential impact 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 plus service model 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 46: Disclosure on 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. Any Tariff difference arising on account of change in additional capital expenditure, water charges, security expenses and Capital Spares based on actuals from that allowed in provisional tariff orders shall be considered under regulatory deferral balances on undiscounted basis. 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. Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

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 ₹ 121.06 crore for the year ended 31 March 2024 has been accounted for as 'Regulatory deferral account debit balance' (31st March 2023: ₹ 134.24 crore accounted as 'Regulatory deferral account debit balance'.)

As per the CERC tariff regulation the expenses towards capital spares shall be allowed to claim from the beneficiaries based on prudence check at the time of truing up. The company has recognised ₹ 18.92 crore for FY 2023-24 (PY: ₹ 19.06 Crore) under its regulatory assets.

(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, 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:

a) Regulatory deferral account debit balance

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
A. Opening balance	777.62	1,964.35
B. Addition during the current year	80.22	375.77
C. Amount Adjustment/collected/refunded during the year	50.09	1,562.50
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	60.04	(1,176.33)
E. Closing balance	**807.75**	**777.62**

b) Regulatory deferral account credit balance

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
A. Opening balance	**3,830.62**	2,717.95
B. Addition during the current year	709.78	1,255.17
C. Amount Adjustment/collected/refunded during the year	1,623.42	142.50
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	(893.06)	1,116.33
E. Closing balance	**2,916.98**	**3,830.62**

Notes to Standalone Financial Statements

46: Disclosure on Ind AS 114, 'Regulatory Deferral Accounts' (Contd.)

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

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Total amount Income/(Expenses) recognized in the Statement of Profit & Loss during the year	953.10	(2,292.66)

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 47: 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.17 (a), 21(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:

Gearing Ratio:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Debt #	7,968.77	9,348.34
Less: Cash and bank balances*	553.81	71.18
Net debt	7,414.96	9,277.16
Total equity*	15,432.84	14,084.21
Net debt to total equity ratio	0.48	0.66

* excludes earmarked deposits/reserves

debt does not include amount payable to subsidiaries.

NOTE 48: 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.

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Notes to Standalone Financial Statements

NOTE 48: Financial risk management (Cont'd)

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 receivables

The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit defaults and the Company's historical experience for customers.

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

At March 31, 2024, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 2,940.57 crore of the trade receivables carrying amount (₹ 3,263.54 crore as at March 31, 2023)

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 TPS, 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 48: Financial risk management (Cont'd)

The ageing analysis of the trade receivables is as below:

FY 2023-24

(₹ in 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	1,247.80	177.64	1,537.78	53.19	114.02	3,130.43
(ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
B) Disputed						
(iv) Disputed Trade Receivables– considered good	-	-	318.08	74.62	244.54	637.24
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(₹ in Crore)

Particulars	Outstanding from the date of invoice					
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 Years	More than 3 years	Total
C) Undisputed						
(i) Trade receivables – considered good	13.90	22.39	22.61	41.24	52.53	152.67
Total (A+B+C)	**1,261.70**	**200.03**	**1,878.46**	**169.05**	**411.11**	**3,920.34**

FY 2022-23

(₹ in 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	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

(₹ in Crore)

Particulars	Outstanding from the date of invoice					
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 Years	More than 3 years	Total
C) Undisputed						
(i) 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**

Notes to Standalone Financial Statements

NOTE 48: Financial risk management (Cont'd)

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 another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Floating-rate borrowings

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Working capital Loan (SBI)	3,750.00	3,502.00
Term Loan - Solar 709MW (SBI)	233.00	233.00
Term Loan - Talabira Project (SBI)	1,087.75	1,087.75
Term Loan - NNTPS Project (The South Indian Bank - SIB) - Ref note 17(a)(iv)	464.80	-
Term Loan - NNTPS Project - FGD (Indian Overseas Bank - IOB) - Ref note 17(a)(v)	1,078.00	-
Term Loan - Solar 300 MW (IndusInd Bank Limited - IBL) Ref note 17(d)	1,000.00	-
Total	**7,613.55**	**4,822.75**

a) SBI has sanctioned ₹ 1,680.75 Crore Rupee Term Loan facility for Talabira Mine project. Out of the entire facility as on 31.03.2024 the undrawn amount is ₹ 1,087.75 Crore. Ref note 17 (a) (e).

b) SBI has sanctioned Rupee term loan of ₹ 2,552.00 Crore for solar 709 MW, out of which ₹ 2,319.00 Crore has been drawn and the undrawn amount is ₹ 233.00 Crore as on 31.03.2024. Ref note 17 (c).

c) SIB has sanctioned Rupee Term loan of ₹ 581 Crore for NNTPS, out of which ₹ 116.20 Crore was drawn and the undrawn amount is ₹ 464.80 Crore as on 31.03.2024. Ref note 17 (a)(iv).

d) IOB has sanctioned Rupee Term loan of ₹ 1,078 Crore for additional scope of NNTPS and entire amount is undrawn as on 31.03.2024. Ref note 17 (a)(v).

e) IBL has sanctioned Rupee Term loan of ₹ 1,000 Crore for 300 MW Solar Project at Barsingsar Rajasthan and entire amount is undrawn as on 31.03.2024. Ref note 17 (a) (d).

f) SBI has Sanctioned Fund Based Working Capital of ₹ 4,000 Crore and Non-Fund based Working Capital of ₹ 1,000 Crore. After availing the interchangeability option, the available limit of fund based working capital is ₹ 3,750 Crore as on 31.03.2024 (PY ₹ 3,502 Crore). Out of which, the availment of fund based working capital as on 31.03.2024 is Nil (PY ₹ 498 Crore). Ref Note no. 21 (a).

Notes to Standalone Financial Statements

NOTE 48: Financial risk management (Cont'd)

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows against the outstanding Loan balance as on:

(₹ in Crore)

March 31, 2024	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)	14.56	14.56	29.12	87.36	243.77	**389.37**
PFC_NNTPS ₹ 3000 Cr	150.00	300.00	300.00	900.00	150.00	**1,800.00**
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	44.96	-	-	-	**44.96**
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	45.55	-	-	-	**45.55**
RTL 2552 Cr_Solar 709 MW	127.60	127.60	247.20	615.60	307.24	**1,425.24**
RTL 1680.75 Cr_Talabira Mine	-	88.65	-	-	-	**88.65**
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)	-	-	-	-	-	-
TOTAL	**292.16**	**621.32**	**2,251.32**	**1,602.96**	**3,201.01**	**7,968.77**

Note : Refer note of 17 (a) and 21 (a)

(₹ in Crore)

March 31, 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 2552 Cr_Solar 709 MW	127.60	127.60	255.20	657.60	512.44	**1,680.44**
RTL 1680.75 Cr_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 202I- Series I	-	-	-	1,175.00	-	**1,175.00**
Commercial Paper	-	-	-	-	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**

Notes to Standalone Financial Statements

NOTE 48: Financial risk management (Cont'd)

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

(₹ in Crore)

March 31, 2024	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)	1.46	1.41	2.65	6.63	8.12	20.26
KFW Guarantee Fees	4.67	-	4.32	10.87	13.76	33.63
PFC_NNTPS ₹ 3000 Cr	36.24	102.46	112.27	178.38	6.59	435.96
RTL 450 Cr_ Axis Bank - Solar 500 MW	0.94	0.94	-	-	-	1.88
RTL 456 Cr_ Federal Bank - Solar 500 MW	0.95	0.95	-	-	-	1.90
RTL 2552 Cr_Solar 709 MW	30.35	80.57	89.27	157.81	19.62	377.62
RTL 1680.75 Cr_Talabira Mine	1.89	2.09	0.00	0.00	0.00	3.98
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	119.33	715.97
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	38.64	231.84
NLCIL Bonds 2020- Series II	-	26.70	18.58	-	-	45.29
NLCIL Bonds 2021- Series I	-	71.09	71.09	-	-	142.18
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	113.51	284.76
TOTAL	**195.84**	**359.09**	**490.40**	**930.35**	**319.57**	**2,295.27**

(₹ in Crore)

March 31, 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_HDFC Solar 130 MW	2.15	3.80	-	-	-	5.95
RTL 500 Cr_ Axis Bank - Solar 500 MW	2.89	6.78	1.93	-	-	11.59
RTL 450 Cr_ Axis Bank - Solar 500 MW	2.99	7.02	1.99	-	-	12.01
RTL 456 Cr_ Federal Bank - Solar 500 MW	35.16	95.57	108.97	208.34	53.68	501.72
RTL 2552 Cr_Solar 709 MW	5.38	12.67	3.91	0.00	0.00	21.96
RTL 1680.75 Cr_Talabira Mine	119.33	-	119.33	357.98	238.66	835.30
Rupee Loan _ Mahanadi Coal Fields	-	38.64	38.64	115.92	77.28	270.48
NLCIL Bonds 2019- Series I	-	26.70	26.70	18.58	-	71.98
NLCIL Bonds 2020- Series I	-	71.09	71.09	71.09	-	213.27
NLCIL Bonds 2020- Series II	-	34.25	34.25	102.75	147.76	319.01
NLCIL Bonds 202I- Series I	0.52	-	-	-	-	0.52
Treasury bill linked WCL	-	-	-	-	-	-
TOTAL	**216.35**	**416.58**	**548.29**	**1,142.67**	**582.62**	**2,906.53**

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 capitalize the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities till the date of commercial operation. 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

Notes to Standalone Financial Statements

NOTE 48: Financial risk management (Cont'd)

currency monetary item will be recovered from beneficiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities as at March 31, 2024 and as at March 31, 2023.

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Financial liabilities		
Borrowings - KFW*	389.37	416.47

* 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.

(₹ in Crore)

Particulars	Profit and loss	
	Strengthening	Weakening
March 31, 2024		
10% movement		
Borrowings - KFW	38.94	(38.94)

(₹ in Crore)

Particulars	Profit and loss	
	Strengthening	Weakening
March 31, 2023		
10% movement		
Borrowings - KFW	41.65	(41.65)

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 48: Financial risk management (Cont'd)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Financial assets		
Fixed-rate instruments		
Employee Loans	35.16	38.80
Loans to Subsidiary company - NUPPL	150.01	-
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	1,604.40	2,308.87
- Power Finance Corporation (PFC)	1,800.00	1,950.00
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
Foreign Currency Loan		
KFW	389.37	416.47

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹ in Crore)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31st March, 2024		
Rupee term loans		
- From Banks	(8.02)	8.02
- Power Finance Corporation (PFC)	(9.00)	9.00
	(17.02)	**17.02**
31st March, 2023		
- From Banks	(11.54)	11.54
- Power Finance Corporation (PFC)	(9.75)	9.75
	(21.29)	**21.29**

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 49: Disclosure as per Ind AS 115 'Revenue from Contract with the Customers'

I. Nature of Goods and Services

The revenue of the Company comprises of income from energy sales, Coal sales, consultancy and other services. The following is a description of the principal activities:

A Revenue from energy sales

The major revenue of the Company comes from energy sales. The Company sells electricity to customers mainly electricity utilities owned by State Governments. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy sales	The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

B Revenue from Coal sales

The company supplies coal from its captive mines to one of the subsidiary company. After meeting the internal demand, the remaining coal are sold in the open market.

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Coal Sales	The Company recognises revenue from contracts for sale of captive coal to subsidiary company when control of the goods is transferred to customers. The tariff for computing revenue from sale of captive coal to subsidiary company is determined in terms of CERC Tariff Regulations applicable for input price of coal from captive mines. The amounts are billed as and when goods are transferred and are payable as per agreed procedures. In the case of sales through open market sales has been reckoned to the extent of amount received/ as per sale terms when performance obligation is satisfied.

C Revenue from Lignite sales

The company supplies lignite from its captive mines to one of the power generating company based on the fuel supply agreement entered with them. After meeting the internal demand, the remaining lignite are sold in the open market.

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment term
Lignite Sales	The Company recognises revenue from contracts for sale of captive lignite when control of the goods is transferred to customers. The amounts are billed as and when goods are transferred and are payable in accordance with the agreement entered with the party. In the case of sales through open market sales has been reckoned to the extent of amount received/ as per sale terms when performance obligation is satisfied.

D Revenue from sales of fly ash and other by products.

E Revenue from consultancy services

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment term
Consultancy Services	The Company has entered into corporate service agreement with its subsidiary company. The revenue from consultancy services is determined as per the terms of the contracts

II. Disaggregation of revenue

(₹ in Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Nature of revenue (Refer Note No. 25)		
- Power Sales	7,838.39	10,283.23
- Sale of Lignite	648.68	791.70
- Sale of Coal	1,980.49	1,773.50
- Sale of Fly ash and other By products	83.96	88.81
- Consultancy Services	35.60	38.79
Total	**10,587.12**	**12,976.03**

Notes to Standalone Financial Statements

NOTE 49: Disclosure as per Ind AS 115 'Revenue from Contract with the Customers' (Contd.)

Primary geographical markets	India
Timing of revenue recognition	Products and services transferred at a point in time

III. Reconciliation of revenue recognised with contract price (Refer Note No. 25):

(₹ in Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract price	10,587.12	12,976.03
Adjustments for:		
- Rebates	68.48	21.03
Revenue recognised	**10,518.64**	**12,955.00**

IV. Contract balances

The following table provides information about receivables & unbilled revenue

(₹ in Crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables (Refer Note No. 10 (a))	3,536.43	4,168.59
Unbilled Revenue (Refer Note No. 10 (e))	1,139.65	2,674.99

V. Transaction price allocated to the remaining performance obligations

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations, where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract

NOTE 50: Disclosure as per Ind AS 108 'Operating segments'

The Company publishes its financial statements along with the consolidated financials. In accordance with the IND AS 108, Operating segments, the company has disclosed the segment information in the consolidated financial statements

NOTE 51: Additional Disclosure

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.

Notes to Standalone Financial Statements

NOTE 52: Contingencies and Commitments

(₹ in Crore)

Particulars	As at March 31, 2023	Additions	Deletions/ Settlement	As at March 31, 2024
A. Contingencies				
1. Claims against the Company not acknowledged as debts:				
(i) From Employees /Others	NQ	NQ	NQ	NQ
(ii) From Statutory Authorities/Central Govt/ Govt Departments	831.89	51.03	224.12	658.80
(iii) From Statutory Authorities/State Govt/ Govt Departments	2,488.01	369.83	295.65	2,562.19
(iv) From CPSEs	-	-	-	-
(v) From Others	5,297.57	2,691.38	659.57	7,329.38
Sub-Total of Claims not acknowledged as debts	**8,617.48**	**3,112.24**	**1,179.34**	**10,550.38**
2. Guarantees issued by company	438.45	757.67	180.44	1,015.68
Sub-Total Contingencies (A)	**9,055.93**	**3,869.91**	**1,359.78**	**11,566.06**
B. Commitment				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	3,177.38	22,560.62	2,933.88	22,804.12
Sub-Total Commitments (B)	**3,177.38**	**22,560.62**	**2,933.88**	**22,804.12**
Total Contingencies and Commitments (A+ B)	**12,233.31**	**26,430.53**	**4,293.66**	**34,370.17**

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

NOTE 53: Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Current tax expense		
Current year	723.16	977.45
Adjustment for earlier years	(39.24)	(54.24)
Pertaining to regulatory deferral account balances	375.65	(557.90)
Total current tax expenses (A)	**1,059.57**	**365.31**
Deferred tax expense		
Origination and reversal of temporary differences	(118.26)	110.60
Less: MAT credit entitlement	-	-
Total deferred tax expense (B)	**(118.26)**	**110.60**
Total income tax expense (A + B)	**941.31**	**475.91**

ii) Income tax recognised in other comprehensive income

(₹ in Crore)

Particulars	March 31, 2024			March 31, 2023		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/ (losses) on defined benefit plans	(10.24)	(4.04)	(6.20)	(0.03)	(0.01)	(0.02)

Notes to Standalone Financial Statements

NOTE 53: Disclosure as per Ind AS 12 'Income taxes' (Contd.)

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

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Profit before tax (including OCI)	2,777.65	1,724.12
Tax using the Company tax @ 34.944% (PY 34.944%)	970.62	602.48
Tax effect of:		
Non-deductible tax expenses	686.77	563.76
Tax deductions/allowances	(562.72)	(746.69)
Previous year tax liability	(39.24)	(54.24)
Interest	0.10	-
Deferred Tax expenses/(income)	(118.26)	110.60
Total tax expense in the Statement of Profit and Loss	**937.27**	**475.91**

(b) Tax losses carried forward

(₹ in Crore)

Particulars	March 31, 2024	Expiry date	March 31, 2023	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 @ 15% amounting to ₹ 1.5 per share for FY 2023-24 (31st March 2023: ₹ 2.00 per share) which are subject to approval of shareholders in the AGM. 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 declared/distribution/payment of dividend.

NOTE 54: Information in respect of micro, small and medium enterprises as at 31 March 2024 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
a) Amount remaining unpaid to any supplier:		
Principal amount	56.31	45.47
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	-	-

The determination of the transactions with MSME vendors and balances thereof, have been done based on the certificate received from the respective parties as available in the system. Further, the Company is in the process to check the completeness of the data in this regard for appropriate disclosures in respect of MSME vendors, interest liability thereon as per MSME Act.

Notes to Standalone Financial Statements

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

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
(i) Basic and diluted earnings per share for the year ended		
From operations including regulatory deferral account balances (a)	13.32	9.00
From regulatory deferral account balances (b)	4.16	(12.51)
From operations excluding regulatory deferral account balances (a)-(b)	9.15	21.51
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)	1,846.58	1,248.24
From regulatory deferral account balances-net of tax (b) (₹ in Crore)	577.45	(1,734.76)
From operations excluding regulatory deferral account balances (a)-(b) (₹ in Crore)	**1,269.13**	**2,983.00**
(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 56: Thermal Power Station -I (Retired from Operations)

(₹ in Crore)

Particulars	For the Period ended 31.03.2024	For the Period ended 31.03.2023
INCOME		
Revenue from Operations	276.36	212.84
Other Income	407.84	31.09
Total Income	**684.20**	**243.93**
EXPENSES		
Employee Benefit Expenses	3.52	19.58
Finance Costs	0.36	0.37
Depreciation and Amortization Expenses	0.36	0.43
Other Expenses	17.52	17.23
Total Expenses	**21.77**	**37.61**
Profit / (Loss) before Exceptional & Rate Regulatory Activity	662.43	206.32
Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	(5.30)	(230.48)
Exceptional Items	-	-
Profit / (Loss) before Tax	**657.13**	**(24.16)**

Note : During the year CERC has issued revised lignite truing up order for its Neyveli Mines for the tariff period 2009-14. Consequential Impact of the same has been considered under revenue from operations and other income.

NOTE 57: Capital Employed

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Employed	27,201.97	26,889.03

Notes to Standalone Financial Statements

NOTE 58: 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.

e) **Relationship with Struck off Companies :**

Name of the Struck off Company	Nature of Transactions with struck off company	Balance Outstanding (₹ In Crore)	Relationship with the struck off company, if any
SONAR COMMUNICATIONS PVT. LTD.,	Payables towards Goods and Services	0.00	Vendor for supply of Goods and Service
GEO MINERAL WATERS PVT. LTD.,	Payables towards Goods and Services	0.02	Vendor for supply of Goods and Service
BERN ENGG PVT LTD	Payables towards Goods and Services	0.03	Vendor for supply of Goods and Service
READY ENGINEERING PVT LTD	Payables towards Goods and Services	0.00	Vendor for supply of Goods and Service
MANAVEA TECHNOLOGIES PVT. LTD.	Payables towards Goods and Services	(0.00)	Vendor for supply of Goods and Service

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 the 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(is), 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, 2021 to the 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.

Notes to Standalone Financial Statements

NOTE 58: Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

i) Borrowings secured against current assets

The company has availed working capital facility of ₹ 5,000 crore (₹ 4,000 crore Fund based and ₹ 1,000 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 31.03.2024 is NIL (PY: ₹ 498 Crore) in the form of T-bill linked WCL.

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 23-24.

j) Registration of charges or satisfaction with Registrar of Companies (ROC) : Not Applicable

k) Trade Payable Ageing Schedule

FY 2023-24

₹ in Crore

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
a) MSME	25.39	29.32	0.13	0.71	0.76	56.31
b) Other	120.91	640.65	37.42	19.40	37.78	856.16
c) Disputed Dues- MSME	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-
	146.29	669.97	37.55	20.11	38.54	912.46

FY 2022-23

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
a) MSME	-	44.38	0.49	0.43	0.18	45.47
b) Other	137.35	329.16	69.56	-	50.09	586.17
c) Disputed Dues- MSME	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-
	137.35	373.54	70.05	0.43	50.27	631.64

l) Analytical Ratios :

Name of Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	Variation(%)	Reason for Variation
1) Current Ratio*	Current Assets	Current Liabilities	1.65	1.92	(13.63)	
2) Debt - equity ratio	Total debt (current + noncurrent)	Share holders Equity (Equity + retained earnings - Preliminary project expenditure)	0.50	0.64	(21.98)	
3) Debt Service Coverage Ratio	Earning Available for debt Service (EBDIT)	Interest + Principal Repayments	2.97	2.08	42.84	Increase in EBDIT in the current year when compared with the previous year.
4) Return on Equity	Profit for the period	Average Shareholders equity	12.06	8.81	36.82	Increase in the PAT is mainly attributed to revised lignite truing up order for the tariff period 2009-14 and other favourable regulatory orders.

Notes to Standalone Financial Statements

NOTE 58: Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

Name of Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	Variation(%)	Reason for Variation
5) Inventory Turnover Ratio	COGS or Sales (revenue from operation)	Average Inventory	11.18	13.94	(19.77)	
6) Trade Receivable Turnover Ratio	Net credit Sales (Revenue for from operation)	Average Trade Receivables	2.73	3.55	(23.10)	
7) Trade Payable Turnover Ratio*	Total Other Expenses excluding provisions	Average Trade Payables	5.96	4.67	27.46	Increase in total expenses mainly on account of repair and maintenance and increase in Coal reserve price.
8) Net Capital Turn over ratio*	Net Sales (Revenue from operation)	Working Capital (Current Asset - current Liability)	2.21	2.13	3.68	
9) Net Profit Ratio	Profit for the period	Net Sales (revenue from operation)	16.10	11.71	37.50	Increase in the PAT is mainly attributed to revised lignite truing up order for the tariff period 2009-14 and other favourable regulatory orders.
10) Return on Capital Employed	Earning before interest exceptional and Taxes (EBIT)	Capital Employed (tangible net worth+ total debt+ deferred tax liability)	12.61	9.27	36.08	Increase in the EBIT is mainly attributed to revised lignite truing up order for the tariff period 2009-14 and other favourable regulatory orders.
11) Return on Investments	Dividend received from subsidiary companies	Average investment	5.50	5.00	9.99	

* Ratio of previous year has been restated

NOTE 59: Additional Disclosures

(A) Recent Pronouncement

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.

(B) 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.

(C) Disclosures 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 so as to align with the industry practice, Ind AS compliance and for better understanding.

1) Basis of Preparation

2) Property, Plant and Equipment

 a) Recognition and Measurement

 b) Subsequent Capitalisation

 c) Depreciation and Amortisation

Notes to Standalone Financial Statements

NOTE 59: Additional Disclosures (Contd.)

3) Assets held for sale

4) Revenue Recognition - Unbilled Revenue

5) Provisions and Contingent Liabilities

NOTE 60: Additional Disclosures

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 facing with deficit in availability of land at Neyveli for lignite mining, which is adversely impacting generation of power, as local District Authorities are facing resistance for taking measurement of structures for further land acquisition and also in getting possession of already acquired land to handover to the Company. On 07.08.2023, Hon'ble Madras High Court pronounced the order that NLCIL to pay ex gratia amount to farmers and to take the possession of the land which was already acquired by NLCIL and paid the land compensation.

   To mitigate the said hardship, the company has undertaken substantial efforts, leading to acquisition of requisite quantum of land to meet the thermal units production requirement. The Company is confident of overcoming the challenges on land acquisition at Neyveli mines with sustained efforts, in the near future.

d) As per the requirements of Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company has used SAP for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

   In respect of 7 external applications that were integrated with SAP software, in connection with Auction & tender system, Integrated Weighment Tracking System, employees advance and reimbursement claims, GST Central Invoicing System & House Allotment, Rent Accounting & other Township related Management System, we confirm that there is no audit trail (edit log) facility that was enabled.

e) Pursuant to Supplementary audit conducted by Comptroller of Auditor General of India under section 143(6)(a) of Companies Act 2013, additional disclosures has been given as follows:

   i) The Board has approved an amount of ₹ 52.92 crore for PAPs of Talabira II & III, subject to their eligibility and acceptance.

   ii) Minimum annual dividend as per DIPAM guidelines shall be 30% of PAT or 5% of Net-worth, whichever is higher. NLCIL has paid 30% of dividend on face value of share which is 2.60% of net worth and the differential amount as per DIPAM guidelines is ₹ 383.70 crore for 2023-24. NLCIL has requested for exemption to MoC for the year which is awaited.

Independent Auditors' Report

Manohar Chowdhry & Associates,
Chartered Accountants,
#27, Subramaniam Street,
Abiramapuram,
Chennai – 600018

Sundaram & Srinivasan,
Chartered Accountants,
#23, C.P.Ramasamy Road,
Alwarpet,
Chennai – 600018

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, 2024, 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 material 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 31st March, 2024, 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 63(c) of the Consolidated Financial Statements, wherein the non-availability of adequate quantum of land for lignite mining operations at Neyveli mines 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.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

1. Note 10(A)(d), with regard to amount billed on VSVS to DISCOMs and pending adjudication, the Holding Company considers the entire outstanding amount of ₹ 318.12 Crores as recoverable.

2. Note 57, with regard to the determination of the transactions with MSME vendors and balances thereof, have been done based on the certificates received from the respective parties as made available in the GEM Portal system. The disclosures in respect of MSME vendors, interest liability thereon as per MSME Act, Income tax computations as such need to be ascertained from MSME Vendors are computed manually and accounted accordingly.

3. Note 18(A)(k), where the Holding Company has to raise 25% of incremental borrowings by way of issuance of debt securities, the Holding Company after considering its liquidity position and the size of the Bond requirement, the Holding Company did not raise funds by way of issuing any debt securities during FY 2023-24.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

As reported by the auditor of the Talabira Branch in their Independent Auditor's Report dated 14th May, 2024 is below:

We draw attention to Note 24(c) in the Notes to the Consolidated Financial Statements regarding provision made during the year, towards differential mining charges and HPC wages amounting to ₹ 162.30 Crores which are under dispute.

Opinion of the auditor of the branch with respect to branch's financial statements is not modified in respect of the above matter.

As reported by the auditor of one of the Subsidiary Company, Neyveli Uttar Pradesh Power Limited (NUPPL) in their Independent Auditor's Report dated 14th May, 2024 is below:

We draw your attention to 12(d) in the Notes to the Consolidated Financial Statements, wherein the Contractor vide letter dated 5th April, 2024 had informed NSE and BSE that Petition against it has been admitted in the Corporate insolvency Resolution Process. Therefore, to protect NUPPL's interest, available BGs (₹ 490.68 Crore) of the Contractor have been encashed, out of which ₹ 400.63 Crore has been adjusted against initial advance and ₹ 90.05 Crore has been retained against performance guarantee. However, on 15.04.2024 IRP proceedings have been dismissed by Honorable NCLAT, Chennai. The recovery of advance as on 31.03.2024 is not doubtful as amount payable along with Bank Guarantee is more than the amount recoverable.

Opinion of the auditor of the subsidiary company with respect to subsidiary's Standalone Financial statements is not modified in respect of the above matter.

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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.

The following have been considered as Key Audit Matters of Holding Company – NLC India Limited:

Sl. No.	Key Audit Matter	Auditors' Response
1.	**Contingent Liabilities and Commitments**	
	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 ₹ 39,552.83 Crore have been considered by Group towards contingent liability and commitments representing claims of third parties. Refer Note 55 of the Consolidated Financial Statements. Included in the above, is a sum of ₹ 9,135.63 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 ₹ 1,420.27 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	**Capital Work in Progress – Projects on hold**	
	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 expenses of Bithnok and BTPSE project from the management; • Noted that the total project cost comprises 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, 2024.
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.	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 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;

Sl. No.	Key Audit Matter	Auditors' Response
	The Group's provision for ECL on trade receivables amounts to ₹ 470.57 Crore as at 31st March, 2024. Refer Note 10(A)(b) of the Consolidated Financial Statements.	• We have initiated confirmation of balances and the differences, if any, were reconciled by the Management in respect of confirmations received. We have reviewed the same and noted on the explanations provided by the management in arriving at the loss allowance for the year ended 31st March, 2024; 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 amounting to ₹ 23,291.87 Crore represents 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 include 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. Refer Note 2 and 4 of the Consolidated Financial Statements.	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 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.
5	**Financial Liabilities – Borrowings**	
	The Balance Sheet as at 31st March, 2024, reflects financial liabilities-Borrowings totaling ₹ 22,379.45 Crores. These liabilities encompass various forms of borrowings, comprising bonds issued, bank borrowings, and foreign currency borrowings. Refer Note 18(a) and 22(a) of the Consolidated Financial Statements. The above includes an amount of ₹ 3,153.73 Crores classified as current liabilities. There may be complex accounting requirements around the subsequent measurement, and presentation of financial liabilities. Evaluating the suitability of debt covenants and assessing the potential risk of covenant violations necessitates substantial auditor judgement.	Our key audit procedures included the following: • We have evaluated the appropriateness of the accounting policies and disclosures related to financial liabilities. • Tested the accuracy and completeness of financial liability balances by examining supporting documentation like debt agreements and analysed debt covenant calculations prepared by management and considered the existence of any potential breaches. • Assessed the adequacy of disclosures in the financial statements related to financial liabilities.

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Key audit matters reported by the statutory auditor of the Subsidiary Company – NLC TAMIL NADU POWER LIMITED (NTPL) dated 13th May, 2024 is reproduced below:

Sl. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	**Recognition and Measurement of revenue from Power Sales**	
	The company 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. 01st 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 11.07.2017. 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 Company'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 the Company'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	The Company 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 number of regulatory balances and complexity involved, we have identified regulatory balances as a key audit matter. The Company has filed interim truing up petition with CERC claiming an amount of ₹ 774.38 crores towards discharged liabilities for capital expenditure from the date of commissioning up to 31.3.2018. The said expenditure is covered under the original scope of the work as approved in the project cost. Accordingly, an amount of ₹ 109.23 crores has been recognized under capacity charges during the year as per regulation. The same is explained in detail in Note 34(e) to the Consolidated Financial Statements.	Our audit procedures included the following: • considered the Company'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 the Company. • 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 the Company. • 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". • 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 11.07.2017 and petition filed.
3	**Under-recovery of Capacity Charges**	
	The Company has failed to achieve the Normative PAF (85%) as prescribed by CERC Regulations 2019, due to ESP Ash evacuation problem. NTPL Power Generation is met with Indigenous Coal and Imported Coal. NTPL is using Low Gross Calorific Value (GCV) Coals from NLCIL Talabira mines and MCL Talcher mines (Coal swapping agreement). For supply of Import Coal, the LOA was issued to M/s Wonder Star Trading LLC, Dubai, UAE on 25-Apr-2023. There was delay is supply of Import coal by the contractor. Due to Non-availability of Import Coal and usage of high ash content indigenous coal, NTPL faced ash evacuation problem and could not declare full Declared Capacity (DC). Therefore, the company has suffered under-recovery of Capacity charges of ₹ 20,093.99 Lakhs during the Financial Year 2023-24. In consideration of significance of the amount and the nature of the item, we have identified the same as a Key Audit Matter.	Our audit procedures included the following: • Obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines and the Company's internal circulars and procedures in respect of recognition, computation and measurement of capacity charges. • Assessed the management's reason for the Under-recovery of Capacity Charges. • Obtained the Management representation in this matter.

Sl. No.	Key Audit Matter	How our audit addressed the key audit matter
4	**MAT Credit Entitlement**	
	The company has been setting off the brought forward losses and paying the tax under the MAT provisions of the Income Tax Act, 1961 from AY 2017-18. The Act also provides that such MAT paid can be carried forward (MAT credit entitlement) for set off against normal tax payable in subsequent years period. Such MAT credit entitlements are to be utilized before the period as prescribed in the Income Tax Act, 1961. The Company's ability to recognize these MAT credit assets is assessed by management at the end of each reporting period, considering the forecasts of future taxable profits and the law and jurisdiction of the law in force. The assumptions on these projections are determined by management. The MAT credit entitlement reported in the Financial Statements of the company amounts to ₹ 48,872.55 Lakhs as at 31st March 2024 out which ₹ 2,887.10 Lakhs to be utilized before the AY 2027-28. In consideration of the Significance of forecast of future taxable profit of the Company and the materiality of the amounts involved, we identified this to be a key audit matter.	Our audit procedures included the following: • Tested the design and operating effectiveness of key controls related to the computation and recognition of such MAT credit. • Assessed the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits. • Assessed the likelihood of the Company to utilize the available MAT credit entitlements in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable income. • Tested the arithmetical accuracy of working prepared by management for determination of future taxable income against which MAT credit is expected to be realized. • We have also checked the adequacy of the disclosure on these matters in the Financial Statements of the Company. • Obtained the projected profit details of the company.
5	**Inadmissibility of dues from Beneficiary:**	
	The Company has outstanding receivable of ₹ 29,936.06 Lakhs as on 31st March 2024 from the Telangana DISCOMs. Whereas, the reconciliation with the beneficiary has been conducted on 20-March-2024 and the beneficiary has not agreed for the payment of ₹ 9,455.81 Lakhs which is due to following; The Beneficiaries has been given an option to choose the payment of outstanding dues as on the notification date in instalment in the name of Liquidation of arrears as specified in the Ministry of Power Notification vide: G.S.R. 416(E) dated:03rd June 2022. The Beneficiaries choosing such option should communicate to the Power Generating companies with in the time limit specified in aforesaid notification. However, Telangana DISCOMs has not communicated the availment of the Instalment option to the company within the due date as specified in the notification but the beneficiary has opted the Instalment payment. The company has not accepted the beneficiary's availment of the Instalment option and the company has charged ₹ 9,455.81 Lakhs as late payment surcharge on the Outstanding amount. The company has given its view on the inadmissibility, that it followed the MOP Notification and charged the late payment surcharge to the party. In consideration of the Significance of the nature and amount involved, we identified this to be a key audit matter.	Our audit procedures included the following: • Obtained an understanding of the CERC Tariff Regulations, orders, circulars, guidelines, MOP Notification, and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from Late payment Surcharge • Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from Late payment surcharge. • Assessed the recoverability of the late payment surcharge from the beneficiary to the company. • Obtained the Management representation in this matter.

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, 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.

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 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 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 statements of NLCIL included in the Consolidated Financial Statements of which we are the independent auditors. In respect of the branches or other entities included in the Consolidated Financial Statements, which have been audited by the respective branch auditors or other auditors, who 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.

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

a. 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 ₹ 4,052.73 Crore as at 31st March, 2024 and total income of ₹ 2,732.37 Crore for the year ended 31st March, 2024, total net profit before tax of ₹ 873.42 Crore for the year ended 31st March, 2024 and total comprehensive income of ₹ 873.42 Crore for the year ended 31st March, 2024, and net cash inflows of ₹ 0.71 Crore for the year ended 31st March, 2024. 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.

b. We did not audit the financial statements of 4 Subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 24,706.74 Crore as at 31st March, 2024, total income of ₹ 2,923.78 Crore for the year ended 31st March, 2024, total net profit after tax of ₹ 127.46 Crore for the year ended 31st March, 2024, and total comprehensive income of ₹ 126.95 Crore for the year ended 31st March, 2024, and net cash inflows of ₹ 4.76 Crore for the year ended 31st March, 2024, which have been audited by their respective other auditors.

   The Consolidated Financial Statements also include the Group's share of profit after tax of ₹ 0.19 Crore for the year ended 31st March, 2024 and total comprehensive income of ₹ 0.19 Crore for the year ended 31st March, 2024, as considered in the Consolidated Financial Statements, 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 ₹ 0.06 Crore for the year ended 31st March, 2024 and total comprehensive income of ₹ 0.06 Crore for the year ended 31st March, 2024, as considered in the Consolidated Financial Statements, 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.

c. With respect to NLCIL, Certain Debit/Credit balances pertaining to vendors are pending independent confirmation and consequential reconciliation thereof.

d. Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that at least half of the directors on the board should be independent directors. NLCIL has yet to fulfil this requirement, leading to penalties imposed by the Stock Exchanges.

e. During the year, NLCIL has not complied with the requirements relating to the appointment of at least 1 independent nominee director on the Board of NLC Tamil Nadu Power Limited, which is an unlisted material subsidiary, as required under Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. Regulation 19A(1) of the Securities Contract (Regulation) Rules, 1957, stipulating a minimum public shareholding of 25%, remained unmet by NLCIL until 11th March, 2024. Following this period of non-compliance, the Government of India has disinvested and reducing its stake by 7% through Offer For Sale (OFS).

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 Section 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:

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) & (xix)
2	NLC Tamil Nadu Power Limited	U40102TN2005GOI058050	Subsidiary	Clauses – (ii)(b), (vii)(b) and (xx)
3	Neyveli Uttar Pradesh Power Limited	U40300UP2012GOI053569	Subsidiary	Clauses – (i)(b), (i)(c), (vii)(b) and (xvii)
4	NLC India Renewables Limited	U35106TN2023GOI161134	Subsidiary	NIL
5	NLC India Green Energy Limited	U35106TN2023GOI164369	Subsidiary	NIL
6	MNH Shakti Limited	U10100OR2008GOI010171	Associate	Clause - (vii)(b) and (xvii)
7	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 except for the matters stated in the paragraph 2k(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

c. The reports on the accounts of the Branch Offices of the Holding Company audited under Section 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 specified under Section 133 of the Act;

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 Section 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 5th June, 2015, issued by the Ministry of Corporate Affairs;

h. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3) of the Act and paragraph 2(k)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

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 Section 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 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;

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 55 to Consolidated Financial Statements;

ii. The Holding Company has long term contracts for coal mining, power sale, lignite / coal sale, O&M / AMC Contracts, project execution etc. The Holding Company has assessed all these contracts as at 31st March, 2024, and concluded that there were no material foreseeable losses that needs to be considered on account of these contracts. The Holding Company did not have any derivative contracts as at 31st March, 2024.

The subsidiaries, associate and joint venture does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the 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 2022-23 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 2023-24 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.

However, the aggregate of interim dividend paid by the Holding Company during the FY 2023-24 and proposed dividend for the FY 2023-24 is less than the minimum dividend criteria prescribed under the guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Holding Company vide its letter dated 23rd February, 2024 had applied for exemption from payment of minimum dividend for the FY 2023-24 as prescribed under DIPAM guidelines and the same is pending for approval.

vi. With respect to the Holding Company, based on our examination, which included test checks, the Holding Company has used SAP for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year. During the course of our audit, we did not come across any instances of the audit trail feature being tampered with.

Further, in relation to the 7 external applications that were integrated with SAP software, in connection with Auction & tender system, Integrated Weighment Tracking System, employees advance and reimbursement claims, GST Central Invoicing System & House Allotment, Rent Accounting & other Township related Management System, based on the audit procedures, we confirm that there is no audit trail (edit log) facility that was enabled (Refer Note No. 63(e) to the Consolidated Financial Statements).

With respect to subsidiaries and associate, the respective auditors of these entities have reported that based on their examination, which included test checks, the subsidiaries and associate have used accounting software for maintaining their books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of their audit, they did not come across any instance of the audit trail feature being tampered with.

With respect to joint venture, their auditor has reported that based on their examination which included test checks, the joint venture has used an accounting software (Tally) for maintaining its books of account which do not have a feature of recording audit trail (edit log) facility.

With respect to the Group, its associate and joint venture, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. As required by Section 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".

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M S N M Santosh
Partner
M No. 221916
UDIN: 24221916BKFZOV1318

For Sundaram & Srinivasan,
Chartered Accountants,
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 24217914BKBOTX5974

Place: Chennai
Date: 15th May, 2024

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, 2024, 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 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 Matters 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 31st March, 2024, 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 Matters

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, 4 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 Manohar Chowdhry & Associates, Chartered Accountants, Firm Regn. No. 001997S	**For Sundaram & Srinivasan,** Chartered Accountants, Firm Regn. No. 004207S
M S N M Santosh Partner M No. 221916 UDIN: 24221916BKFZOV1318	**P Menakshi Sundaram** Partner M No. 217914 UDIN: 24217914BKBOTX5974

Place: Chennai
Date: 15th May, 2024

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

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 explanation 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), Plant maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). "The Company is also using other support software's which are integrated to SAP ERP and those transactions are also through IT systems, like NLCIL eAuctioning & Tendering System (NeAT); Contract Labour Management System (CLMS); Integrated Weighment Tracking System (IWTS); Integrated Hospital Management System (IHMS); myLaptop Portal; Furniture Portal; Retirees Portal; Bill Tracking System; GST Central Invoicing System; eRecruitment System; House Allotment, Rent Accounting & other Township related Management System; The company has not carried out any system audit covering implications of processing of such transactions, any consequential effect on the integrity of accounts, along with related financial implications, etc., Based on our examination of records on sample basis and other audit procedures carried out and as per the information and explanation given to us, no accounting transactions have been processed/carried outside the IT system Accordingly, there are no implications on the integrity of the accounts. **As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanations given to us, the branch has a system in place to process all the accounting transaction 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 system (PS), Plant maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). Our examination of records on sample basis did not reveal any transaction not coming within the purview of various IT system as stated above. **As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 14th May, 2024 is reproduced below:** The Branch/Company has implemented SAP ERP system for recording of its financial transaction. The Branch/Company 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 (MM Module) is being operated. For monitoring of projects under implementation SAP PS Module is in place. For accounting transaction SAP FICO under operation. The Branch/Company has e-office during the year as part of its green-initiative and office automation for file management. In this, the decision-making process is captured from end-to-end in electronic mode and forms part of the transaction processing. The Branch/Company has e-tendering process in place for processing of tenders. For purchases GeM portal of the Government of India is being used. For Payroll, attendance and other inputs is captured in PIPAS (Oracle based) system and processed through the same. On our examination of records, all the transaction is done through IT systems for the Branch.	NA

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 Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 13th May, 2024 is reproduced below: NTPL has implemented SAP ERP system for recording of its financial transactions through Finance and Controlling module (FICO Module) and Material Management module (MM Module). NTPL has entered into a Corporate Service Agreement with its parent 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 is operating Fund Management module (FM Module) in SAP for the purpose of budget control. NTPL during the financial year has implemented Human Capital Management Module (HCM) for processing employee's payroll and other human resource related activities. 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 15th May, 2024 is reproduced below:** Yes, NUPPL has system in place to process all accounting transaction through IT system. No accounting transaction were found recorded outside the IT system. **As reported by the auditor of the Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us, NIGEL has a system in place to process all the accounting transaction through the IT system i.e. SAP ERP Software. Further, as per the information and explanation given by the management and basis of our examination of the records of NIGEL, there is no accounting transaction processed outside the above software. **As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us, NIRL has a system in place to process all the accounting transaction through the IT system i.e. SAP ERP Software. Further, as per the information and explanation given by the management and basis of our examination of the records of NIRL, there is no accounting transaction processed outside the above software. **As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2024 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. **As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us, CLUVPL has a system in place to process all the accounting transactions through the IT system i.e. Tally Software. Further, as per the information and explanation given by the management and basis of our examination of the records of CLUVPL, there is no significant accounting transaction processed outside the Tally software.	
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 NLCIL:** 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 NLCIL. **As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 13th May, 2024 is reproduced below:** 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 Branch **As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 14th May, 2024 is reproduced below:** According to the information and explanation provided to us and so far, as it appears from our examination of the records of the Branch, there are no loans (except employee's loans and advances) in the books of Branch and no such cases of waiver write-off of debts/loans/interest etc.	NA

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 Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 13th May, 2024 is reproduced below: According to the information and explanation made available to us and based on our examination of the books of account, there has been no cases of restructuring of loan or cases of waiver / write-off of debts / loans / interest etc., by a lender during the year. **As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited (NUPPL) in their audit report dated 15th May, 2024 is reproduced below:** There was no restructuring of any existing loans or cases of waiver/write off of debts/loans/interest etc. made by a lender to NUPPL due to the NUPPL's inability to repay the loan. **As reported by the auditor of the Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us and basis of our examination of the records of NIGEL, there is no loan taken from any lender by NIGEL during the year. **As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us and basis of our examination of the records of NIRL, there is no loan taken from any lender by NIRL during the year. **As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2024 is reproduced below:** As per our information and explanations given to us, there is no restructuring/waiver/write off of debts/loans/interest etc. by any lender. **As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us and basis of our examination of the records of CLUVPL, there is no loan taken from any lender by CLUVPL during the year.	
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, the Company has received ₹ 21.49 Crores for specific schemes from Central Government or its agencies and the receipt has been properly accounted for. During the year, we have noticed that the Company has received a sum of ₹ 10.58 crore and receivable of ₹ 2.38 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 issued by Government of Tamil Nadu are 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 Barsingsar branch of NLCIL in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given to us, grant/subsidy is dealt at Head Office Level. However, as per books of accounts of the branch, the Company has received Viability Gap Funding (VGF) of ₹ 21.02 Crore from Ministry of New & Renewable Energy (MNRE), Govt. of India for 300MW Solar Project at Barsingsar which has been properly accounted for. **As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 14th May, 2024 is reproduced below:** According to the information and explanation provided to us and so far, as it appears from our examination of the records of the Branch, no funds are received / receivable for any specific scheme from Central/State agencies by the Branch. **As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 13th May, 2024 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 the Company, no funds are received / receivable for any specific scheme from Central /State agencies by the Company.	NA

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 Subsidiary Company Neyveli Uttar Pradesh Power Limited in their audit report dated 15th May, 2024 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 Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us and basis of our examination of the records of NIGEL, no funds (grants, subsidy) were received / accounted during the year. **As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us and basis of our examination of the records of NIRL, no funds (grants, subsidy) were received / accounted during the year. **As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2024 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. **As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 13th May, 2024 is reproduced below:** As per the information and explanation given by the management to us and basis of our examination of the records of CLUVPL, no funds (grants/subsidy) were received / accounted during the year.	

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

M S N M Santosh
Partner
M No. 221916
UDIN: 24221916BKFZOV1318

For Sundaram & Srinivasan,
Chartered Accountants,
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 24217914BKBOTX5974

Place: Chennai
Date: 15th May, 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Crore)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	23,063.20	23,800.83
(b) Right of Use Assets	3	98.97	77.83
(c) Intangible Asset	4	228.67	179.52
(d) Capital Work-in-Progress	5	17,726.49	14,636.34
(e) Asset Under Development	6	-	-
(f) Financial Assets	7		
i) Investments	a	7.84	7.59
ii) Trade Receivables	b	274.91	465.42
iii) Loans	c	15.58	34.95
iv) Other Financial Assets	d	735.05	536.18
(g) Other Non-Current Assets	8	1,663.97	1,754.18
		43,814.68	**41,492.84**
(2) Current Assets			
(a) Inventories	9	1,483.63	1,182.51
(b) Financial Assets	10		
i) Trade Receivables	a	3,771.58	4,264.47
ii) Cash and Cash Equivalents	b	564.87	77.48
iii) Bank balances other than cash and cash equivalents	c	180.72	173.97
iv) Loans	d	21.85	6.02
v) Other Financial Assets	e	1,484.58	3,078.99
(c) Current Tax Assets (Net)	11	279.37	268.69
(d) Other Current Assets	12	1,491.98	728.00
		9,278.58	**9,780.13**
(3) Assets held for sale	13	47.45	-
(4) Regulatory Deferral Account Debit Balances	14	1,801.10	1,794.73
Total Assets and Regulatory Deferral Account Debit Balances		**54,941.81**	**53,067.70**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,386.64	1,386.64
(b) Other Equity	16		
i) Retained Earnings	a	12,757.13	11,403.32
ii) Other Reserves	b	2,387.28	2,378.88
		16,531.05	**15,168.84**
Non-controlling Interest	17	2,835.17	2,456.82
Total Equity		**19,366.22**	**17,625.66**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	18		
i) Borrowings	a	19,225.72	18,498.17
ii) Lease Liabilities	b	33.72	25.00
iii) Other Financial Liabilites	c	677.72	1,660.93
(b) Provisions	19	158.91	165.48
(c) Deferred Tax Liabilities (Net)	20	3,790.38	3,381.40
(d) Other Non-Current Liabilities	21	723.61	660.28
		24,610.06	**24,391.26**
(2) Current Liabilities			
(a) Financial Liabilities	22		
i) Borrowings	a	3,153.73	3,807.55
ii) Lease Liabilties	b	2.32	2.42
iii) Trade Payables	c		
-Total outstanding dues of Micro and Small enterprises		53.51	44.56
-Total outstanding dues of creditors other than Micro and Small enterprises		1,464.19	906.33
iv) Other Financial Liabilities	d	1,021.84	166.41
(b) Other Current Liabilities	23	1,837.71	1,859.06
(c) Provisions	24	515.25	290.29
		8,048.55	**7,076.62**
(3) Regulatory Deferral Account Credit Balances	25	2,916.98	3,974.16
Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		**54,941.81**	**53,067.70**

Material Accounting Policies
The Accompanying Notes 1 to 63 forms an integral part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS: 8591

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE)
DIN: 09625170

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. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Consolidated Statement of Profit and Loss

for the Year Ended March 31, 2024

(₹ in Crore)

	Particulars	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
INCOME				
I	Revenue from Operations	26	12,999.03	16,165.24
II	Other Income	27	947.41	1,217.98
III	**Total Income (I+II)**		**13,946.44**	**17,383.22**
IV	**EXPENSES**			
	Cost Of Fuel Consumed	28	1,743.96	2,200.05
	Changes in Inventories	29	(238.96)	206.31
	Employee Benefits Expense	30	2,707.58	2,578.83
	Finance Costs	31	849.30	1,011.69
	Depreciation and Amortization Expenses	32	1,824.89	1,800.79
	Other Expenses	33	5,250.91	5,338.59
	Total Expenses (IV)		**12,137.68**	**13,136.26**
V	Profit / (Loss) before Exceptional items & Rate Regulatory Activity (III-IV)		1,808.76	4,246.96
VI	Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	34	1,072.88	(2,178.85)
VII	Profit / (Loss) before Exceptional Items and Tax (V+VI)		2,881.64	2,068.11
VIII	Exceptional Items-Expenses/(Income)	35	-	12.32
IX	**Profit/ (Loss) before Tax (VII-VIII)**		**2,881.64**	**2,055.79**
X	Tax Expense:	56		
	(1) Current Tax			
	- Current Year Tax		744.07	1,033.56
	- Previous Year Tax		(38.48)	(53.95)
	- Tax Expenses / (Savings) on Rate Regulated Account		406.05	(538.02)
	(2) Deferred Tax (after MAT adjustment)		(97.32)	189.08
	Total Tax Expenses (X)		**1,014.32**	**630.66**
XI	**Profit / (Loss) after Tax before share of Profit/(Loss) of associates (IX-X)**		**1,867.32**	**1,425.13**
XII	Share of Profit/(Loss) of Associates & Joint Venture		0.25	0.97
XIII	**Profit / (Loss) for the Year (XI+XII)**		**1,867.57**	**1,426.10**
XIV	Other Comprehensive Income			
	Items not to be reclassified to Profit or Loss:	36		
	- Net Actuarial gains/(losses) on defined benefit plans		(10.75)	(0.03)
	- Income Tax expenses/(savings) on net actuarial gains/(losses) on defined benefit plans		(4.04)	(0.01)
	Total other comprehensive income for the year(net of income tax) (XIV)		**(6.71)**	**(0.02)**
XV	**Total Comprehensive Income for the Year (XIII+XIV) (Comprising Profit/(Loss) and other Comprehensive Income)**		**1,860.86**	**1,426.08**
XVI	Profit attributable to			
	- Owners of the company		1,854.09	1,395.68
	- Non Controlling Interest (NCI)		13.48	30.42
XVII	Total Comprehensive Income attributable to			
	- Owners of the company		1,847.54	1,395.66
	-Non Controlling Interest (NCI)		13.32	30.42
XVIII	Earnings per Equity Share from continuing operations (before adjustment of Net Regulatory Deferral Balances):			
	(1) Basic (in ₹)	37	8.66	22.12
	(2) Diluted (in ₹)		8.66	22.12
XIX	Earnings per Equity Share from continuing operations (after adjustment of Net Regulatory Deferral Balances):			
	(1) Basic (in ₹)	37	13.47	10.28
	(2) Diluted (in ₹)		13.47	10.28

The Accompanying Notes 1 to 63 forms an integral part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS: 8591

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE)
DIN: 09625170

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

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

For M/s. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Consolidated Statement of Changes in Equity

for the Year Ended March 31, 2024

A. Equity Share Capital

(₹ in Crore)

	No of Shares	Amount
Balance as at 1st April, 2023	1,38,66,36,609	1,386.64
Movement during the financial year	-	-
Closing balance as at 31st March, 2024	**1,38,66,36,609**	**1,386.64**
Balance as at 1st April, 2022	1,38,66,36,609	1,386.64
Movement during the financial year	-	-
Closing balance as at 31st March, 2023	**1,38,66,36,609**	**1,386.64**

B. Other Equity

(₹ in Crore)

Particulars	Retained Earnings and Other Reserves							Total
	KFW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Other Comprehensive income	
Balance as at 01.04.2023	367.23	140.00	1,457.00	291.07	123.58	11,461.02	(57.70)	13,782.20
Changes in accounting policy or prior period errors								
Total Comprehensive Income for the year								
Profit or loss						1,867.57		1,867.57
Other comprehensive income						-	(6.71)	(6.71)
Total Comprehensive Income	-	-	-	-	-	**1,867.57**		**1,860.86**
Dividend paid :								
- Interim dividend -(FY 2023-24)						(208.00)		(208.00)
- Final dividend (FY 2022-23)						(277.33)		(277.33)
Appropriations- Transfer from / (to) Retained Earnings	1.98	10.00	-	-	(3.58)	(8.40)		-
Other changes :								
- Non Controlling Interest	-	-	-	-	-	(13.32)	-	(13.32)
								-
Balance as at 31.03.2024	**369.21**	**150.00**	**1,457.00**	**291.07**	**120.00**	**12,821.54**	**(64.41)**	**15,144.41**

(₹ in Crore)

Particulars	Retained Earnings and Other Reserves							Total
	KFW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Other Comprehensive Income	
Balance as at 01.04.2022	362.90	130.00	1,457.00	291.07	109.29	10,509.96	(57.68)	12,802.54
Changes in accounting policy or prior period errors								
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	-	-	-	-	-	**1,426.10**	**(57.70)**	**1,426.08**
Dividend and Dividend Taxes paid :								
- Interim dividend						(208.00)		(208.00)
- Final dividend						(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**	**11,461.02**	**(57.70)**	**13,782.20**

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS: 8591

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE)
DIN: 09625170

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. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Consolidated Statement of Cash Flow

for the Year Ended March 31, 2024

(₹ in Crore)

Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
A.Cash flow from operating activities:				
Net Profit Before Tax		2,881.64		2,055.79
Adjustments for:				
Less:				
Profit on Disposal of Asset	3.39		7.49	
Interest Income	94.69		48.51	
Deferred income on govt grant	5.75		5.74	
	103.83		**61.74**	
Add:				
Depreciation	1,824.89		1,800.79	
Other non cash charges	489.88		(439.74)	
Provision for loss on asset	13.26		0.31	
Interest expense	849.30		902.30	
	3,177.33	3,073.50	**2,263.66**	2,201.92
Operating Profit before working capital changes		**5,955.14**		**4,257.71**
Adjustments for :				
Trade receivables		409.55		(715.47)
Loans & advances		(74.33)		(128.00)
Inventories & other current assets		387.97		(947.48)
Trade payables & other current liabilities		(464.30)		1,864.18
Cash Flow generated from Operations		**6,214.04**		**4,330.94**
Direct Taxes paid		(611.97)		(158.78)
Cash Flow Before Extraordinary Items		**5,602.07**		**4,172.16**
Grants received		21.66		(0.84)
Net Cash from operating activities		**5,623.73**		**4,171.32**
B. Cash flow from investing activities:				
Purchase of property, plant and equipment / preliminary expenses		(3,259.43)		(2,603.37)
Sale of property, plant and equipment / Projects from continuing operations		11.66		50.19
Sale/Purchase of Investments		(0.01)		0.00
Interest Received		96.52		54.60
Net Cash used in investing activities		**(3,151.26)**		**(2,498.58)**
C. Cash flow from financing activities:				
Short Term Borrowings (Net)		(653.82)		594.45
Long Term Borrowings (Net)		727.55		(347.10)
Payment of lease obligations		(20.76)		(2.62)
Interest paid		(1,917.82)		(1,804.39)
Money received from rights issue		378.26		253.31
Dividend Paid		(498.49)		(428.32)
Net Cash used/received in financing activities		**(1,985.08)**		**(1,734.68)**
Net increase, decrease(-) Cash and Cash equivalents		487.39		(61.93)
Cash and cash equivalents as at the beginning of the year		77.48		139.41
Cash and cash equivalents as at the end of the year		564.87		77.48

Note : (-) Indicates Cash Outflow.

Consolidated Statement of Cash Flow (Contd.)

for the Year Ended March 31, 2024

Details of Cash and Cash Equivalents:	AS AT March 31, 2024	AS AT March 31, 2023
Cash in Hand	0.01	-
Cash at Bank in Current Accounts	109.86	77.48
Cash at Bank in Deposit Accounts	455.00	-
Total	**564.87**	**77.48**

For and on behalf of the Board of Directors

R. Udhayashankar
COMPANY SECRETARY
FCS: 8591

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE)
DIN: 09625170

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. MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
Firm Regn No: 001997S

M.S.N.M. SANTOSH
PARTNER
M.NO. 221916

For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Chennai
Date : 15.05.2024

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies

For the year ended March 31, 2024

(Expressed ₹ in crore, unless otherwise stated)

Reporting entity

NLC India Limited ("NLCIL" or "the Group"), is a Government Group (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 Group'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.

The Group Classifies its assets & liabilities as current / non current in the balance sheet considering 12 months period as normal operating cycle.

Deferred tax assets/liabilities are classified as non-current.

Notes to Consolidated Financial Statements

NOTE 1: Material 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.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if,

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

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

In accordance with Ind AS101, 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 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 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.

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 and are having value of more than ₹ 5 lakhs are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit or Loss on consumption.

Notes to Consolidated Financial Statements

NOTE 1: Material 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 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.

Subsequent capitalisation:

Subsequent material expenditure incurred for bringing land into minable conditions are also capitalised as additional expenditure to land.

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 Consolidated Financial Statements

NOTE 1: Material 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.

However, the cost of land which is not expected to be used after the linked asset has completed its effective life is amortized over the effective life of linked asset.

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 for 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.

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

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

On transition to Schedule II of the Companies Act, 2013, assets partially depreciated has been migrated as per the Companies Act, 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of the 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 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.

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

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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.

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 rate 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.

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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 has expired, 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, due to transfer of either 'risk & rewards' or 'control' of such financial asset.

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.

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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.

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 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.

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

X. Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

XI. 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.

XII. 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.

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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.

XIII. 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.

XIV. 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.

XV. 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.

XVI. 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.

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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.

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 Regulations / 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 operations 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.

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Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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.

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.

XVII. 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.

XVIII. 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.

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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; and
- 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;

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.

XIX. 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.

XX. 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.

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

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

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'.

XXI. 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 liabilities are disclosed when there is (i) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or (ii) a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

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

Notes to Consolidated Financial Statements

NOTE 1: Material Accounting Policies (Contd.)

XXII. 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.

XXIII. 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.

XIV. 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.

XXV. 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.

XXVI. Cash Flow Statement

Cash Flow Statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

XXVII. 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

Non-Current Assets

NOTE 2: Property, Plant and Equipment

(₹ Crore)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2023	Additions Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2024	As at 01.04.2023	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land										
Freehold Land	782.23	7.99	1.44	788.78	-	-	-	-	788.78	782.23
Lease hold Mining Land	354.95	49.70	-	404.65	23.92	-	11.63	35.55	369.10	331.03
Mining Land	785.35	169.92	-	955.27	699.23	-	46.17	745.40	209.87	86.12
Roads	171.65	20.64	0.59	191.70	100.82	0.46	8.66	109.02	82.68	70.83
Buildings	873.38	24.46	4.72	893.12	133.59	1.55	22.07	154.11	739.01	739.79
Electrical Installations	232.99	16.29	0.35	248.93	149.81	0.13	11.85	161.53	87.40	83.18
Water Supply & Drainage	521.62	2.42	0.51	523.54	119.12	0.30	26.28	145.10	378.44	402.50
Plant & Machinery	29,975.78	488.35	110.81	30,353.32	9,534.02	46.82	1,617.02	11,104.22	19,249.10	20,441.76
Furniture & Equipment	165.33	59.53	7.87	216.99	64.55	6.48	23.26	81.33	135.66	100.78
Vehicles	71.48	38.66	0.89	109.25	40.64	0.14	8.58	49.08	60.17	30.84
Railway Siding	-	295.52	-	295.52	-	-	0.82	0.82	294.70	-
Assets Costing ₹ 5,000 and below	1.88	2.19	0.07	4.00	1.88	0.07	2.19	4.00	-	-
Mine Development										
Mine-I	206.97	-	-	206.97	206.97	-	-	206.97	-	-
Mine-IA	518.13	-	-	518.13	113.17	-	21.31	134.48	383.65	404.96
Mine-II	348.51	-	-	348.51	192.56	-	25.99	218.55	129.96	155.95
Barsingsar Mine	110.85	-	-	110.85	50.78	-	10.01	60.79	50.06	60.08
Talabira Mines	123.10	-	-	123.10	12.32	-	6.16	18.48	104.62	110.78
Total	**35,244.20**	**1,175.68**	**127.25**	**36,292.63**	**11,443.37**	**55.95**	**1,842.00**	**13,229.43**	**23,063.20**	**23,800.83**
Previous Year	**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**	

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 30.09.2020. The net block of TPS-I assets as on 31.03.2024 amounting to ₹ 47.45 Crore are reclassified held for sale as per the requirements of IND AS 105 (Refer Note no 13). 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.

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) Based on physical verification of assets FY 2018-19, FY 2020-21and FY 2022-23 (including conveyor belts and pipes) the net block of ₹ 13.26 crore were written off during the year.

Notes to Consolidated Financial Statements

NOTE 2: Property, Plant and Equipment (Contd.)

k) Based on physical verification of assets in the previous years, the net book value which are not available has been provided and the same are included as part of asset register.

l) In respect of NTPL (Subsidiary company), 11.64 Acres of freehold land was acquired by Tamil Nadu State Highways Authority during the year.

m) Refer Note no 18(a) for the property, plant and equipment pledged as security by the Group.

n) Pursuant to Supplementary audit conducted by Comptroller of Auditor General of India under section 143(6)(a) of Companies Act 2013, additional disclosures has been given as follows:

   i) NIRL, a wholly owned subsidiary of NLCIL was incorporated on 14.06.2023 for taking over of the existing renewable assets of 1420 MW with net book value (as on 31.03.2024) of ₹ 5107 crore under Asset Monetization. Transfer of the asset etc. is under process and exemption of Income Tax is awaited from GoI.

   ii) Freehold land includes 122.62 Ha having book value of ₹ 5.27 crore which was transferred to the District Collector, Govt of Tamilnadu, vide Gift Deed in May 2024.

NOTE 3: Right-of-Use Assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2023	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2024	As at 01.04.2023	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land	88.72	19.45	-	108.17	27.16	-	2.19	29.34	78.83	61.56
Building	1.79	0.70	-	2.49	1.06	-	0.49	1.55	0.94	0.73
Vehicle	3.26	0.15	-	3.41	1.92	-	0.62	2.54	0.86	1.34
Plant and Machinery	16.44	5.61	-	22.05	2.24	-	1.47	3.71	18.34	14.20
Total	**110.21**	**25.90**	**-**	**136.11**	**32.38**	**-**	**4.77**	**37.14**	**98.97**	**77.83**
Previous Year	**109.21**	**1.14**	**0.14**	**110.21**	**28.63**	**0.14**	**3.89**	**32.38**	**77.83**	

NOTE 4: Intangible Assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2023	Additions/ Transfers	Disposals/ Trans./ Adjt.	As at 31.03.2024	As at 01.04.2023	Withdrawals/ Trans./ Adjt.	For the Year	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Software	44.33	1.79	0.53	45.59	29.20	0.07	6.87	36.00	9.59	15.13
Mining license	197.56	66.65	-	264.21	33.17	-	11.96	45.13	219.08	164.39
Total	**241.89**	**68.44**	**0.53**	**309.80**	**62.37**	**0.07**	**18.83**	**81.13**	**228.67**	**179.52**
Previous Year	238.73	3.16	0.00	241.89	48.90	0.00	13.47	62.37	179.52	

a) There is no impairment loss identified for the assets during the year.

b) Mining Rights represents license obtained to operate coal and lignite mines which is capitalized in lines with the CERC regulations of tariff period 2019-24.

Notes to Consolidated Financial Statements

NOTE 5: Capital Work-in-Progress

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023	
Plan Expenditure				
i) Neyveli New Thermal Plant				
Supply and Erection	735.97		175.51	
Expenditure during Construction	-	735.97	-	175.51
ii) Bithnok Project *				
Supply and Erection	11.85		11.85	
Expenditure during development	12.51	24.36	12.51	24.36
iii) Barsingsar Extension & Hadla Mines *				
Supply and Erection	9.11		9.11	
Expenditure during development	17.19	26.30	17.19	26.30
iv) Mine-IA Expansion				
Supply and Erection	4.06		-	
Expenditure during Development	1.91	5.97	1.91	1.91
v) Talabira II & III Mine				
Expenditure on Land Acquisition	350.64		248.60	
Expenditure during Development	0.01	350.65	0.01	248.61
vi) Odisha Thermal Power Project				
Expenditure on Land Acquisition	95.94		57.79	
Expenditure during Construction	31.87	127.81	15.16	72.95
vii) TPS II - 2nd Expansion				
Supply and Erection	-		-	
Expenditure during Construction	62.26	62.26	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	2.04	2.04
x) Solar 300 MW - Barsingsar				
Supply and Erection	195.28		-	
Expenditure during Construction	6.05	201.33	6.14	6.14
xi) Solar 200 MW - Gujarat				
Supply and Erection	-		-	
Expenditure during Construction	5.29	5.29	-	-
xii) Solar 50 MW - MINE II (Captive)				
Supply and Erection	-		-	
Expenditure during Construction	0.09	0.09	-	-
xiii) Wind 50 MW - Hybrid				
Supply and Erection	-		-	
Expenditure during Construction	0.06	0.06	-	-

Notes to Consolidated Financial Statements

NOTE 5: Capital Work-in-Progress (Contd.)

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023	
xiv) North Dhadu (Western Part) Coal Project				
Supply and Erection	-		-	
Expenditure during development	4.48	4.48	-	-
xv) MINE III				
Supply and Erection	-		-	
Expenditure during Development	42.87	42.87	42.64	42.64
xvi) NLC Tamil Nadu Power Limited				
Supply and Erection	532.90		286.96	
Expenditure during Development	-	532.90		286.96
xvii) Neyveli Uttar Pradesh Power Limited				
Supply and Erection	10,060.34		9,829.92	
Expenditure during Development	5,209.12	15,269.46	3,507.87	13,337.79
xviii) NLC India Green Energy Limited				
Supply and Erection	-		-	
Expenditure during Development	0.76	0.76	-	-
Non- Plan Expenditure				
Supply and Erection	162.61		156.39	
Land Acquisition	162.08		122.71	
Capital Goods in Stock & Transit	9.20	333.89	32.83	311.93
TOTAL		**17,726.49**		**14,636.34**

* Project on Hold. Discussions are underway with various stakeholders for revival of the project. Refer Note No. 24

CWIP Ageing schedule FY 2023-24

(₹ 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 :	2,831.68	2,546.93	1,728.04	10,228.60	17,335.26
2) Projects that are temporarily suspended	-	-	-	57.34	57.34
B) Non Plan Expenditure	194.91	82.98	30.37	25.63	333.89
Total	**3,026.59**	**2,629.91**	**1,758.41**	**10,311.57**	**17,726.49**

CWIP Ageing schedule FY 2022-23

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 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**

Notes to Consolidated Financial Statements

NOTE 6: Assets Under Development

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Preliminary project expenditure	21.82	21.82
Less: Provisions	21.82	21.82
	-	-

Provisions includes the expenditure incurred for various projects which has not been taken up for further development, pending formalities for write off.

NOTE 7: Financial Assets

A. Investments

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
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)	6.26	6.23
Add: Share of Profit/ (loss) in MNH Shakti (15% Stake)	0.19	0.03
	6.45	**6.26**
(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)	1.33	0.39
Add: Share of Profit/ (loss) in CLUVPL (50% stake)	0.06	0.94
	1.39	**1.33**
Total Investment in associate and Joint venture	**7.84**	**7.59**

B. Trade receivables

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Unsecured		
i. considered good	274.91	465.42
	274.91	**465.42**

As per the Late payment surcharge rules notified by Ministry of Power on 3rd June, 2022 one DISCOM had opted ₹ 910.92 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.

C. Loans

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties		
Considered good -Secured	0.09	0.04
Considered good -Unsecured	-	0.04
Other Loans : Loans to Employees		
Considered good -Secured	11.03	22.84
Considered good -Unsecured	4.46	12.03
	15.58	**34.95**

Notes to Consolidated Financial Statements

NOTE 7: Financial Assets (Contd.)

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 (CY: ₹ 0.09 Crore) (PY: ₹ 0.08 Crore) due from Key Management Personnel's. The details of transactions with Key Management Personnel's are mentioned in note no. 42.

D. Other Non-Current Financial Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Mine Closure Deposits	639.41	497.48
Margin for Bank Guarantee & Letter of Credit	86.06	29.10
Security Deposits	9.58	9.60
	735.05	**536.18**

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 on renewal. All the deposits are renewed every year. Fresh Deposits made during the year FY 2023-24 amounting to ₹ 106.67 crore which includes deposits amounting to ₹ 54.64 crore for the FY 2024-25.

Notes to Consolidated Financial Statements

NOTE 8: Other Non-Current Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured considered Good		
Capital Advances	1,211.34	1,555.12
Unsecured considered Good		
Capital Advances	329.13	75.34
Others	123.50	123.72
	1,663.97	**1,754.18**

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 ₹ 255.79 crore as on 31.03.2024 (₹ 427.16 crore as on 31.03.2023) 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) M/s BGRESL had informed to National Stock Exchange of India Limited regarding their lending banks having classified credit exposure of the company as ""Sub-standard"" pursuant to RBI Divergent Report (NPA). In view of this development, NUPPL has taken up the matter with M/s BGRESL and asked their plan for Completion of Balance of Plant (BoP) GA-3 Package and repayment of advances given. However, the value of Bank Guarantee and total liability/Retention money is more than amount of outstanding from M/s BGRESL.

Current Assets

NOTE 9: Inventories

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials- Lignite	327.59	201.78
Raw Materials- Coal	242.43	165.23
Solid/Hollow/Fly Ash Bricks	2.81	0.99
Goods-in-transit (Stores and Spares)	166.07	100.43
Stores and Spares	792.13	753.09
Less: Provision for obsolete/unserviceable stores and spares	47.40	39.01
	1,483.63	**1,182.51**

a) Inventories are valued as per the accounting policy no.III

b) Refer Note no. 22 (a) for information on inventory pledged as security by the Group.

NOTE 10: Financial Assets

A. Trade receivables

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Secured, considered good	863.83	763.40
b) Unsecured		
i. considered good	2,907.75	3,501.07
ii. credit impaired	470.57	196.72
	4,242.15	**4,461.19**
Less: Loss allowances on debtors	470.57	196.72
	3,771.58	**4,264.47**

Notes to Consolidated Financial Statements

NOTE 10: Financial Assets (Contd.)

a) Based on arrangements among NLCIL, Banks and DISCOMs' certain bills which are due from the DISCOMs' have been discounted periodically. Accordingly, trade receivables have been disclosed net of bills discounted amounting to ₹ 5,977.00 crore (31 March 2023 ₹ 4,626.36 crore). NLCIL is bound to repay the same to the banks in the event of default by the beneficiaries. However bills discounted which are yet to be honoured by the beneficiaries are shown under contingent liabilities.

b) The Company has reviewed its outstanding debtors balance as on 31st March'2024. 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 ₹ 470.57 crore (PY ₹ 196.72 crore) has been retained towards loss allowances on outstanding debtors balance as on March 31, 2024.

c) Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28/06/2019 w.e.f. 01/08/2019 as Payment Security Mechanism under Power Purchase Agreements.

d) The Company has billed various DISCOMs an amount of ₹ 386.51 Crores during the previous financial year 2022-23 towards income tax recoverable as per the CERC tariff Regulations for different Tariff periods in respect of payments made under 'Vivad Se Vishwas Scheme' (VSVS). While few DISCOMs have paid ₹ 68.39 Crores, some of the DISCOMs have disputed this claim and initiated legal proceedings which are pending for adjudication.

   Accordingly, during the year, the Company has provided an amount of ₹ 122.13 Crores. However, the Company is of the opinion that the entire balance outstanding amounting to ₹ 318.12 Crores is recoverable.

e) A detailed ageing analysis of trade receivable has been provided in note No 51.

f) Dues receivable through interest free installment scheme as per MOP Late payment surcharge rules amounting to ₹ 220.01 crore.

g) Pending final order from CERC an amount of ₹ 1,112.85 crore was withheld by a DISCOM.

B. Cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Bank Balance		
- Current Account	109.86	77.48
- Short Term Deposits	455.00	-
ii) Cash and Stamp on hand	0.01	-
	564.87	**77.48**

(a) Stamps on hand as on 31.03.2024 - ₹ 28,289 /- (31.03.2023 - ₹ 44,908/-)

(b) Cash on hand as on 31.03.2024 - ₹ 87,204 /- (31.03.2023 - NIL)

C. Bank balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid Dividend Account Balance	2.31	2.23
Earmarked deposits with Banks :-		
i) Endowment fund in the name of NLC Schools	0.53	0.51
ii) PRMA Deposit	120.00	123.60
iii) Security for Bank Guarantee	2.82	2.67
iv) Margin for Bank Guarantee & Letter of Credit	45.59	19.07
v) Multi Option Deposit (MOD)	0.54	19.58
vi) Land for Fly Ash deck	0.44	0.44
vii) Unspent CSR deposit	8.47	5.85
viii) Deposit for Coal Mining	0.02	0.02
	180.72	**173.97**

Notes to Consolidated Financial Statements

NOTE 10: Financial Assets (Contd.)

a) In order to meet the post retirement medical expenditure of employees retired before 1st January, 2007, the Company will maintain a minimum corpus of 3 years' requirements i.e. ₹ 120 Crore 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 on 24th March, 2024 and renewed on 25th March, 2024.

b) Margin for bank guarantee includes ₹ 33.12 crore (PY ₹ 16.29 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

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties		
Considered good -Secured	0.03	-
Considered good -Unsecured	-	-
Other Loans : Loans to employees		
Considered good -Secured	9.24	1.40
Considered good -Unsecured	12.58	4.62
	21.85	**6.02**

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.

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.

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Due by Officers	0.14	0.04
(ii) Maximum amount due at any time during the year	0.04	0.09
(i) Due by Directors	-	0.01
(ii) Maximum amount due at any time during the year	0.01	0.01

E. Other Financial Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Interest Accrued	29.43	31.26
ii) Unbilled Revenue	1,402.12	2,992.73
iii) Fixed Deposits	0.06	5.00
iv) Insurance Claim Receivable	52.97	50.00
	1,484.58	**3,078.99**

Notes to Consolidated Financial Statements

NOTE 10: Financial Assets (Contd.)

a) Interest Accrued includes interest due on loans givens to employees, and interest on various deposits such as PRMA etc.

b) Unbilled Revenue includes ₹ 1,098.35 crore (PY - ₹ 1,013.75 crore) of billing done after March 31, for Sale of Power related to March 2024. In addition to that based on the outcome of APTEL/CERC order with respect to pooling of O&M with respect to Neyveli mines for the tariff period 2009-14, the resulting impact has been considered under the unbilled debtors as on 31.03.2024.

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 ₹ 38.31 Crore was recognized in the current financial year.

NOTE 11: Current Tax Asset (Net)

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Income Tax	828.91	496.66
Less : Provision for Tax	549.54	227.97
	279.37	**268.69**

NOTE 12: Other Current Assets

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Disposable / Dismantled Assets, Spares	8.51	5.73
Prepaid Expenses	116.97	104.25
Advances other than capital advances (unsecured)		
i. Considered good		
- Staff Advances	43.79	58.56
- for purchase of Coal	35.30	83.04
- for purchase of Fuel Oil	-	
- for Rail Freight	4.20	3.18
- Others	338.28	198.92
ii. Considered doubtful	2.79	2.79
Less: Provision for doubtful advances	2.79	2.79
BG encashable	490.68	-
Deposits With Govt. Authorities		
- Towards Goods and Service Tax	0.03	
- Towards Royalty	8.84	8.84
- Towards Advance TDS	0.21	0.23
- Port Trust and Customs authorities	10.71	10.70
- VAT appeal	112.43	112.43
Discount on commercial paper	3.82	6.42
GST receivable	107.23	41.72
TCS receivable	0.39	0.35
Escrow with RITES Limited	13.00	4.10
Other Receivables	197.59	89.53
	1,491.98	**728.00**

a) Advances other than capital advances-Staff advance includes advances paid towards PRP/UIS pending final rating of employees & the Group.

b) Advances other than capital advances -Other advances represents advances given to contractors and suppliers in ordinary course of supply of goods and services.

Notes to Consolidated Financial Statements

NOTE 12: Other Current Assets (Contd.)

c) Commercial Paper to the tune of ₹ 1000 crore is outstanding as on 31.03.2024 drawn at a coupon rate ranging from 7.73% to 7.94% p.a. These are unsecured loans repayable on respective due dates. The discount on commercial paper represents the unamortised portion of finance charges.

d) M/s BGRESL vide letter dated 5th April 2024 had informed NSE and BSE that Petition against M/s BGRESL has been admitted in the Corporate insolvency Resolution Process. Therefore, to protect the company (NUPPL) interest, available BGs (₹ 490.68 Crore) of M/s BGRESL have been encashed, out of which ₹ 400.63 Crore has been adjusted against initial advance and ₹ 90.05 Crore has been retained against performance guarantee. However, on 15.04.2024 IRP proceedings have been dismissed by honorable NCLAT, Chennai. The recovery of advance as on 31.03.2024 is not doubtful as amount payable along with Bank Guarantee is more than the amount recoverable.

NOTE 13: Assets held for sale

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Building	1.86	-
Plant and Machinery	45.32	-
Others	0.27	-
	47.45	**-**

All units of Thermal Power Station -I has been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2024 are reclassified held for sale as per the requirements of IND AS 105. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

NOTE 14: Regulatory Deferral Account Debit Balances

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Foreign Currency Fluctuation	121.06	134.24
Gratuity	-	-
Wage Revisions	-	-
Other items recoverable as per CERC Order/Regulations	1,349.70	1,219.94
Others	330.34	440.55
	1,801.10	**1,794.73**

a) The regulatory deferral accounts balances has been accounted in line with the Group's accounting policy. Refer note no 49 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 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 assets during FY 2020-21. Pending approval the said amount is being carried forward.

An amount of ₹ 22.78 crore (PY: ₹ 23.33 crore) has been considered as regulatory income/assets based on the revised mine plan.

d) During the year, the Company has received the provisional tariff order for the period 2019-24 of Barsingsar thermal power station. Consequent to receipt CERC order, regulatory assets created earlier has been reversed in the current year.

e) 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.

Notes to Consolidated Financial Statements

NOTE 15: Equity Share Capital

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
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 2023)	2,000.00	2,000.00
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 2023)	1386.64	1386.64
(Equity Shares being 1,00,11,56,562 (previous year 1,09,82,21,224) shares being 72.20% (PY :79.20%) are held by the President of India.)		
	1,386.64	**1,386.64**

(₹ in Crore)

A. Movement in Share Capital during the year	As at March 31, 2024	As at March 31, 2023
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.

(₹ in Crore)

C. Shareholders holding more than 5% of shares	As at March 31, 2024	
	No. of Shares (face value @ 10)	% of holding
President of India	1,00,11,56,562	72.20%
Nippon Life India Trustee Ltd	7,02,39,520	5.07%

(₹ in Crore)

Shareholders holding more than 5% of shares	As at March 31, 2023	
	No. of Shares (face value @ 10)	% of holding
President of India	1,09,82,21,224	79.20%

(₹ in Crore)

D. Shares held by Promoters at the end of the year	No. of Shares	% of holding	% of change in holding
President of India	1,00,11,56,562	72.20%	7.00%

During the year, the promoter has disinvested 9,70,64,662 shares upto 7% of holding

(₹ in Crore)

E. Dividends	As at March 31, 2024	As at March 31, 2023
i) **Dividends paid and recognised during the year**		
- Final dividend for the year ended 31st March 2023 of ₹ 2.00 (31st March 2022 ₹ 1.5) per fully paid equity share	277.33	208.00
- Interim dividend for the year ended 31st March 2024 of ₹ 1.5 (31st March 2023 ₹ 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 NLCIL have recommended the payment of final dividend @15% amounting to ₹ 1.5 per share for FY 2023-24 (31 March 2023: ₹ 2.00 per share which will be paid subject to approval of shareholders in the AGM.	208.00	277.33

Notes to Consolidated Financial Statements

NOTE 15: Equity Share Capital (Contd.)

(₹ in Crore)

F. Movement in Equity Shares Last Five Years preceding 01.04.2023	As at March 31, 2023
Number of Shares as on 01.04.2018	1,52,85,68,427
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23	
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23	
Aggregate number and class of shares bought back FY 2018-19, FY 2019-20, FY 2020-21 FY 2021-22 &FY 2022-23	14,19,31,818
Number of Shares as on 31.03.2023	1,38,66,36,609

Shares bought back 14,19,31,818 no's. during the FY 2018-19.

NOTE 16: Other Equity

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) **Retained Earnings**	12,821.54	11,461.02
ii) **Other Comprehensive Income**		
Remeasurement of actuarial gains/ (losses) and interest cost	(64.41)	(57.70)
a) **Total Retained Earnings (i + ii)**	**12,757.13**	**11,403.32**
b) **Other Reserves**		
KfW Interest Differential Reserve	369.21	367.23
General Reserve	1,457.00	1,457.00
Contingency Reserve	150.00	140.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	120.00	123.58
Total (b)	**2,387.28**	**2,378.88**
Total Other Equity (a + b)	**15,144.41**	**13,782.20**

A. Retained Earnings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	11,461.02	10,509.96
Addition during the year	1,860.86	1,426.08
i) Retained Earning available for Appropriation	**13,321.88**	**11,936.04**
Less: Appropriations		
Transfer to / from Interest Differential Fund Reserve	1.98	4.33
Transfer to Contingency Reserve	10.00	10.00
Transfer to PRMA Reserve Fund	(3.58)	14.29
Interim Dividend	208.00	208.00
Final Dividend	277.33	208.00
Non Controlling Interest (NCI)	13.32	30.42
ii) Other Comprehensive Income		
Remeasurement of Actuarial Gain/(loss)	(6.71)	(0.02)
Closing Balance	**12,821.54**	**11,461.02**

B. Other Reserves

(₹ in Crore)

KfW Interest Differential Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	367.23	362.90
Transfer from Retained Earnings	24.66	25.13
Less : Withdrawal / Adjustment during the year	22.68	20.80
Closing Balance	**369.21**	**367.23**

Notes to Consolidated Financial Statements

NOTE 16: Other Equity (Contd.)

The Group sets aside a reserve equivalent to the amount in Rs. 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.

(₹ in Crore)

General Reserve	As at March 31, 2024	As at March 31, 2023
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**

(₹ in Crore)

Contingency Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	140.00	130.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal / Adjustment during the year	-	-
Closing Balance	**150.00**	**140.00**

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

(₹ in Crore)

Capital Redemption Reserve	As at March 31, 2024	As at March 31, 2023
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 purchases 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.

(₹ in Crore)

PRMA Reserve Fund	As at March 31, 2024	As at March 31, 2023
Opening Balance	123.58	109.29
Transfer from Retained Earnings	-	14.29
Less : Withdrawal / Adjustment during the year	3.58	-
Closing Balance	**120.00**	**123.58**

Reserve towards Post Retirement Medical Assistance (PRMA) provided to retired employees and their spouse.

NOTE 17: Non Controlling Interest

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) NLC Tamilnadu Power Ltd. (NTPL)	308.32	307.38
b) Neyveli Uttar Pradesh Power Limited (NUPPL)	2,526.85	2,149.44
	2,835.17	**2,456.82**

Notes to Consolidated Financial Statements

Non-Current Liabilities

NOTE 18: Financial Liabilities

A. Borrowings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
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	2,555.48	2,243.52
- Power Finance Corporation Ltd.	7,010.35	7,140.93
- Rural Electrification corporation Ltd.	5,124.64	4,551.23
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	45.38	49.09
- 40.64 Million Euro (43.44 Million Euro)-II	314.87	338.40
# Guaranteed by the Government of India.		
	19,225.72	**18,498.17**

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 ₹ 3000 Crore was availed from M/s. Power Finance Corporation Ltd. and outstanding amount as at 31.03.2024 is ₹ 1800 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 31.03.2020. The interest rate as on 31.03.2024 is @ 8.81% p.a. (on the basis of 3 year AAA Reuter rate i.e. 7.96% p.a plus fixed spread 0.85%).

ii) NLCIL Bonds 2021 Series-I was issued on 12.02.2021 for an amount of Loan of ₹ 1175 Crore @ 6.05% p.a. The Bond is unsecured and will be repayable by bullet payment on 12.02.2026.

iii) NLCIL Bonds 2021 Series-II was issued on 20.12.2021 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 13.04.2032.

iv) M/s. The South Indian Bank has sanctioned Rupee Term loan of ₹ 581 Crore out of which ₹ 116.20 Crore was drawn and the undrawn amount is ₹ 464.80 Crore as on 31.03.2024. The outstanding balance as on 31.03.2024 is ₹ 5,000. This Loan is secured by pari passu charge by hypothecation of Non-Current assets of NNTPS, repayable in 10 equal bi-annual instalments commencing from 30.09.2023. The interest rate as on 31.03.2024 is @ 7.44% p.a. (on the basis of 3M Treasury Bill-FBIL rate i.e. 6.90% p.a plus fixed spread 0.54%).

v) M/s. Indian Overseas Bank has sanctioned Rupee Term loan of ₹ 1078 Crore for FGD and other additional scope, and the entire sanctioned amount is undrawn as on 31.03.2024. This Loan is secured by hypothecation of Non-Current Assets of additional Scope NNTPS, repayable in 10 equal bi-annual instalments commencing from 30.04.2025. The interest rate as on 31.03.2024 is @ 7.71% p.a. (on the basis of RBI Repo rate i.e. 6.50% p.a plus fixed spread 1.21%).

Notes to Consolidated Financial Statements

NOTE 18: Financial Liabilities (Contd.)

b. 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 interest rate is on the basis of 5 Year G-Sec rate plus 1.22% fixed spread. Repayment for the loan was started from September'2019 in 10 equal half-yearly instalments and the loan was fully repaid on 08.03.2024. 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 31.03.2024 is ₹ 44.96 Crore. The interest rate as on 31.03.2024 is 8.39% p.a (On the basis of 5 Year G-Sec Rate i.e. 7.19% 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 31.03.2024 is ₹ 45.55 Crore. The interest rate as on 31.03.2024 is 8.40% p.a. (on the basis of 5 Year G-Sec rate i.e. 7.20% 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.

c. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with SBI for an amount of ₹ 2,552 Crore. Out of the facility, ₹ 2,319 Crore was drawn & outstanding amount as on 31.03.2024 is ₹ 1,425.24 Crore. The Interest rate as on 31.03.2024 is 8.55% p.a. (on the basis of 6 Month MCLR rate @ 8.55%). This loan is repayable in 20 equal half-yearly instalments, first repayment started on 31.12.2020. 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 300 MW Solar Power Project at Barsingsar, Rajasthan, borrowing arrangement has been done with M/s. IndusInd Bank Limited for an amount of ₹ 1000 Crore and entire amount is undrawn as on 31.03.2024. The applicable Interest rate is linked to GoI 3 months Treasury Bill published by FBIL plus fixed spread of 1.17% p.a. This loan is repayable in 20 equal half-yearly instalments, first repayment started on 31.03.2025. This loan is secured by hypothecation of 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 31.03.2024 is ₹ 88.65 Crore. The interest rate as on 31.03.2024 is 8.55% p.a (on the basis of 6 Months SBI MCLR) repayable in 20 equal half- yearly instalments starting from 30.09.2021. 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 @ 8.09% p.a. and NLCIL BONDS 2020 SERIES I was issued on 27.01.2020 for an amount of ₹ 525 Crore @ 7.36% p.a. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) Thermal power station (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 ₹ 1184 Crore. These Bonds are repayable on 29.05.2029 & 25.01.2030 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 general purpose.

g. To meet the General Funding arrangement, an unsecured Bonds i.e. NLCIL Bond 2020 Series-II and was issued on 31.07.2020 for ₹ 500 Crore carrying an interest rate of 5.34% p.a. which is repayable through bullet payment on 11.04.2025

h. Bi-annual equal repayment (€ 0.219 Million each) of Foreign Currency loan - I from KfW Germany, commenced from 30.12.2001, ending on 30.06.2036. This loan is unsecured and guaranteed by GoI @ guarantee fee of 1.20%. The outstanding loan, Euro 5.49 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 30.06.2002, ending on 30.06.2037. This loan is unsecured but guaranteed by GoI @ guarantee fee of 1.20%. The outstanding soft loan, Euro 37.84 million carries interest rate @ 0.75% p.a.

Notes to Consolidated Financial Statements

NOTE 18: Financial Liabilities (Contd.)

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.

k. SEBI Circular on ease of doing business and development of corporate bond markets dated 19th October, 2023 provides for raising 25% of the incremental borrowings by the large corporates, done during FY 2022, FY 2023 and FY 2024 respectively by way of issuance of debt securities till Mar 31, 2024. However, after considering the liquidity positions and the size of the Bond requirements, the Company did not raise funds by way of issuing any debt securities during the FY 2023-24.

In respect of NTPL :

l. PFC - Rupee term loan I - Sanctioned and Availed - ₹ 1,184.92 Crore:- Repayable in Twenty (20) equal half-yearly instalments from January 2016 and the rate of interest on the loan as on 31.03.2024 is 9.41% p.a. (on the basis of 3 year AAA Bond rate plus 1.59% fixed spread). The outstanding amount as on 31.03.2024 is ₹ 59.4 crore

m. 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 31.03.2023 is 8.86% (on the basis of 3 year AAA Bond rate plus 1.21% fixed spread).The outstanding amount as on 31.03.2024 is ₹ 325.61 crore

n. 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 31.03.2024 is 8.63% p.a. (on the basis of 1 month MCLR plus 0.28% fixed spread).The outstanding amount as on 31.03.2024 is ₹ 45.25 crore

o. 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 31.03.2024 is 8.70% 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 ₹ 287.625 crore is unavailed as on 31.03.2023. The outstanding amount as on 31.03.2024 is ₹ 285.21 crore

In respect of NUPPL :

p. Rupee Term Loan of ₹ 5,588.84 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%. and ₹ 1000 Crore tied up Indian Overseas Bank @ One year IOB MCLR + Fixed spread of 0.30%.

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 instalments for all the four loans. The first instalment will become due on January 2026 for PFC, REC & IOB and in case of Canara Bank it will become due on June-2026. The subsequent instalments for PFC, REC and IOB will become due for payment on January & July of every year and for in case of Canara Bank subsequent installment will become due on December and June month every year.

B. Lease Liability

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability on		
- Land	10.70	7.12
- Building	0.47	0.38
- Vehicle	0.55	0.95
- PPE	22.00	16.55
	33.72	**25.00**

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 48.

Notes to Consolidated Financial Statements

NOTE 18: Financial Liabilities (Contd.)

C. Other Financial Liability

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital purchase, Capital works-in-progress and other liabilities	677.72	1,660.93
	677.72	**1,660.93**

NOTE 19: Provisions

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Retirement Travel Allowance	158.91	165.48
	158.91	**165.48**

NOTE 20: Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities		
on Depreciation	5,048.26	5,102.87
Deferred Tax Assets		
Deferred tax asset on tax losses/Provisions	324.73	333.07
MAT Credit Entitlement	933.15	1,388.40
Deferred Tax Liabilities (Net)	**3,790.38**	**3,381.40**

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 ₹ 195.62 crore.

NOTE 21: Other Non-Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Mine Closure Liability	589.88	502.00
Deferred Income	133.73	117.99
Others	-	40.29
	723.61	**660.28**

a) Deferred income includes capital grant of ₹ 72.07 crore and ₹ 37.59 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. During the FY 2023-24 company has received grant for the Solar 300 MW and Solar 10 MW smart city project amounting to ₹ 21.02 crore and ₹ 0.46 crore respectively

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 ₹ 9 lakh per hectare for all the open cast Mines. The annual contribution, compounded @ 5% p.a. is deposited in an Escrow account in the name of Coal Controller Escrow account NLC Ltd. Mine., as stipulated by the Coal Controller.

Notes to Consolidated Financial Statements

Current Liabilities

NOTE 22: Financial Liabilities

A. Borrowings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Loans Repayable on Demand		
From Banks (Secured) :		
- Working Capital Demand Loan	747.46	783.34
- Treasury Bill Linked WCDL	-	498.00
From Banks (Unsecured) :		
- Commercial Paper	1,000.00	1,000.00
b) Current maturities of Long Term Debt		
Secured		
- Banks	482.73	752.81
- Power Finance Corporation Ltd.	894.42	744.42
Unsecured		
- Foreign Currency loan from KfW	29.12	28.98
	3,153.73	**3,807.55**

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.

b. In respect of NTPL (a subsidiary)

(i) Bank of India Working Capital loan with Fund based Limit of ₹ 1300 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.

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 31.03.2024 is 7.00% p.a. (on the basis of Repo Rate + Mark Up 2.75% - BSD 2.25%) on Working capital demand loan and 8.55% 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 ₹ 1300 Crore and Non-Fund based Limit of ₹ 200 Crore

(ii) State Bank of India Working Capital loan with Fund based Limit of ₹ 1000 Crore and Non-Fund based Limit of ₹10 Crore (sub-limit of Fund based Limit of ₹ 1000 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.

The outstanding Working Capital loan as on 31.03.2024 is in the form of T-bill linked WCL. This outstanding loan carries interest rate of 7.30% p.a.

(iii) Commercial Paper to the tune of ₹ 1000 Crore is outstanding as on 31.03.2024 drawn at a coupon rate ranging from 7.73% to 7.94% p.a. These are unsecured loans repayable on respective due dates.

Notes to Consolidated Financial Statements

NOTE 22: Financial Liabilities (Contd.)

B. Lease Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability on		
- Land	0.09	0.08
- Building	0.55	0.44
- Vehicle	0.53	0.65
- P&M	1.15	1.25
	2.32	**2.42**

C. Trade Payable

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables :		
- Towards Micro and Small Enterprises	53.51	44.56
- Other than Micro and Small Enterprises *	1,464.19	906.33
	1,517.70	**950.89**

* Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 58.69 Crore (previous year ₹ 48.47 Crore). Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note No-57.

D. Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Interest Accrued but not due Loans:		
- NLCIL Bonds	143.91	143.91
- KfW Germany	0.73	0.78
- Term Loans from Banks & FI's	84.79	18.52
- Working Capital Demand Loan	0.28	0.72
- Commercial Paper	-	
- Treasury Bill	-	0.25
b) Unclaimed Dividend	2.31	2.23
c) Capital Liability	789.82	-
	1,021.84	**166.41**

NOTE 23: Other Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Unutilised Revenue Grant	3.95	3.78
Advance for Fly ash sales	12.21	12.07
Advance and Deposits	912.76	1,024.37
Other liabilities		
- Employees	431.37	295.70
- Statutory	246.04	285.09
- Others	231.38	238.05
	1,837.71	**1,859.06**

Notes to Consolidated Financial Statements

NOTE 23: Other Current Liabilities (Contd.)

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, caution deposits etc. which are to be settled / Adjustment against services / goods received from/to the vendors/Customers.

c) Advances and Deposits include income received in advance w.r.t coal and Fly ash sales and EMD for lignite supply. In addition to that EMD and ASD received from vendors are also included within.

NOTE 24: Provisions

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Short-term Benefit of Leave Salary	66.69	49.87
Post Retirement Medical Benefit	18.63	18.63
Provision for Gratuity & Other	164.63	130.91
Provision for Loss on Assets	84.00	77.64
Provision for Contingencies	166.77	0.97
Provision for unspent CSR	14.53	12.27
	515.25	**290.29**

a) Provision for loss on assets includes provision created on CWIP relating to Bithnok and Barsingsar expansion project amounting to ₹ 40.64 crore.

b) During the year, provision was created for ₹ 19.81 crore against degradation of modules with respect to Solar 10 MW plant.

c) Provision has been made towards the differential mining charges and HPC wages in respect of Talabira Mines amounting to ₹ 162.30 crore which are under dispute

NOTE 25: Regulatory Deferral Account Credit Balances

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Foreign Currency Fluctuation	2.02	22.61
CERC Order/Petition filed with APTEL/Others	2,914.96	3,951.55
	2,916.98	**3,974.16**

a) Amounts under regulatory deferral liabilities as on 31.03.2024 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) Sharing of profits and incentives on additional generation in TS -II on adoption of pooled lignite price considering the cost of Mines – II Expansion.

Notes to Consolidated Financial Statements

NOTE 25: Regulatory Deferral Account Credit Balances (Contd.)

3) NLCIL has filed appealed against the TNERC order challenging the reduction in levelised tariff for Solar 130 MW and Solar 500 MW plants.

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 years.

c) 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 previous year CERC has admitted the review petition for disallowance of additional capitalization, 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. Meanwhile APTEL vide order dated 25.07.2023 has set aside the commission's order in 149/MP/2014 and Hon'ble Commission vide order dated 14.03.2024 has issued revised order for 2009-14 Lignite price truing up where actual O&M expenses have been considered. In view of the order, the Company has considered in Regulatory Expenses cumulatively for ₹ 1,510.71 crore (₹ 182.54 cr including periodic cost has provided in the current year) (PY:1,328.17 Crore) 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.

d) In respect of NLC, CERC has issued revised truing up order for Lignite transfer price 2009-14 in IA no 62/IA/2023 of 149/MP/2014 based on APTEL judgement dated 25.07.2023. Accordingly regulatory deferral liability which has been already created to the tune of ₹ 1,328.98 crs (Including Interest) has been reversed in the books of accounts during FY 2023-24.

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.

e) 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 during the previous year under regulatory deferral liabilities. During the Current year, Company have reversed the liability created and issued credit note to discoms for the same.

f) CERC has issued Tariff order for Barsingsar Mines for the tariff period 2019-24. Hence the regulatory provision earlier recognised amounting to ₹ 40.90 crore has been reversed during the year.

g) 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 ₹ 418.81 crore (PY: 143.54 crore) has been recognised as regulatory liabilities.

NOTE 26: Revenue from Operation

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Sale of Power	10,519.71	13,727.70
Sale of Lignite	648.68	791.70
Sale of Coal	1,757.58	1,515.97
Sale of Fly Ash, other by-products and consultancy charges	148.13	158.65
	13,074.10	**16,194.02**
Less: Transfer to Capital Work in Progress	-	-
Less: Rebate on sale of Power	75.07	28.78
	12,999.03	**16,165.24**

a) Power Sale includes Sale of Power through Trading for FY 2023-24 ₹ 42.87 Crore. (FY 2022-23 ₹ 127.51 Crore).

Notes to Consolidated Financial Statements

NOTE 26: Revenue from Operation (Contd.)

b) Pending disposal of tariff petition for NNTPS for the tariff period 2019-24, beneficiaries are being billed in accordance with the interim order issued by CERC for control period 2019-24 respectively.

c) During the Current year, CERC vide order dated 14.03.2024 has issued revised Lignite truing up order for Period 2009-14. Based on the same, Company has booked revenue for an amount of ₹ 140.71 Crore (which includes billing of TPS I).

d) During the year, the CERC has issued Truing up order for 2014-19 with respect to BTPS and resulting impact has been recognised as revenue amounting to ₹ 87.40 crore. In addition to that CERC has also issued tariff order for BTPS and Barsingsar mines, the resulting impact amounting to ₹ 189.66 crore has been adjusted with the power sales. Consequent to the order received, a sum of ₹ 10.30 Crore were also adjusted on account of water charges, security expenses and power surrender cost thereof that was billed earlier in respect of Barsingsar Mines.

e) Pending disposal of tariff petition in respect of Talabira Mines for the tariff period 2019-24, the company has considered petition rate for the linked thermal plant.

f) Power sales include ₹ 276.36 crore (PY: 212.84 crore) on account of CERC order received issued for pooling of O&M Neyveli mines with respect to tariff period 2009-14 pertaining to TPS-I for FY 23-24 which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-58

NOTE 27: Other Income

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
(a) Interest on		
(i) Bank Deposits	52.99	21.44
(ii) Employees Loans	1.93	3.64
(iii) Mine Closure Deposits	39.77	23.43
(iv) Others	449.84	409.97
(b) Unwinding of Interest Income	37.23	27.84
(c) Recoveries Toward Rent & others	26.48	29.79
(d) Profit on Sale of Assets	3.39	7.49
(e) Coal Handling Charges	0.15	3.08
(f) Provision Written Back	38.25	446.40
(g) Surcharge on sale of power	68.98	137.25
(h) Exchange Fluctuation	0.15	0.20
(i) Deferred Income on Govt. Grant	10.18	12.64
(j) Miscellaneous	329.48	179.49
	1,058.82	**1,302.66**
(Add) / Less: Transfer to Capital Work in Progress	75.57	63.45
Less: Transfer to Mine Closure Liability	35.84	21.23
	947.41	**1,217.98**

a) Consequent to CERC truing up order for the tariff period 2014-19 received with respect to BTPS Thermal, revised Lignite truing up order for 2009-14 Interest income due on the order impact amounting to ₹ 484.18 Crore has been recognised under Interest others.

b) Miscellaneous income includes

i) ₹ 41.80 crore (PY ₹ 36.95 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 ₹ 38.31 crore was recognized in the current financial year.

Notes to Consolidated Financial Statements

NOTE 27: Other Income (Contd.)

c) The other income include ₹ 407.84 crore (PY ₹ 31.09 crore) of TPS-I for FY 23-24 which was retired from operation as on 30th September, 2020. A Note containing details has been provided in Note no-58

d) Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Group.

NOTE 28: Cost of fuel consumed

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Coal Consumption	1,735.76	2,190.28
Oil Consumption	8.15	9.77
Bio Mass Pellets Consumption	0.05	-
	1,743.96	**2,200.05**

NOTE 29: Changes in Inventories of Raw Material

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
OPENING STOCK		
Raw Material		
Lignite	201.78	480.99
Coal	92.14	19.24
CLOSING STOCK		
Raw Material		
Lignite	327.59	201.78
Coal	205.29	92.14
Less: Transfer to Capital Work in Progress	-	-
Increase (-) / Decrease in Stock	**(238.96)**	**206.31**

NOTE 30: Employee Benefit Expenses

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries, Wages and Incentives	2,232.92	2,131.01
Contribution to Provident and other funds	378.72	373.80
Gratuity	17.20	18.64
Welfare Expenses	161.12	120.18
	2,789.96	**2,643.63**
Less: Transfer to Capital Work in Progress	82.38	64.80
	2,707.58	**2,578.83**

a) Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 45.

b) Employee benefit expenses includes ₹ 3.52 crore (PY ₹ 19.58 crore) for TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 58

Notes to Consolidated Financial Statements

NOTE 31: Finance Costs

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest on		
i) KfW - Foreign Currency Loan	3.08	1.85
ii) NLCIL Bonds	290.01	290.01
iii) Loan from Banks	279.67	253.18
iv) Loan from Power Finance Corporation	774.81	716.14
v) Loan from Rural Electrification Corporation (REC)	506.72	427.49
vi) Treasury Bill Linked WCDL	4.54	5.96
vii) Others (includes interest on Cash Credit & WCDL)	53.13	44.42
viii) Interest on Lease Liability	3.48	2.34
Others	-	-
i) Discount on Commercial Papers	66.39	61.96
ii) Guarantee Fees on KfW loan	5.00	5.03
iii) Fair Value changes in Trade receivables	-	109.39
	1,986.83	**1,917.77**
Less: Transfer to Capital Work in Progress	1,137.53	906.08
	849.30	**1,011.69**

Finance cost includes ₹ 0.36 crore (PY ₹ 0.37 crore) for TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 58.

NOTE 32: Depreciation and Amortization Expenses

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Property, Plant and Equipment	1,797.36	1,768.23
Mine Development and other Amortisations	63.47	63.61
Amortisation of ROU Asset	4.76	3.89
	1,865.59	**1,835.73**
Less: Transfer to Capital Work in Progress	40.70	34.94
	1,824.89	**1,800.79**

Depreciation includes ₹ 0.36 crore (PY ₹ 0.43 crore) of TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 58.

NOTE 33: Other Expenses

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Consumption of Stores and Spares	855.66	843.07
Fuel	189.27	190.98
Mine Closure	45.56	46.66
Rent	1.72	1.50
Rates and Taxes		
- Electricity Tax	0.88	0.64
- Others	197.85	109.77
Repairs and Maintenance		
- Plant and Machinery	514.50	462.71
- Buildings	37.13	29.61
- Others	639.33	461.89
Overburden Removal Expenditure	591.97	551.74
Insurance	98.64	108.63

Notes to Consolidated Financial Statements

NOTE 33: Other Expenses (Contd.)

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Payments to Auditors		
- Audit fees	1.04	1.03
- Tax Audit fees	0.11	0.10
- Other Certification Fees	0.17	0.29
- Reimbursement of expenses	0.25	0.13
Travelling Expenses	46.70	38.20
Training Expenses	29.40	25.93
Advertisement	-	0.07
Legal Charges	1.27	0.88
Professional charges	6.07	3.79
Family Welfare Expenses	30.83	38.97
Selling Expenses - Commissions	2.31	13.03
Afforestation Expenses	16.86	16.23
Royalty	904.09	914.76
Central Industrial Security Force Expenses	249.36	236.70
Corporate Social Responsibility*	55.23	52.98
Provision for Unspent CSR	6.21	6.62
Exchange Fluctuation	0.83	-
Miscellaneous Expenses	393.89	132.88
Transit and Handling loss	6.21	5.92
Consultancy Charges	8.29	6.30
Electricity Expenses	22.14	20.77
Transmission Charges	386.43	66.99
Commercial Paper Issue Expenses	0.36	0.40
Loss on assets disposed/written off/discarded	13.26	0.31
Provision for Stores & Materials	9.69	7.10
Provision on Fixed Assets	6.36	15.11
Provision for Preliminary Expenses	0.41	-
Provision for Doubtful Debt	312.24	3.09
Provision for contingency	165.79	-
Write off debtors	-	1,179.88
	5,848.31	**5,595.66**
Less: Transfer to Capital Work in Progress (CWIP)	597.40	257.07
	5,250.91	**5,338.59**

a) Other Expenses includes ₹ 17.52 crore (PY ₹ 17.23 crore) of TPS-I for FY 23-24, which was retired from operation as on 30th September, 2020. Refer Note No. 58

b) The provision for Transmission Line Charges has been created as per TSA agreement and UPERC order dated 09.07.2021 and 14.02.2024. The group has filed an appeal against the both the orders before APTEL. Based on the outcome, the same will be reviewed in future periods.

c) In respect of NLC, Surplus received on one of the CSR Project amounting to ₹ 0.90 crore has been adjusted with the CSR expenses during the year.

d) The company has restated the provision for bad and doubtful debts, the resulting impact amounting to ₹ 312.24 crore has been recognised as provision.

* The above includes the expenditure to be incurred under MOEF act.

Notes to Consolidated Financial Statements

NOTE 34: Net Movement in Regulatory Deferral Account Balances Income/ (Expenses) - Net

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Income		
a) CERC Regulations	20.07	35.06
b) Deferred Foreign Currency	16.73	26.79
c) Mine Closure	22.78	28.70
d) CERC Orders	120.24	(977.56)
Expenses		
a) Deferred Foreign Currency	-	-
b) CERC/SERC orders	(893.06)	1,291.84
Net Movement	**1,072.88**	**(2,178.85)**

a) CERC has issued revised truing up order for Lignite transfer price 2009-14 in IA no 62/IA/2023 of 149/MP/2014 based on APTEL judgement dated 25.07.2023. Accordingly regulatory deferral liability which has been already created to the tune of ₹ 1,328.98 crore has been reversed in the books of accounts during the period 2023-24.

b) During the year, the NLCIL has received the Truing up order for 2014-19 and provisional tariff order for the period 2019-24 of its thermal power station BTPS and Provisional Input price Order for 2019-24 of Barsingsar Mines and resulting impact has been considered in regulatory.

c) 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 has been recognized under Regulatory Deferral asset. The same is pending for approval as of date.

On similar basis mine closure expenses amounting to ₹ 22.78 Crore (corresponding period of PY ₹ 23.33 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.

d) As per CERC regulations (second amendment) 2019-24, it is required to share the Non tariff income arising from sale of coal and lignite to the beneficiaries. Accordingly amount of ₹ 275.27 crore has been recognised as regulatory expenses.

e) 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 31.03.2018. 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 11-07-2017 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.

f) 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 35: Exceptional Items

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Employee Remuneration -VRS Compensation	-	0.11
Power Sales- VSVS	-	12.21
	-	**12.32**

Notes to Consolidated Financial Statements

NOTE 36: Other Comprehensive Income

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
a) Remeasurement of Actuarial Gains / (Losses)	(10.75)	(0.03)
b) Tax expenses/(savings) Remeasurement of Actuarial Gains / (Losses)	(4.04)	(0.01)
	(6.71)	**(0.02)**

NOTE 37: Earning Per Share from continuing operations

(₹ in Crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Basic and Diluted (Before Net Regulatory Deferral Adjustments)		
Profit after Tax (₹ in Crore)	1,200.49	3,066.93
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 (₹)	**8.66**	**22.12**
Basic and Diluted (After Net Regulatory Deferral Adjustments)		
Profit after Tax (₹ in Crore)	1,867.57	1,426.10
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 (₹)	**13.47**	**10.28**

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

NOTE 38: Disclosure as per IND AS 1 'Presentation of Financial Statements'

a) Disclosure of accounting policies

Pursuant to amendment in IND AS 1, the company has disclosed material accounting policies (Note no.1)

b) Reclassification of comparative figures

The Group has made certain reclassifications to the comparative period's financial statements mainly to enhance comparability with the current year's financial statements.

(₹ in Crore)

	Particulars	Before Reclassification	Reclassification	After Reclassification
1	Trade Payable **(Note no. 22 c)**	1,985.07	(1,034.18)	950.89
2	Other Current Liabilities **(Note no. 23)**	824.88	1,034.18	1,859.06
3	Lease Liabilities **(Note no 18 (b))**	27.42	(2.42)	25.00
4	Lease Liabilities **(Note no 22 (b))**	-	2.42	2.42
5	Provision for retirement travel allowance **(Note no 19)**	-	165.48	165.48
6	Provision for Gratuity and Others **(Note no 24)**	296.39	(165.48)	130.91
7	Other Non- Current Assets **(Note no.8)**	1,792.88	(38.70)	1,754.18
8	Other Non- Current Financial Assets **(Note no.7 (d))**	497.48	38.70	536.18

There are no changes in the cash flows from operating, investing and financing activities on account of the above reclassification.

Notes to Consolidated Financial Statements

NOTE 39: Effect of Foreign Exchange Fluctuation

(₹ in Crore)

Particulars	for the Year Ended March 31, 2024	for the Year Ended March 31, 2023
a) The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	1.26	2.01
b) The amount of exchange rate difference Adjustment and debited /(credited) to the carrying amount of fixed assets	2.22	22.56
	3.48	**24.57**

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

NOTE 40: Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

(₹ in Crore)

Movement in Provisions	As on 31.03.2023	Additions	Withdrawals	As on 31.03.2024
i) Provision for loss on Assets	77.64	21.02	14.66	84.00
ii) Provision for contingencies	0.97	165.80	-	166.77
iii) Provision for unspent CSR	12.27	6.21	3.95	14.53
	90.88	**193.03**	**18.61**	**265.30**

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 41: 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 Group 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:

(₹ in Crore)

Particulars	for the Year Ended March 31, 2024	for the Year Ended March 31, 2023
A) Amount Required to be spent during the year :		
i) Gross Amount (2% of average net profit of immediately preceding financial years as per the Companies Act 2013 and amendments thereto)	49.09	47.09
ii) Surplus arising out of CSR Projects	0.90	-
iii) Set off available from previous years	-	-
iv) Total CSR Obligation for year (i+ii-iii)	49.99	47.09
B) Gross amount approved by the Board of Directors for the year	107.26	89.57
C) Amount spent during the year on		
i) construction and acquisition of any asset	16.16	9.68
ii) on purposes other than (i) above	33.81	34.22
D) Set off available for succeeding year	-	-
E) Amount unspent during the year	0.01	3.20

Notes to Consolidated Financial Statements

NOTE 41: Corporate Social Responsibilities (Contd.)

i) Amount spent during the year ended 31 March 2024

(₹ in Crore)

Particulars	In cash	Yet to be paid in Cash	Total
a) for construction or acquisition of any asset	13.18	2.98	16.16
b) on purposes other than (a) above	33.03	0.78	33.81

Amount spent during the year ended 31 March 2023

(₹ in Crore)

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

ii) Details of Short fall

(₹ in Crore)

Particulars	as on March 31, 2024	as on March 31, 2023
a) out of amounts required to be spent during the year	-	3.20
b) previous years Shortfall	-	5.43
Reason for Shortfall :		

iii) Details of unspent amount

(₹ in Crore)

Particulars	as on March 31, 2024	as on March 31, 2023
opening balance	8.63	8.27
Amount deposited in funds specified in Sch-VII within 6 months	-	-
Amount required to be spent during the year	49.99	47.09
Amount spent for the year	49.98	43.89
Amount spent out of previous year's unspent	4.00	2.84
closing balance	4.64	8.63

iv) Details of excess amount spent

(₹ in Crore)

Particulars	as on March 31, 2024	as on March 31, 2023
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)

(₹ in Crore)

Particulars	as on March 31, 2024	as on March 31, 2023
Opening balance		
- with company	6.62	5.54
- in separate unspent account	5.85	3.15
amount required to be spent		
- from Companies bank Account	8.38	7.44
- from separate unspent account	12.47	8.69
amount spent during the year		
- from company	2.49	0.83
- from separate unspent account	4.00	2.84
closing balance		
- with company	5.89	6.62
- in separate unspent account	8.47	5.85

Notes to Consolidated Financial Statements

NOTE 41: Corporate Social Responsibilities (Contd.)

CSR expenditure

(₹ in Crore)

Particulars	for the Year Ended March 31, 2024	for the Year Ended March 31, 2023
Medical-health & family welfare	9.99	14.14
Drinking water facility	21.05	1.94
Education & scholarship	11.89	25.34
Promotion of sports	0.56	0.57
Community development centre	0.88	2.06
Afforestation & environment sustainability	1.10	-
Sanitation & other Basic Amenities	5.24	6.22
Relief on natural calamities	0.05	0.07
Protection of National Heritage and culture	1.77	0.04
Rural Development	0.19	0.09
Others	3.39	2.50
	56.14	52.98

(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 Crores (0.08% of project sanction cost of ₹ 19,046.12 Crore) as recurring cost per annum during operation of the Ghatampur Thermal Power Plant.

(b) Unspent Corporate Social Responsibility expenditure of NTPL amounting to ₹ 5.89 crore (PY ₹ 6.62 crore) relating to ongoing projects has been deposited in Unspent Corporate Social Responsibility Account in April 2024 and 2023 respectively.

(c) In respect of NLC, Surplus received on one of the CSR Project amounting to ₹ 0.90 crore has been adjusted with the CSR expenses during the year.

NOTE 42: 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):

(A) Parent Company

Whole Time Directors		
Shri. Prasanna Kumar Motupalli	Chairman and Managing Director	
Shri. K Mohan Reddy	Director (Planning and Projects)	
Shri. Suresh Chandra Suman	Director (Mines)	
Shri. Samir Swarup	Director (Human Resource)	
Shri. M Venkatachalam	Director (Power)	Appointed w.e.f. 26.04.2023
Dr. Prasanna Kumar Acharya	Director (Finance)	Appointed w.e.f. 15.01.2024
Independent Directors		
Shri. Subrata Chaudhury	Non Executive Director	
Shri. Prakash Mishra	Non Executive Director	
Smt. Nivedita Srivastava	Non Executive Director	
Shri. MT Ramesh	Non Executive Director	Relinquished w.e.f. 25.03.2024
Nominee Directors		
Smt. Vismita Tej	Non Executive Director	
Smt. Beela Venkatesan	Non Executive Director	Appointed w.e.f 22.02.2023
Shri. Ramesh Chand Meena	Non Executive Director	Relinquished w.e.f. 10.07.2023

Notes to Consolidated Financial Statements

NOTE 42: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

Chief Financial officer and Company Secretary

Dr. Prasanna Kumar Acharya	Chief Financial Officer, NLCIL	Appointed w.e.f. 06.02.2024
Shri. Suresh Chandra Suman	Chief Financial Officer (Addnl Charge)	Relinquished w.e.f. 15.01.2024
Shri. R.Udhayashankar	Company Secretary, NLCIL	

(B) Subsidiary Companies

NLC Tamilnadu Power Limited (NTPL)

i) Directors

Shri. Prasanna Kumar Motupalli	Chairman	
Shri. K Mohan Reddy	Director	
Shri. M.Venkatachalam	Director	Appointed w.e.f. 26.04.2023
Shri. Suresh Chandra Suman	Director	Relinquished w.e.f 22.01.2024
Shri. Prasanna Kumar Acharya	Director	Appointed w.e.f. 23.01.2024
Shri. M Ramachandran	Director	Relinquished w.e.f 04.09.2023
Smt. E.Uma Devi	Director	Appointed w.e.f. 26.09.2023
Shri. Ram Kumar	Director	Appointed w.e.f. 28.04.2023

ii) Key Managerial Personnel (KMP):

Shri. K.Kondas Kumar	Chief Executive Officer	Relinquished w.e.f 28.04.2023
Shri. K.Anandaramanujam	Chief Executive Officer	Appointed w.e.f. 30.04.2023
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. Sudheer Babu Motana	Director	
Shri. Mohan Reddy Kalasani	Director	Relinquished w.e.f. 09.05.2023
Shri. Suresh Chandra Suman	Director	Relinquished w.e.f. 29.01.2024
Shri. M Venkatachalam	Director	Appointed w.e.f. 09.05.2023
Dr. Prasanna Kumar Acharya	Director	Appointed w.e.f. 29.01.2024
Smt. Nivedita Srivastava	Independent Director	
Shri. Nidhi Kumar Narang	Director	
Shri. Sanjay Kumar Dutta	Director	

ii) Key Managerial Personnel (KMP):

Shri. Santhosh C.S.	Chief Executive Officer	
Shri. Ashok Kumar Mali	Chief Financial Officer	
Shri. Nikhil Kumar	Company Secretary	

NLC India Renewables Limited (NIRL)

i) Directors

Shri. Prasanna Kumar Motupalli	Chairman	Appointed w.e.f. 16.06.2023
Shri. Mohan Reddy Kalasani	Additional Director	Appointed w.e.f. 16.06.2023
Shri. Mukesh Agrawal	Director	Appointed w.e.f. 14.06.2023 Relinquished w.e.f. 07.02.2024
Shri. Prasanna Kumar Acharya	Additional Director	Appointed w.e.f. 07.02.2024
Smt. Rani Alli	Director	Appointed w.e.f. 13.10.2023

ii) Key Managerial Personnel (KMP):

Shri. Bala Sundara Paranthagan	Chief Executive Officer	Appointed w.e.f.16.06.2023
Smt. Jatavallabhula Padmavathi	Chief Financial Officer	Appointed w.e.f.16.06.2023
Shri. Prashant Vinay Kaushik	Company Secretary	Appointed w.e.f.13.10.2023

Notes to Consolidated Financial Statements

NOTE 42: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

NLC India Green Energy Limited (NIGEL)

i) Directors

Shri. Prasanna Kumar Motupalli	Chairman	Appointed w.e.f. 13.10.2023
Shri. Mukesh Agrawal	Director	Appointed w.e.f. 13.10.2023 Relinquished w.e.f. 07.02.2024
Shri. K. Mathi	Director	Appointed w.e.f. 13.10.2023 Relinquished w.e.f. 04.03.2024
Shri. Jagadish Chandra Mazumdar	Additional Director	Appointed w.e.f. 07.02.2024
Shri. N. Hariramakrishnan	Additional Director	Appointed w.e.f. 01.03.2024

ii) Key Managerial Personnel (KMP):

Shri. Devendra Pratap Singh	Chief Executive Officer	Appointed w.e.f.13.10.2023
Shri. Sanjay Sen	Chief Financial Officer	Appointed w.e.f.13.10.2023
Smt. Deepali Agarwal	Company Secretary	Appointed w.e.f.13.10.2023

ii) Subsidiaries, Joint Ventures and Associates :

- NLC Tamilnadu Power Limited (NTPL)	Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary
- NLC India Renewables Limited (NIRL)	Wholly Owned Subsidiary
- NLC India Green Energy Limited (NIGEL)	Wholly Owned Subsidiary
- MNH Shakti Limited	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

iii) Entities under the control of the same government:

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

b.) Transactions with the related parties:

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

i) Key Management Personnel compensation

(₹ in Crore)

Particulars	for the Year Ended March 31, 2024	for the Year Ended March 31, 2023
Short Term Employee Benefit	5.16	4.88
Post-employment benefits	0.50	0.42
Other long-term benefits	0.90	0.78
Sitting fees	0.56	0.42
	7.12	**6.50**

ii) Transactions with Post employment benefit plans:

(₹ in Crore)

Particulars	for the Year Ended March 31, 2024	for the Year Ended March 31, 2023
Contributions made during the year	345.82	346.01

Notes to Consolidated Financial Statements

NOTE 42: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

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

(₹ in Crore)

Name of the Company	Nature of transaction	2024	2023
Bharat Heavy Electricals Limited	Purchase of Stores and spares	632.40	454.95
BEML Limited	Payment for FMC contract	57.08	92.01
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	246.18	176.65
Bharath Petroleum Corporation Ltd	Purchase of furnace oil	152.48	227.14
Indian Oil Corporation Limited	Purchase of furnace oil	258.49	295.06
Steel Authority Of India Limited	Purchase of Steel	37.67	25.58
Balmer Lawrie & Co Ltd	Purchase of Lubricants	16.27	18.87
MSTC Ltd	E-auction agent Commission	2.99	2.99
Mecon Ltd	Consultancy Services-MOEF norms	0.03	0.09
Instrumentation ltd	Supply of spares	0.16	0.74
Power Grid Corporation Of India Limited	Maintenance Contract	0.32	0.28
Central Mine Planning & Design Institute	Testing/consultancy	0.99	-
Central Power Research Institute (CPRI)	Consultancy and Testing Fee	0.56	0.53
Projects Development India Limited	Consultancy Services-Methanol Project	0.22	0.37
LIC India Limited	Risk Insurance Policy Premium	2.48	0.42
National Insurance company Ltd	PRMI Insurance/Mega insurance	119.24	108.05
New India Assurance Company Limited	Insurance Premium (group insurance)	2.72	2.81
United India Insurance Company Limited	Insurance Premium	0.79	0.08
Oriental Insurance Company Limited	Insurance Premium	0.05	-
Railtel Corporation of India Limited	Internet Services	0.07	0.10
Rites Limited	Consultancy for Railway siding	17.41	2.91
Mahanadi Coal Fields Ltd	Sale of Coal	337.07	439.37
NTPC limited	Sale of Coal	1,224.29	1,481.98
NALCO	E Auction - Sale of Coal	26.60	24.69
Bharat Sanchar Nigam Limited (BSNL)	Land Line and Internet Services	1.16	2.47
Grid Controller of India Limited	Transmission Charges	36.93	32.28
National Informatics Centre Services	E mail Service	0.26	-
MMTC Limited	Purchase of gold coins & Commission on e-auction	-	0.09
Central Institute of Mining and Fuel Research	Sampling and analysis of Coal	-	2.74
V.O Chidambaram Port Trust	Wharfage Charges	12.68	21.88
Mahanadi Coal Fields (MCL)	Purchase of Coal	337.07	-
Oriental Insurance Company Limited	Insurance premium	3.49	-
Quality Control of India	Sampling and Analysis of Coal	1.48	2.52
Certification Engineers Internation	TPI Charges	0.17	0.23
Central Transmission Utility of Ind	Transmission Charges	0.82	0.65
NATIONAL POWER TRAINING INSTITUTE	Seminar/Conference Participation Fee	0.22	0.12
ENGINEERS INDIA LIMITED	Project consultancy works	-	7.16
HINDUSTAN COPPER LIMITED	Seminar/Conference Participation Fee	-	0.10
NATIONAL SECURITIES DEPOSITORY LTD.	Annual Custodial Charges	0.13	0.13
CENTRAL DEPOSITORY SERVICES (I) LTD	Annual Custodial Charges	0.16	0.15
PETROLEUM CONSERVATION RESEARCH ASSOCIATION (PCRA)	Energy Audit	0.01	-
HLL Management Academy	Recruitment Process	0.25	-
NATIONAL PRODUCTIVITY COUNCIL	Seminar/Conference Participation Fee	0.24	-
Northern Coalfields Ltd.	Purchase of coal	28.06	-

Notes to Consolidated Financial Statements

NOTE 42: Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below: (Contd.)

c.) Outstanding balances with related parties are as follows:

i) Key Managerial Personnel

(₹ in Crore)

Particulars	Transactions value for the year ended March 31,		Balance outstanding as at March 31,	
	2024	2023	2024	2023
Shri.Shaji John/Director (Power)				
-towards CAR Loan	-	0.00	-	-
Shri. K Mohan Reddy				
- towards Multi purpose loan	0.01	0.01	-	0.01
Shri. Viswanath K/Company Secretary				
- CAR Loan	-	0.01	-	-
- Festival Advance	-	-	-	-
Shri Udhayashankar/Company Secretary				
- CAR Loan	0.01	0.01	0.01	0.02
- Multipurpose Loan	0.01	0.01	0.01	0.01
Shri. D.Dhanapal - Chief Financial Officer/NTPL				
- Multi Purpose Loan	0.01	0.00	0.01	0.02
Smt. K.Suganyaa, Company Secretary/NTPL				
- Festival Advance	-	0.00	-	-
Shri. Ashok Kumar Mali/CFO/NUPPL				
- Car advance	0.01	0.01	0.04	0.05
Shri Nikhil Kumar, Company Secretary/NUPPL				
- Car advance	0.07	-	0.07	-

ii) Post Employment Benefit Plan:

(₹ in Crore)

Description	Balance outstanding as at March 31,	
	2024	2023
- Receivable	-	-
- Payable	**28.84**	**28.92**

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 March 31, 2024 and March 31, 2023 the Group has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Consolidated Financial Statements

NOTE 43: Non- Controlling Interests

(₹ in Crore)

Particulars	NLC Tamilnadu Power Ltd.	Neyveli Uttar Pradesh Power Ltd.	Intra-group Eliminations	Total
March 31, 2024				
NCI %	**11%**	**49%**		
Non Current Asset	4,557.88	16,984.50	-	21,542.37
Current Asset	2,299.26	815.17	-	3,114.44
Non-Current Liability	1,204.42	11,572.51	-	12,776.92
Current Liability	2,849.74	1,070.32	-	3,920.07
Net Asset	2,802.98	5,156.84	-	7,959.82
Net Assets attributable to NCI	**308.32**	**2,526.85**	**-**	**2,835.17**
Total Income	2,923.44	0.09	-	2,923.53
Profit for the period	129.16	(1.48)	-	127.68
OCI	(0.24)	(0.27)	-	(0.52)
Total Comprehensive income	**128.92**	**(1.75)**	**-**	**127.17**
Profit Allocated to NCI	14.21	(0.73)	-	13.48
OCI allocated to NCI	(0.03)	(0.13)	-	(0.16)
Cash flows from Operating Activity	101.54	(0.56)	-	100.98
Cash flows from Investment Activity	(24.47)	(825.04)	-	(849.51)
Cash flows from Financing Activity	(76.71)	825.91	-	749.20
Net increase (decrease) in cash and cash equivalents	**0.36**	**0.31**	**-**	**0.67**

Non- Controlling Interests

(₹ in Crore)

Particulars	NLC Tamilnadu Power Ltd.	Neyveli Uttar Pradesh Power Ltd.	Intra-group Eliminations	Total
March 31, 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**	**2,149.44**	-	**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	-	-	-	0.01
Cash flows from Operating Activity	49.81	(0.07)	-	49.74
Cash flows from Investment Activity	(23.34)	(332.40)	-	(355.74)
Cash flows from Financing Activity	(27.53)	332.47	-	304.94
Net increase (decrease) in cash and cash equivalents	**(1.05)**	**(0.00)**	**-**	**(1.06)**

NOTE 44: 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 10.11.2020 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.

Notes to Consolidated Financial Statements

NOTE 44: Disclosure in respect of the Equity Accounted Investees as per Ind AS-112 is furnished as under: (Contd.)

(₹ in Crore)

Particulars	2024	2023
Interest in Coal Lignite Urja Vikas Private Limited	1.39	1.33
Balance as at March 31,	**1.39**	**1.33**

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.

(₹ in Crore)

Particulars	31.03.2024	31.03.2023
Percentage ownership interest	50.00%	50.00%
Non-current assets	-	-
Current assets	2.83	3.37
Non-current liabilities	-	-
Current liabilities	0.07	0.72
Net assets (100%)	2.76	2.65
Group's share of net assets (50 %)	1.38	1.32
Elimination of unrealised profit and loss (if any)	-	-
Carrying amount of interest in Joint Venture		
Revenue	-	2.40
Other Income	0.17	0.11
Depreciation & amortization	-	-
Finance cost	-	-
Employee benefit	-	-
Other expenses	0.01	0.01
Profit before tax	0.17	2.51
Income tax expense	0.05	0.64
Profit from continuing operations (100%)	0.11	1.87
Total comprehensive income (100%)	0.11	1.87
Total comprehensive income (50 %)	0.06	0.94
Elimination of unrealised profit and loss (if any	-	-
Group's share of total comprehensive income	0.06	0.94
Carrying amount of interests in Joint Venture	1.39	1.33
Share of:		
Profit from continuing operations	0.06	1.31
OCI	-	-

(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.

(₹ in Crore)

Particulars	2024	2023
Interest in MNH Shakti	6.45	6.26
Balance as at March 31,	**6.45**	**6.26**

Notes to Consolidated Financial Statements

NOTE 44: Disclosure in respect of the Equity Accounted Investees as per Ind AS-112 is furnished as under: (Contd.)

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.

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Percentage ownership interest	15.00%	15.00%
Non-current assets	0.01	0.01
Current assets	44.95	43.22
Non-current liabilities	-	-
Current liabilities	1.96	1.49
Net assets (100%)	43.00	41.73
Group's share of net assets (15 %)	6.45	6.26
Elimination of unrealised profit and loss (if any)	-	-
Carrying amount of interest in associate	**6.45**	**6.26**
Revenue	-	-
Other Income	2.16	0.61
Depreciation & amortization	0.00	0.00
Finance cost	0.11	0.07
Employee benefit	0.33	0.27
Other expenses	0.04	0.04
Profit before tax	1.69	0.24
Income tax expense	0.43	0.06
Profit from continuing operations (100%)	1.26	0.18
Total comprehensive income (100%)	1.26	0.18
Total comprehensive income (15 %)	0.19	0.03
Elimination of unrealised profit and loss (if any	-	-
Group's share of total comprehensive income	0.19	0.03
Carrying amount of interests in associates	6.45	6.26
Share of:		
Profit from continuing operations	0.19	0.03
OCI	-	-

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Notes to Consolidated Financial Statements

NOTE 45: 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.

(₹ in Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net Amount	Defined benefit Obligations	Fair value of plan asset	Net Amount
Balance as at April 1, 2023	1,059.04	1,059.01	0.03	587.78	579.97	7.81
Included in profit and loss						
Current Service Cost	17.21	-	17.21	26.47	-	26.47
Past service cost and gain or loss on settlement	-	-	-	-	-	-
Interest cost (income)	69.93	69.93	-	39.59	39.31	0.28
Included in OCI						
Remeasurement of loss (gain) :						
Actuarial loss (gain) arising from						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	7.62	-	7.62	5.26	-	5.26
Experience adjustment	10.61	7.47	3.14	(7.16)	0.95	(8.11)
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	0.21	-	0.21	0.72	-	0.72
Other						
Contributions Paid by the employer	-	-	-	-	7.80	(7.80)
Benefits paid	(156.86)	(156.86)	-	(68.21)	(68.21)	-
Balance at March 31, 2024	**1,007.76**	**979.55**	**28.21**	**584.45**	**559.82**	**24.63**

Notes to Consolidated Financial Statements

NOTE 45: Employee benefits (Contd.)

(₹ in Crore)

Particulars	Gratuity			Leave Benefit		
	Defined benefit Obligations	Fair value of plan asset	Net Amount	Defined benefit Obligations	Fair value of plan asset	Net Amount
Balance as at April 1, 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						
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 at March 31, 2023	**1,059.04**	**1,059.01**	**0.03**	**587.78**	**579.97**	**7.81**

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Represented by :				
Net defined benefit asset	979.55	1,059.01	559.82	579.97
Net defined benefit liability	1,007.76	1,059.04	584.45	587.78

I) Plan Asset

Plan assets comprises the followings:

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Equity Securities	7.70%	7.70%	3.56%	5.71%
Govt Bonds	92.30%	92.30%	96.44%	94.29%

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

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Present value of funded obligation	1,007.76	1,059.04	584.45	587.78
Fair value of plan assets	979.55	1,059.01	559.82	579.97
Present value of net obligations	28.21	0.03	24.63	7.81
Unrecognised past service cost	-	-	-	-

Notes to Consolidated Financial Statements

NOTE 45: Employee benefits (Contd.)

II) Actuarial Assumptions

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

(₹ in Crore)

Particulars	Gratuity		Leave Benefit	
	March 31,2024	March 31, 2023	March 31,2024	March 31, 2023
Discount rate per annum	6.95%	7.15%	6.95%	7.15%
Expected return per annum on plan asset	6.95%	7.15%	6.95%	7.15%
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.

(₹ in Crore)

Particulars	Gratuity				Leave Benefit			
	March 31, 2024		March 31, 2023		March 31,2024		March 31,2023	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	988.95	1,027.38	1,038.17	1,080.79	571.53	598.13	574.56	601.70
Salary escalation per annum (+/- 50 BP)	1,011.24	1,004.55	1,062.99	1,054.93	598.32	571.23	601.93	574.24
Mortality (+/- 10%)	1,008.42	1,007.10	1,059.79	1,058.29	584.59	584.32	587.93	587.62
Attrition rate (+/- 10%)	1,009.01	1,006.50	1,060.40	1,057.67	584.78	584.13	588.12	587.43

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

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

(₹ in Crore)

Expected maturity analysis of the defined benefit plans in future years	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024					
Gratuity	186.97	175.69	479.32	368.74	1,210.72
Leave Benefit	106.98	97.43	261.76	199.70	665.87
Total	**293.95**	**273.12**	**741.08**	**568.44**	**1,876.59**

(₹ in Crore)

Expected maturity analysis of the defined benefit plans in future years	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 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**

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 45: 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:

(₹ in Crore)

Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2024	2023	2024	2023	2024	2023
Balance as at April 1	2,953.33	3,110.65	2,962.34	3,120.68	(9.01)	(10.03)
Current Service Cost	169.67	164.60	169.67	164.60	-	(0.00)
Interest cost (income)	220.60	218.92	-	-	220.60	218.92
Actuarial loss (gain)	14.18	12.68	(1.83)	(0.05)	16.01	12.73
Expected return on plan assets	(5.93)	(9.00)	227.61	221.62	(233.54)	(230.62)
Contributions Paid by the employer	321.90	325.40	321.90	325.40	-	-
Benefits paid	(735.43)	(869.91)	(735.43)	(869.91)	-	-
Balance at March 31	**2,938.32**	**2,953.33**	**2,944.26**	**2,962.34**	**(5.94)**	**(9.01)**

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 ₹ 5.94 Crore (Previous year ₹ 9.01 Crore) determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company.

I) Plan Asset

Plan assets comprises the followings:

(₹ in Crore)

Particulars	March 31, 2024		March 31, 2023	
	(₹ in Crore)	% of total assets	(₹ in Crore)	% of total assets
Equity Securities	35.32	1.20%	19.90	0.78%
Fixed Income/Debt Securities	2,908.94	98.80%	2,942.44	99.22%
	2,944.26	**100.00%**	**2,962.34**	**100.00%**

II) Actuarial Assumptions

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

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Discount rate per annum	6.95%	7.17%
Expected return per annum on plan asset	8.25%	8.15%
Super annuation age	60 Years	60 Years
Remaining work life	Average of 9.19 years	Average of 8.77 years
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT

Notes to Consolidated Financial Statements

NOTE 45: 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 :

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
i. Amount recognised in the profit and loss account as premium paid to the Insurance Company	12.52	15.57
ii. Liability provided for the fixed Medical Assistance	18.63	18.63

NOTE 46: Financial Instruments - Fair value disclosures

March 31, 2024

(₹ in Crore)

Particulars	Carrying Amount			Net
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	
A. Financial Assets				
Investments	7.84	-	-	7.84
Loans	37.43	-	-	37.43
Trade Receivables	4,046.49	-	-	4,046.49
Cash and Cash equivalents	564.87	-	-	564.87
Other Bank balances	180.72	-	-	180.72
Other financial assets	2,219.63	-	-	2,219.63
B. Financial Liabilities				
Borrowings	22,379.45	-	-	22,379.45
Lease Liability	36.04	-	-	36.04
Trade Payable	1,517.70	-	-	1,517.70
Other financial liabilities	1,699.56	-	-	1,699.56

March 31, 2023

(₹ in Crore)

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	3,615.17	-	-	3,615.17
B. Financial Liabilities				
Borrowings	22,305.72	-	-	22,305.72
Lease Liability	27.42	-	-	27.42
Trade Payable	950.89	-	-	950.89
Other financial liabilities	1,827.34	-	-	1,827.34

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.

Notes to Consolidated Financial Statements

NOTE 47: Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 1,137.53 Crore (previous year ₹ 906.08 Crore). Borrowing costs (Average) at the rate of 9.53% (PY: 9.31%) has been considered for capitalisation

NOTE 48: Disclosure as per Ind AS 116 'LEASES'

The Group 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 do not have to 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 for the year ended 31st March 2023:

A.) Right-of-use assets

(₹ in Crore)

Particulars	Plant & Machinery	Property	Vehicles	Land	Total
Balance at 1 April 2023	14.20	0.73	1.34	61.56	**77.83**
Additions	**5.61**	0.70	0.15	19.45	**25.90**
Deductions	-	-	-	-	-
Depreciation charge	**1.47**	0.49	0.62	2.19	**4.77**
Balance at 31 March 2024	**18.34**	**0.94**	**0.87**	**78.82**	**98.97**

B.) Lease Liabilities

(₹ in Crore)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening balance	27.42	27.70
Additions :		
- Addition to lease liability	25.91	1.13
- Interest towards lease liability	3.49	2.34
Deductions :		
- Payment of lease liability	20.76	3.75
- Reduction due to rate change	0.01	-
Closing Balance	**36.04**	**27.42**

Notes to Consolidated Financial Statements

NOTE 48: Disclosure as Per Ind as 116 'Leases (Contd.)

Lease Liabilities

(₹ in Crore)

Particulars	2023-24	2022-23
Maturity analysis – contractual undiscounted cash flows		
Less than one year	4.79	3.83
One to five years	44.02	11.64
More than five years	85.68	61.13
Total undiscounted lease liabilities as at 31st March 2023	**134.49**	**76.60**
Lease liabilities included in the balance sheet as at 31st March	36.04	27.42
Current	2.32	2.42
Non-current	33.72	25.00

(₹ in Crore)

Amounts recognised in profit or loss	2023-24	2022-23
Interest on lease liabilities	3.48	2.34
Expenses relating to leases of low-value assets	-	-
Total	**3.48**	**2.34**

(₹ in Crore)

Amounts recognised in the statement of cash flows	As at 31.03.2024	As at 31.03.2023
Total cash outflow for leases	**20.78**	**3.75**

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.

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.

NOTE 49: Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

The Company is engaged in the business of mining of lignite/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. Presently CERC follows Hybrid Tariff approach wherein most of the components of the tariffs are now allowed on a normative basis irrespective of actual cost, while retaining a few of the cost determinants such as capital cost, additional capitalisation, Water Charges, Security expenses, Capital Spares etc. to be allowed on actual basis subject to a prudence check. Also, 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 01.04.2019. The Company has filed Tariff Petition for tariff period 2019-24 for all its Neyveli mines on July 26, 2022 and for Barsingsar mines on December 26, 2022 in line with regulations. Pending disposal of the said Petition, the Company has filed intralocutory 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. Company has also received Input price Tariff Order for 2019-24 with respect to Barsingsar Mines and the differential impact 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 plus service model regulations which enable the Company to recover its costs of providing the goods or services plus a fair return.

Notes to Consolidated Financial Statements

NOTE 49: Disclosure on 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. Any Tariff difference arising on account of change in additional capital expenditure, water charges, security expenses and Capital Spares based on actuals from that allowed in provisional tariff orders shall be considered under regulatory deferral balances on undiscounted basis. 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. Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

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 ₹ 121.06 crore for the year ended 31 March 2024 has been accounted for as 'Regulatory deferral account debit balance' (31 March 2023: ₹ 134.24 crore accounted as 'Regulatory deferral account debit balance'.)

As per the CERC tariff regulation the expenses towards 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 group has recognised ₹ 138.70 crore as on 31.03.2024 (₹ 189.10 as on 31.03.2023) 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:

a) Regulatory deferral account debit balance

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
A. Opening balance	1,794.73	2,675.50
B. Recognised during the current year	56.46	681.73
C. Amount Adjustment/collected/refunded during the year	50.09	1,562.50
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	179.82	(887.01)
E. Closing balance	**1,801.10**	**1,794.73**

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NOTE 49: Disclosure on Ind AS 114, 'Regulatory Deferral Accounts' (Contd.)

b) Regulatory deferral account credit balance

The regulated assets/liability recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
A. Opening balance	3,974.16	2,717.95
B. Recognised during the current year	566.25	1,398.71
C. Amount Adjustment/collected/refunded during the year	1,623.42	142.50
D. Regulatory deferral account balances recognized in the Statement of Profit & Loss	(893.06)	1,291.84
E. Closing balance	**2,916.99**	**3,974.16**

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

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
Total amount recognized in the Statement of Profit & Loss during the year	**1,072.88**	**(2,178.85)**

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.

NOTE 50: 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.

There have been no breaches in the financial covenants of any interest bearing borrowings.

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 Group 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 Group is not subject to externally imposed capital requirements.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 18(a), 22(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.

Gearing Ratio:

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
Debt	22,379.45	22,305.72
Less: Cash and bank balances*	564.87	77.48
Net debt	21,814.58	22,228.24
Total equity*	**18,805.15**	**14,614.19**
Net debt to total equity ratio	**1.16**	**1.52**

* excluding earmarked deposits/reserves

Notes to Consolidated Financial Statements

NOTE 51: Financial Risk Management

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk) credit risk and liquidity risk.

The Group principal financial liabilities comprise loans and borrowings in domestic and foreign currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, 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 receivables

The Company primarily sells electricity to customers comprising, mainly state electrical utilities owned by State Governments and Union Territory. The risk of default in case of power supplied to these state owned companies is considered to be insignificant. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit defaults and the Company's historical experience for customers.

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

At March 31, 2024, the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 3,118.23 Crore of the trade receivables carrying amount (₹ 3,509.32 crore of the trade receivables as at March 31, 2023).

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/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 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 TPS and Mines and also other debtors. As a policy, the Company does an ageing analysis of debtors, the details of which is stated below.

Notes to Consolidated Financial Statements

NOTE 51: Financial Risk Management (Contd.)

The ageing analysis of the trade receivables is as below:

FY 2023-24

(₹ in Crore)

Particulars	Out standing 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	1,708.68	261.06	1,543.19	66.25	147.95	3,727.14
(ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
B) Disputed						
(iv) Disputed Trade Receivables– considered good	-	-	318.08	74.62	244.55	637.24
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(₹ in Crore)

Particulars	Out standing from the date of invoice					
	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	13.90	22.39	22.61	41.24	52.53	152.67
Total (A+B+C)	**1,722.58**	**283.46**	**1,883.88**	**182.11**	**445.03**	**4,517.06**

FY 2022-23

(₹ in Crore)

Particulars	Out standing 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	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	850.60
(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

(₹ in Crore)

Particulars	Out standing from the date of invoice*					
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 Years	More than 3 years	Total
C) Undisputed						
(i) Trade receivables – considered good	13.04	55.90	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**

Notes to Consolidated Financial Statements

NOTE 51: 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 another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crore)

Particulars	Drawn on	March 31, 2024	March 31, 2023
Floating-rate borrowings			
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
- Term Loan - NNTPS Project	The South Indian Bank - SIB	464.80	-
-Term Loan - NNTPS Project - FGD	Indian Overseas Bank - IOB	1,078.00	-
- Term Loan - Solar 300 MW	IndusInd Bank Limited - IBL	1,000.00	-
- NUPPL (Project Asset)	Rural Electrification Corporation limited (REC)	353.52	926.94
- NUPPL (Project Asset)	Power Finance Corporation (PFC)	313.50	927.33
- NUPPL (Project Asset)	Indian Overseas Bank - IOB	945.00	-
- NUPPL (Project Asset)	Canara Bank	-	585.00
- NTPL (for FGD)	State Bank of India	287.64	442.35
b) Working Capital Loan			
- NLC India	State Bank of India	3,750.00	3,502.00
- NTPL	Bank Of India	945.52	806.62
- NTPL	State Bank of India	802.16	401.93
Total		**11,260.89**	**8,912.92**

a) SBI has sanctioned ₹ 1,680.75 Crore Rupee Term Loan facility for Talabira Mine project. Out of the entire facility as on 31.03.2024 the undrawn amount is ₹ 1,087.75 Crore. Ref note 18 (e).

b) SBI has sanctioned Rupee term loan of ₹ 2,552.00 Crore for solar 709 MW, out of which ₹ 2,319.00 Crore has been drawn and the undrawn amount is ₹ 233.00 Crore as on 31.03.2024. Ref note 18 (c).

c) SIB has sanctioned Rupee Term loan of ₹ 581 Crore. for NNTPS, out of which ₹ 116.20 Crore. was drawn and the undrawn amount is ₹ 464.80 Crore. as on 31.03.2024. Ref note 18 (a)(iv)

d) IOB has sanctioned Rupee Term loan of ₹ 1078 Crore for additional scope of NNTPS and entire amount is undrawn as on 31.03.2024. Ref note 18 (a)(v)

e) IBL has sanctioned Rupee Term loan of ₹ 1000 Crore for 300 MW Solar Project at Barsingsar Rajasthan and entire amount is undrawn as on 31.03.2024. Ref note 18 (d)

f) SBI has Sanctioned Fund Based Working Capital of ₹ 4,000 Crore and Non-Fund based Working Capital of ₹ 1,000 Crore. After availing the interchangeability option, the available limit of fund based working capital is ₹ 3,750 Crore as on 31.03.2024 (PY ₹ 3502 Crore). Out of which, the availment of fund based working capital as on 31.03.2024 is Nil (PY ₹ 498 Crore). Ref Note no. 22 (a).

Notes to Consolidated Financial Statements

NOTE 51: 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 against the outstanding Loan balance as on:

(₹ in Crore)

March 31, 2024	Contractual cash flows					Total
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	
KFW Loan (Foreign Currency Loan)	14.56	14.56	29.12	87.36	243.77	389.37
PFC_NNTPS ₹ 3,000 Cr	150.00	300.00	300.00	900.00	150.00	1,800.00
RTL 450 Cr_ Axis Bank - Solar 500 MW	-	44.96	-	-	-	44.96
RTL 456 Cr_ Federal Bank - Solar 500 MW	-	45.55	-	-	-	45.55
RTL 2552 Cr_Solar 709 MW	127.60	127.60	247.20	615.60	307.24	1,425.24
RTL 1680.75 Cr_Talabira Mine	-	88.65	-	-	-	88.65
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)	-	-	-	-	-	
Power finance Corporation						
- Rupee Term Loan I	-	118.81	59.40	-	-	178.21
- Rupee Term Loan II	162.81	162.81	325.61	-	-	651.22
Bank of India Rupee Term Loan	-	48.36	45.25	-	-	93.60
State bank of India Term Loan	-	-	57.28	171.84	56.09	285.21
Commercial Paper	1,000.00	-	-	-	-	1,000.00
WC loan	747.46					747.46
PFC Term Loan	-	-	263.77	1,582.60	3,428.97	5,275.34
REC Term Loan	-	-	256.23	1,537.39	3,331.02	5,124.64
Canara Bank	-	-	-	300.00	700.00	1,000.00
Indian Overseas Bank	-	-	2.75	16.50	35.75	55.00
TOTAL	**2,202.43**	**951.30**	**3,261.61**	**5,211.29**	**10,752.83**	**22,379.45**

Refer Note no 18 (a) and 22(a)

(₹ in Crore)

March 31, 2023	Contractual cash flows					Total
Contractual maturities of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	
KFW Loan (Foreign Currency Loan)	14.49	14.49	28.98	86.94	271.57	416.47
PFC_NNTPS ₹ 3,000 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 2552 Cr_Solar 709 MW	127.60	127.60	255.20	657.60	512.44	1,680.44
RTL 1680.75 Cr_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 202I- Series I	-	-	-	1,175.00	-	1,175.00
Commercial Paper	-	-	-	-	500.00	500.00
WCDL (linked to Treasury bill)	498.00	-	-	-	-	498.00
Power finance Corporation						
- 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 (BOI)	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**

Notes to Consolidated Financial Statements

NOTE 51: Financial Risk Management (Contd.)

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

(₹ in Crore)

March 31, 2024	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)	1.46	1.41	2.65	6.63	8.12	20.27
KFW Guarantee Fees	4.67	-	4.32	10.87	13.76	33.63
PFC_NNTPS ₹ 3,000 Cr	36.24	102.46	112.27	178.38	6.59	435.95
RTL 450 Cr_ Axis Bank - Solar 500 MW	0.94	0.94	-	-	-	1.88
RTL 456 Cr_ Federal Bank - Solar 500 MW	0.95	0.95	-	-	-	1.91
RTL 2552 Cr_Solar 709 MW	30.35	80.57	89.27	157.81	19.62	377.62
RTL 1680.75 Cr_Talabira Mine	1.89	2.09	0.00	0.00	0.00	3.98
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	119.33	715.97
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	38.64	231.84
NLCIL Bonds 2020- Series II	-	26.70	18.58	-	-	45.28
NLCIL Bonds 2021- Series I	-	71.09	71.09	-	-	142.18
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	113.51	284.76
Power Finance Corporation						
- Rupee Term Loan I	4.18	7.44	1.61	-	-	13.23
- Rupee Term Loan II	11.51	26.34	8.50	-	-	46.35
Bank of India Rupee Term Loan	2.01	4.95	2.80	-	-	9.76
State bank of India Term Loan	6.19	18.63	22.31	37.07	2.41	86.61
PFC Term Loan	140.46	421.37	557.14	1,362.42	1,217.28	3,698.67
REC Term Loan	136.44	409.33	541.23	1,323.50	1,182.51	3,593.01
Canara Bank	25.25	75.75	101.00	257.55	247.45	707.00
Indian Overseas Bank	1.25	3.75	4.96	12.14	10.84	32.95
						-
TOTAL	**523.13**	**1,326.66**	**1,729.95**	**3,923.03**	**2,980.07**	**10,482.83**

(₹ in Crore)

March 31, 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 ₹ 3,000 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 2552 Cr_Solar 709 MW	35.16	95.57	108.97	208.34	53.68	501.73
RTL 1680.75 Cr_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 202I- Series I	-	71.09	71.09	71.09	-	213.26
NLCIL Bonds 202I- 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**

Notes to Consolidated Financial Statements

NOTE 51: 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 March 31, 2016 the Company till the date of commercial operation capitalise the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by CERC as recovery from beneficiaries. If any exchange gain/loss arise after the date of commercial operation the same will also be recovered from beneficiaries as part of rate regulated asset. From April 01, 2016 exchange gain/loss on long term foreign currency monetary item will be recovered from beneficiaries as a part of rate regulated asset. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is considered to be insignificant.

The currency profile of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023.

(₹ in Crore)

Particulars	31-Mar-24	31-Mar-23
Financial liabilities		
Borrowings - KFW*	389.37	416.47

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

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against the Euro as at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ in Crore)

March 31, 2024	Profit and loss	
10% movement	Strengthening	Weakening
Borrowings - KFW	38.94	(38.94)

March 31, 2023	Profit and loss	
10% movement	Strengthening	Weakening
Borrowings - KFW	41.65	(41.65)

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 Consolidated Financial Statements

NOTE 51: Financial Risk Management (Contd.)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Financial assets		
Fixed-rate instruments		
Employee Loans	37.43	40.97
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	3,038.21	2,996.33
- Power Finance Corporation (PFC)	7,904.77	7,885.35
-Rural Electrification Corporation	5,124.64	4,551.23
Fixed-rate instruments		
Commercial Paper	1,000.00	1,000.00
Inter Corporate Loan (MCL)		
Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
- Series-II-2020	500.00	500.00
- Series-I-2021	1,175.00	1,175.00
- Series-II-2021	500.00	500.00
Rupee term loans		
- Cash Credit		
- Working Capital Demand Loan	747.46	783.34
- Working Capital Demand Loan-T Bill link	-	498.00
Foreign Currency Loan		
- KFW	389.37	416.47

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹ in Crore)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31 March 2024		
Rupee term loans		
- From Banks	(15.19)	15.19
- Power Finance Corporation (PFC)	(39.52)	39.52
- Rural Electrification Corporation	(25.62)	25.62
	(80.33)	**80.33**
31 March 2023		
- From Banks	0.00	0.00
- Power Finance Corporation (PFC)	0.00	0.00
- Rural Electrification Corporation	(2.63)	2.63
	(2.63)	**2.63**

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Equity price risk

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

Notes to Consolidated Financial Statements

NOTE 52: Disclosure as per Ind AS 115 'Revenue from Contract with the Customers'

I. Nature of Goods and Services

The revenue of the Company comprises of income from energy sales, Coal sales, consultancy and other services. The following is a description of the principal activities:

A. Revenue from energy sales

The major revenue of the Company comes from energy sales. The Company sells electricity to customers mainly electricity utilities owned by State Governments. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy sales	The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

B. Revenue from Coal sales

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Coal Sales	In the case of sales through open market sales has been reckoned to the extent of amount received/ as per sale terms when performance obligation is satisfied.

C. Revenue from Lignite sales

The company supplies lignite from its captive mines to one of the power generating company based on the fuel supply agreement entered with them.After meeting the internal demand, the remaining lignite are sold in the open market

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Lignite sales	The Company recognises revenue from contracts for sale of captive lignite when control of the goods is transferred to customers. The amounts are billed as and when goods are transferred and are payable in accordance with the agreement entered with the party. In the case of sales through open market sales has been reckoned to the extent of amount received/ as per sale terms when performance obligation is satisfied.

D. Revenue from sales of fly ash and other by products

II. Disaggregation of revenue

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
Nature of revenue (Refer Note No. 26)		
- Power Sales	10,519.71	13,727.70
- Sale of Coal	1,757.58	1,515.97
- Sale of Lignite	648.68	791.70
- Sale of Fly ash, other By products and consultancy charges	148.13	158.65
Total	**13,074.10**	**16,194.02**

Primary geographical markets	India
Timing of revenue recognition	Products and services transferred at a point in time

Notes to Consolidated Financial Statements

NOTE 52: Disclosure as per Ind AS 115 'Revenue from Contract with the Customers'(Contd.)

III. Reconciliation of revenue recognised with contract price (Refer Note No. 26):

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
Contract price	13,074.10	16,194.02
Adjustments for:		
- Rebates	75.07	28.78
Revenue recognised	**12,999.03**	**16,165.24**

IV. Contract balances

The following table provides information about receivables, unbilled revenue

(₹ in Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
Trade receivables (Refer Note No. 10(a))	4,046.49	4,729.89
Unbilled Revenue (Refer Note No. 10(e))	1,402.12	2,992.73

V. Transaction price allocated to the remaining performance obligations

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations, where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract

NOTE 53: 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 cum Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the consolidated financial statements.

Notes to Consolidated Financial Statements

NOTE 53: Disclosure as per Ind AS 108 'Operating segments' (Contd.)

B. Information about reportable segments:

(₹ in 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	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
REVENUE								
External Sales	2,413.61	2,310.95	10,585.42	13,854.29	-	-	12,999.03	16,165.24
Inter-segment sales	5,265.98	5,413.56	481.37	478.42	5,747.35	5,891.98	-	5,891.98
Total Revenue	**7,679.59**	7,724.51	**11,066.79**	14,332.71	**5,747.35**	5,891.98	12,999.03	16,165.24
RESULT								
Segment Result	**1,526.24**	1,972.43	**1,151.02**	2,782.70	-	-	2,677.26	4,755.13
Other Income							402.88	313.10
Unallocated Corporate expenses.							966.37	291.73
Operating Profit							2,113.77	4,776.50
Interest Expense							849.29	1,011.69
Interest Income							544.53	458.48
Exceptional Items							-	12.32
Income taxes							1,014.32	630.66
Profit from Ordinary activities							794.69	3,604.95
Net Movement in regulatory account balance income/(expenses)							1,072.88	(2,178.85)
Other Comprehensive Income							(6.71)	(0.02)
Net Profit							1,860.86	1,426.08
OTHER INFORMATION	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Segment Assets	6,463.95	5,697.24	29,292.32	31,572.51	-	-	35,756.27	37,269.75
Unallocated Corporate assets(Including Capital Work-in Progress)	-	-	-	-	-	-	19,185.54	15,797.95
Total Assets	-	-	-	-	-	-	54,941.81	53,067.70
Segment liabilities	6,445.87	5,077.83	13,513.79	13,199.79	-	-	19,959.66	18,277.62
Unallocated Corporate liabilities	-	-	-	-	-	-	18,451.10	19,621.24
Total liabilities	-	-	-	-	-	-	38,410.76	37,898.86
Capital Expenditure	256.66	881.15	515.88	147.31	-	-	772.54	1,028.46
Depreciation	161.25	405.17	1,307.80	1,298.72	-	-	1,469.05	1,703.89
Non-cash expenses other than depreciation	145.51	22.76	29.52	111.90	-	-	175.03	134.66

Note:

1. Since the business operation is within India the secondary disclosure does not arise.
2. The inter-segment transfers are priced on cost plus profit basis.
3. Allocation of
   i) Storage charges on the basis of material consumption,
   ii) Common charges and social overhead on the basis of salaries & wages and
   iii) Service Centres Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.

C. Information about major customers

Revenue from one major customer under "generation of energy" segment is ₹ 6,205.02 crore (March 31, 2023 : ₹ 5,841.24 crore) which is more than 10% of Company's total revenues.

Notes to Consolidated Financial Statements

NOTE 54: Additional Disclosures

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 55: Contingencies and Commitments

(₹ in Crore)

Particulars	As at March 31, 2023	Additions	Deletions/ Settlement	As at March 31, 2024
A. Contingencies				
1. Claims against the Corporation not acknowledged as debts:				
(i) From Employees /Others	NQ			NQ
(ii) From Statutory Authorities/Central Govt/ Govt Departments	924.28	142.67	224.12	842.83
(iii) From Statutory Authorities/State Govt/ Govt Departments	2,704.58	369.83	295.65	2,778.76
(iv) From CPSEs	-			-
(v) From Others	7,485.85	4,142.32	2,492.54	9,135.63
Sub-Total Claims not acknowledged as debt	**11,114.71**	**4,654.82**	**3,012.31**	**12,757.22**
2. Guarantees issued by Group	467.56	814.72	180.44	1,101.84
Sub-Total Contingencies (A)	**11,582.27**	**5,469.55**	**3,192.75**	**13,859.07**
B. Commitment				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	6,105.35	23,305.93	3,717.52	25,693.76
Sub-Total Commitments (B)	**6,105.35**	**23,305.93**	**3,717.52**	**25,693.76**
Total Contingencies and Commitments (A+ B)	**17,687.62**	**28,775.48**	**6,910.27**	**39,552.83**

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 the same found not material for separate disclosure.

NQ : Not Quantifiable

NOTE 56: Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Current tax expense		
Current year	744.07	1,033.56
Adjustment for earlier years	(38.48)	(53.95)
Pertaining to regulatory deferral account balances	406.05	(538.02)
Total current tax expense	1,111.64	441.58
Deferred tax expenses		
Origination and reversal of temporary differences	(46.26)	264.76
Less: MAT credit	(51.06)	75.68
Total deferred tax expense	(97.32)	189.08
Total income tax expense	**1,014.32**	**630.66**

Notes to Consolidated Financial Statements

NOTE 56: Disclosure as per Ind AS 12 'Income taxes' (Contd.)

ii) Income tax recognised in other comprehensive income

(₹ in Crore)

Particulars	March 31, 2024			March 31, 2023		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(10.75)	(4.04)	(6.71)	(0.03)	(0.01)	(0.02)

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

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Profit before tax	2,787.89	2,055.76
Tax using the Group tax @ 34.944%	1,040.83	753.81
Tax effect of:		
Non-deductible tax expenses	855.99	705.83
Tax deductions/allowances	(647.99)	(846.67)
Tax on business loss	(153.90)	(193.12)
Previous year tax liability	(38.48)	(53.95)
Interest	0.10	-
Deferred Tax expenses/(income)	(97.27)	189.08
MAT credit entitlement	51.00	75.68
Total tax expense in the Statement of Profit and Loss	**1,010.28**	**630.65**

(b) Tax losses carried forward

Particulars	March 31, 2024	Expiry date	March 31, 2023	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 @15% amounting to ₹ 1.5 per share for FY 2023-24 (31March 2023: ₹ 2.00 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 57: Information in respect of micro, small and medium enterprises as at 31 March 2024 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
a) Amount remaining unpaid to any supplier:		
Principal amount	58.69	48.47
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	-	-

The determination of the transactions with MSME vendors and balances thereof, have been done based on the certificate received from the respective parties as available in the system. Further, the Company is in the process to check the completeness of the data in this regard for appropriate disclosures in respect of MSME vendors, interest liability thereon as per MSME Act.

Notes to Consolidated Financial Statements

NOTE 58: Thermal Power Station -I (retired from operation)

(₹ in Crore)

Particulars	For the Period ended March 31, 2024	March 31, 2023
INCOME		
Revenue from Operations	276.36	212.84
Other Income	407.84	31.09
Total Income	**684.20**	**243.93**
EXPENSES		
Employee Benefit Expenses	3.52	19.58
Finance Costs	0.36	0.37
Depreciation and Amortization Expenses	0.36	0.43
Other Expenses	17.52	17.23
Total Expenses	**21.77**	**37.61**
Profit / (Loss) before Exceptional & Rate Regulatory Activity	662.43	206.32
Net Movement in Regulatory Deferral Account Balances Income / (Expenses)	(5.30)	(230.48)
Exceptional Items	-	
Profit / (Loss) before Tax	**657.13**	**(24.16)**

Note : During the year CERC has issued revised lignite truing up order for its Neyveli Mines for the tariff period 2009-14. Consequential Impact of the same has been considered under revenue from operations and other income.

NOTE 59: Disclosure as per Ind AS 33 'Earnings per Share'

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
(i) Basic and diluted earnings per share for the year ended		
From operations including regulatory deferral account balances (a)	13.47	10.28
From regulatory deferral account balances (b)	4.81	(11.83)
From operations excluding regulatory deferral account balances (a)-(b)	8.66	22.12
Nominal value per share	10.00	10.00
(ii) Profit attributable to equity shareholders (used as numerator)		
From operations including regulatory deferral account balances (a)	1,867.57	1,426.10
From regulatory deferral account balances (b)	666.83	(1,640.84)
From operations excluding regulatory deferral account balances (a)-(b)	1,200.74	3,066.93
(iii) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares	1,38,66,36,609	1,38,66,36,609
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic and Diluted EPS	**1,38,66,36,609**	**1,38,66,36,609**

NOTE 60: Capital Employed

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Employed	42,472.21	40,676.44

NOTE 61: 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 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.

Notes to Consolidated Financial Statements

NOTE 61: Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

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.

e) **Relationship with Struck off Companies :**

Name of the Struck off	Nature of Transactions with Group	Balance Outstanding (₹ In crore)	Relationship with the Group, if any
SONAR COMMUNICATIONS PVT. LTD.,	Payables towards Goods and Services	0.00	Vendor for supply of Goods and Service
GEO MINERAL WATERS PVT. LTD.,	Payables towards Goods and Services	0.02	Vendor for supply of Goods and Service
BERN ENGG PVT LTD	Payables towards Goods and Services	0.03	Vendor for supply of Goods and Service
READY ENGINEERING PVT LTD	Payables towards Goods and Services	0.00	Vendor for supply of Goods and Service
MANAVEA TECHNOLOGIES PVT. LTD.	Payables towards Goods and Services	(0.00)	Vendor for supply of Goods and Service

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(ies), 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.

i) **Borrowings secured against current assets**
The group has availed working capital facility of ₹ 5,000 crore (₹ 4,000 crore Fund based and ₹ 1,000 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 31.03.2024 is NIL (PY: ₹ 498 Crore) in the form of T-bill linked WCL.

Notes to Consolidated Financial Statements

NOTE 61: Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

NTPL (Subsidiary company) 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 7.00% p.a. (on the basis of Repo Rate + Mark Up 2.75% - BSD 2.25%) on Working capital demand loan and 8.55% 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 NTPL (Subsidiary Company) has 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 31.03.2024 is in the form of T-bill linked WCL. This outstanding loan carries interest rate of 7.30% p.a.

The Group has filed quarterly/monthly returns with the banks and financial institutions as per the terms of loans. These retunes 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 23-24 or any of previous financial years.

j) **Registration of charges or satisfaction with Registrar of Companies (ROC) :** Not Applicable

k) **Trade Payable Ageing - FY 2023-24**

(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
a) MSME	25.83	0.97	4.74	0.13	0.71	0.76	33.13
b) Other	188.18	101.15	1,100.64	37.42	19.40	37.78	1,484.57
c) Disputed Dues- MSME	-	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-	-
Total	**214.00**	**102.12**	**1,105.37**	**37.55**	**20.11**	**38.54**	**1,517.70**

Trade Payable Ageing - FY 2022-23

(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1 - 2 year	2 - 3 year	More than 3 Year	
a) MSME	1.20	0.86	46.37	0.49	0.43	0.18	49.52
b) Other	198.82	76.40	506.50	69.56	-	50.09	901.37
c) Disputed Dues- MSME			-	-	-	-	-
d) Disputed Dues- Others			-	-	-	-	-
Total	**200.02**	**77.25**	**552.87**	**70.05**	**0.43**	**50.27**	**950.89**

Notes to Consolidated Financial Statements

NOTE 61: Additional Disclosures : to the notification dated 24th March 2021, by Ministry of Corporate Affairs (Contd.)

l) Analytical Ratios :

Name of Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	Variation(%)	Reason for Variation
1) Current Ratio*	Current Assets	Current Liabilities	1.15	1.38	(16.46)	
2) Debt - equity ratio	Total debt (current + noncurrent)	Share holders Equity (Equity + retained earnings - Preliminary project expenditure)	1.35	1.47	(7.94)	
3) Debt Service Coverage Ratio	Earning Available for debt Service (EBDIT)	Interest + Principal Repayments	2.37	1.85	27.97	Increase in EBDIT in the current year when compared with the previous year.
4) Return on Equity	Profit for the period	Average Shareholders equity	11.30	10.05	12.40	
5) Inventory Turnover Ratio	COGS or Sales (revenue from operation)	Average Inventory	9.75	13.56	(28.10)	Revenue from operations has increased mainly on account of revised neyveli mines truing up order for the traiff period 2009-14
6) Trade Receivable Turnover Ratio	Net credit Sales (Revenue for from operation)	Average Trade Receivables	2.96	3.83	(22.67)	
7) Trade Payable Turnover Ratio*	Total Other Expenses excluding provisions	Average Trade Payables	3.84	4.57	(15.91)	
8) Net Capital Turnover ratio*	Net Sales (Revenue from operation)	Working Capital (Current Asset - current Liability)	4.93	3.82	29.02	The variation is mainly on account of increase in turnover and decrease in working capital loan when compared with the previous year.
9) Net Profit Ratio	Profit for the period	Net Sales (revenue from operation)	14.37	8.82	62.85	Increase in the PAT is mainly attributed to revised lignite truing up order for the tariff period 2009-14 and other favourable regulatory orders.
10) Return on Capital Employed	Earning before interest exceptional and Taxes (EBIT)	Capital Employed (tangible net worth+ total debt+ deferred tax liability)	8.78	7.57	16.02	

* Ratio of previous year has been restated

NOTE 62: Additional Disclosures

a) 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.

b) 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.

Notes to Consolidated Financial Statements

NOTE 62: Additional Disclosures (Contd.)

C) Disclosures 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 so as to align with the industry practice, Ind AS compliance and for better understanding.

1) Basis of Preparation

2) Property, Plant and Equipment

a) Recognition and Measurement

b) Subsequent Capitalisation

c) Depreciation and Amortisation

3) Assets held for sale

4) Revenue Recognition - Unbilled Revenue

5) Provisions and Contingent Liabilities

There is no financial impact on account of the above modification/updation in accounting policies.

NOTE 63: Additional Disclosures

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 Company is facing with deficit in availability of land at Neyveli for lignite mining, which is adversely impacting generation of power, as local District Authorities are facing resistance for taking measurement of structures for further land acquisition and also in getting possession of already acquired land to handover to the Company. On 07.08.2023, Hon'ble Madras High Court pronounced the order that NLCIL to pay ex gratia amount to farmers and to take the possession of the land which was already acquired by NLCIL and paid the land compensation.

To mitigate the said hardship, the company has undertaken substantial efforts, leading to acquisition of requisite quantum of land to meet the thermal units production requirement. The Company is confident of overcoming the challenges on land acquisition at Neyveli mines with sustained efforts, in the near future.

Notes to Consolidated Financial Statements

NOTE 63: Additional Disclosures (Contd.)

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 31.07.2023, 31.10.2023 and 31.12.2023 for their 3 Units. Based on the revised COD dates, Govt. of India has approved the revised cost estimate of ₹ 19,406.12 Crores.

e) As per the requirements of Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company has used SAP for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

In respect of 7 external applications that were integrated with SAP software, in connection with Auction & tender system, Integrated Weighment Tracking System, employees advance and reimbursement claims, GST Central Invoicing System & House Allotment, Rent Accounting & other Township related Management System, we confirm that there is no audit trail (edit log) facility that was enabled.

f) Pursuant to C&AG Supplementary Audit observation the following has been added:

i) The Board has approved an amount of ₹ 52.92 crore for PAPs of Talabira II & III, subject to their eligibility and acceptance.

ii) Minimum annual dividend as per DIPAM guidelines shall be 30% of PAT or 5% of Net-worth, whichever is higher. NLCIL has paid 30% of dividend on face value of share which is 2.60% of net worth and the differential amount as per DIPAM guidelines is ₹ 383.70 crore for 2023-24. NLCIL has requested for exemption to MoC for the year which is awaited.

Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures for the Year 2023-24

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

(₹ in Crore)

Sl. No	Name of the Subsidiary	1	2	3	4
		NLC Tamil Nadu Power Limited	Neyveli Uttar Pradesh Power Limited	NLC India Renewables Limited	NLC India Green Energy Limited
1	Reporting Period	2023-24	2023-24	2023-24	2023-24
2	Reporting Currency	₹	₹	₹	₹
3	Share Capital	2,188.04	5,171.33	0.10	50.00
4	Reserves and Surplus	614.94	(14.49)	(0.06)	(0.16)
5	Total Assets	6,857.14	17,799.67	0.07	49.86
6	Total Liabilities	4,054.16	12,642.83	0.03	0.02
7	Investments	-	-	-	-
8	Total Income	2,923.44	0.09	0.00	0.25
9	Profit before taxation	201.16	(0.46)	(0.06)	(0.16)
10	Provision for taxation	72.00	1.02	-	-
11	Profit for the period	129.16	(1.48)	(0.06)	(0.16)
12	Total comprehensive income	128.92	(1.75)	(0.06)	(0.16)
13	Proposed Dividend	-	-	-	-
14	% of Shareholding	89%	51%	100%	100%
	Remarks	NTPL has declared an interim dividend of 3% per share at par value for FY 2023-24	Yet to commence the operations	-	-

For and on behalf of the Board of Directors

R.Udhayashankar
Company Secretary
FCS: 8591

Dr. Prasanna Kumar Acharya
Director (Finance)
DIN: 09625170

Prasanna Kumar Motupalli
Chairman and Managing Director
DIN: 08456692

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

For M/s. Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 004207S

M S N M Santosh
Partner
M No. 221916

P. Menakshi Sundaram
Partner
M No. 217914

Place : Chennai
Date : 15.05.2024

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

Sl. No.	Particulars	Coal Lignite Urja Vikas Private Limited	MNH Shakti Limited
	Reporting period	FY 2023-24	FY 2023-24
1	Status	Joint Venture	Associate
2	Share of the JV/Associate held by the Company on the year end	10000	5265000
3	Amount of investment in JV/Associate (₹ in crores)	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)	1.39	6.45
8	Profit / (Loss) for the year :		
	i) Considered for consolidation (₹ in Crore)	0.06	0.19
	ii) Not Considered for consolidation	NA	NA
9	Remarks	-	-

For and on behalf of the Board of Directors

R.Udhayashankar
Company Secretary
FCS: 8591

Dr. Prasanna Kumar Acharya
Director (Finance)
DIN: 09625170

Prasanna Kumar Motupalli
Chairman and Managing Director
DIN:08456692

For Manohar Chowdhry & Associates,
Chartered Accountants,
Firm Regn. No. 001997S

For M/s. Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 004207S

M S N M Santosh
Partner
M No. 221916

P. Menakshi Sundaram
Partner
M No. 217914

Place : Chennai
Date : 15.05.2024

Information on Subsidiary and Associate

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

	Net Assets, i.e, total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of Consolidated net Assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % total comprehensive Income	Amount (₹ in Crores)
(A) Parent								
NLC India Limited								
31st March 2024	96.72%	15,988.79	93.16%	1,739.85	92.40%	(6.20)	93.16%	1,733.65
31st March 2023	96.47%	14,633.36	82.18%	1,146.95	100.00%	(0.02)	82.18%	1,146.93
(B) Subsidiaries								
1. NTPL								
31st March 2024	3.31%	547.30	6.92%	129.17	3.60%	(0.24)	6.93%	128.93
31st March 2023	3.56%	539.66	17.77%	248.00	2.67%	(0.00)	17.77%	247.99
2. NUPPL								
31st March 2024	(0.04%)	(7.39)	(0.08%)	(1.48)	4.00%	(0.27)	(0.09%)	(1.75)
31st March 2023	(0.04%)	(6.50)	(0.02%)	(0.24)	1.53%	(0.00)	(0.02%)	(0.24)
3. NIRL								
31st March 2024	0.00%	(0.06)	0.00%	(0.06)	-	-	0.00%	(0.06)
31st March 2023	-	-	-	-	-	-	-	-
4. NIGEL								
31st March 2024	0.00%	(0.16)	(0.01%)	(0.16)	-	-	(0.01%)	(0.16)
31st March 2023	-	-	-	-	-	-	-	-
(C) Joint Venture (Indian)								
Coal Lignite Urja Vikas (P) ltd.								
31st March 2024	0.01%	1.39	0.00%	0.06	-	-	0.00%	0.06
31st March 2023	0.01%	1.32	0.07%	0.94	-	-	0.07%	0.94
(D) Associate (Indian)								
MNH Shakti								
31st March 2024	0.01%	1.19	0.01%	0.19	-	-	0.01%	0.19
31st March 2023	0.01%	0.99	0.00%	0.03	-	-	0.00%	0.03
Total								
31st March 2024	100.00%	16,531.05	100.00%	1,867.57	100.00%	(6.71)	100.00%	1,860.86
31st March 2023	100.00%	15,168.84	100.00%	1,395.68	100.00%	(0.02)	100.00%	1,395.66

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Initial Disclosure to be made by an entity identified as a Large Corporate

Ref: Annexure XII-A 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 and SEBI Circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated 19.10.2023.

In accordance with above referred SEBI Circulars, we submit the following:

Sr. No.	Particulars	Details	
1	Name of the Company	NLC India Limited	
2	CIN	L93090TN1956GOI003507	
3	Outstanding borrowing of Company as on 31st March, 2024 (₹ Crore)	**7,579.41**	
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	**Credit Rating Agency**	**Highest Rating**
		Acuite Ratings & Research	AAA
		ICRA	AAA
		CRISIL	AAA
		CARE	AAA
		India Rating	AAA
		Infomerics Ratings	AAA
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE	

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: 27.04.2024

(Sd/-)
Chief Financial Officer

Notes

NLC India Limited

'Navratna' - Government of India Enterprise

CREATING WEALTH FOR WELLBEING

044 - 28360027

www.nlcindia.in

CIN L93090TN1956GOI003507

Registered Office:
No.135, EVR Periyar High Road,
Kilpauk, Chennai - 600 010,
Tamil Nadu, India.

Corporate Office:
Block-1, Neyveli - 607 801,
Cuddalore District,
Tamil Nadu.