



NEYVELI LIGNITE CORPORATION LIMITED

(A Government of India Enterprise)

Regd. Office: First Floor, No.8, Mayor Sathyamurthy Road,
FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600 031
Corporate Office: Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu.

Phone: 04142/252205. Fax: 04142-252645, 252646

CIN:L93090TN1956GOI003507

Web-site: www.nlcindia.com; e-Mail: cosec@nlcindia.com

Lr.No.Secy/Audited Results/2016

Dt.26.05.2016

To

The National Stock Exchange of India Ltd
Plot No.C/1,G Block
Bandra-Kurla Complex
Bandra(E)
MUMBAI-400 051

SCRIPCODE: NEYVELILIG

Dear sirs,

Sub : Audited Financial Results for the year ended 31st March 2016.

As required under Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), we furnish herewith a copy of the audited financial results for the year ended 31st March 2016 which was approved by the Board of Directors at the meeting held on 26th May, 2016 along with the audit report and Form A (for audit report with unmodified opinion).

In compliance of Clause 30 of the LODR, it is hereby informed that the Board of Directors at the above meeting, have recommended a final dividend @ 12 % i.e., Re.1.20 per equity share for the financial year ended 31st March, 2016, subject to C&AG Audit and approval of Members.

The details of closure of Register of Members and Share Transfer Books and the date on which the above final dividend shall be paid/dispatched will be intimated in due course after fixing the date of Annual General Meeting.

Thanking you,

Yours faithfully,
for Neyveli Lignite Corporation Limited


Company Secretary

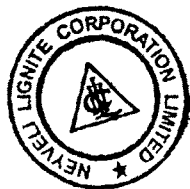
NEYVELI LIGNITE CORPORATION LIMITED

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2016

PART - I

Rs in lakhs

SLNO	PARTICULARS	Standalone					Consolidated	
		Quarter ended			Year ended		Year ended	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	(a) Net sales/income from operations (Net excise duty)	1,85,415	1,25,525	1,68,209	6,66,905	6,08,768	7,89,596	6,08,768
	Total Income from operations (net)	1,85,415	1,25,525	1,68,209	6,66,905	6,08,768	7,89,596	6,08,768
2	Expenses							
	(a) Increase/Decrease in Stock-in-trade and work-in-progress	(51,748)	(3,838)	(32,004)	(36,125)	(20,466)	(36,125)	(20,466)
	(b) Consumption of stores, spares and fuel	22,675	15,711	18,371	62,508	71,248	1,43,582	71,248
	(c) Employee benefits expense	55,495	56,157	59,099	2,22,225	2,21,738	2,25,863	2,21,738
	(d) Depreciation and amortisation expenses	9,356	17,523	10,984	59,923	44,062	86,785	44,062
	(e) Other expenditure	80,681	38,507	52,220	1,96,622	1,41,123	2,01,127	1,41,123
	(f) Prior period items	3,414	(3,409)	3,984	5	3,253	5	3,253
	Total Expenses	1,19,873	1,20,651	1,12,654	5,05,158	4,60,958	6,21,237	4,60,958
3	Profit/(Loss) from operations before other income, finance costs and exceptional items(1-2)	65,542	4,874	55,555	1,61,747	1,47,810	1,68,359	1,47,810
4	Other income	11,043	15,555	17,679	52,515	70,929	49,329	70,929
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)	76,585	20,429	73,234	2,14,262	2,18,739	2,17,688	2,18,739
6	Finance Costs	4,364	4,365	2,839	18,836	14,963	46,733	14,963
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5-6)	72,221	16,064	70,395	1,95,426	2,03,776	1,70,955	2,03,776
8	Exceptional items	(204)	(2,984)	34,557	(2,838)	34,557	(2,838)	34,557
9	Profit/(Loss) from ordinary activities before tax (7+8)	72,017	13,080	1,04,952	1,92,588	2,38,333	1,68,117	2,38,333
10	Tax expense	27,393	8,319	37,271	72,173	80,365	63,704	80,365
11	Net Profit/(Loss) from ordinary activities after tax(9-10)	44,624	4,761	67,681	1,20,415	1,57,968	1,04,413	1,57,968
12	Extraordinary items net of tax expense	0	0	0	0	0	0	0
13	Net Profit/(Loss) for the period (11+12)	44,624	4,761	67,681	1,20,415	1,57,968	1,04,413	1,57,968
14	Share of Profit / (Loss) of associates **	0	0	0	0	0	0	0
15	Share of Minority Interest **	0	0	0	0	0	(1,760)	0
16	Net Profit/(Loss) after taxes, minority Interest and share of Profit/(Loss) of associates for the period	44,624	4,761	67,681	1,20,415	1,57,968	1,06,173	1,57,968
17	Paid up equity Share capital (Face Value ₹ 10/-)	1,67,771	1,67,771	1,67,771	1,67,771	1,67,771	1,67,771	1,67,771
18	Reserves excluding Revaluation Reserve as per balance sheet date				13,79,728	13,19,397	13,85,372	13,19,283
19	Earnings Per Share(before and after extraordinary items)							
	Basic and Diluted ₹	2.66	0.28	4.03	7.18	9.42	6.33	9.42



26/5/2016

PART II								
SLNO	PARTICULARS	Standalone					Consolidated	
		Quarter ended			Year ended		Year ended	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
A	PARTICULARS OF SHAREHOLDING							
1	Public Shareholding							
	No of shares	167770960	167770960	167770960	167770960	167770960	167770960	167770960
	Percentage of Shareholding	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
2	Promoters and Promoter group Shareholding-							
	(a) Pledged/Encumbered							
	No of shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	percentage of Shares(as a % of the total shareholding of promoter group)							
	percentage of Shares(as a % of the total share capital of the company)							
	(b) Non-encumbered							
	No of shares	1509938640	1509938640	1509938640	1509938640	1509938640	1509938640	1509938640
	percentage of Shares(as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%
	percentage of Shares(as a % of the total share capital of the company)	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%

Particulars		Quarter ended 31st March 2016	
B	STATUS INVESTOR COMPLAINTS:		
	Pending at the beginning of the quarter		4
	Received during the quarter		30
	Disposed of during the quarter		31
	Remaining unresolved at the end of the quarter *		3*

* Since resolved.

** Applicable in the case of Consolidated results.

NOTES:

- The audited results are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
- Sale of Power for the quarter is higher by Rs. 24891 lakh (net) as compared to the amount invoiced on the beneficiaries due to the following :
 - Adoption of CERC Tariff Regulations for the period 2014-19 pending the determination of power tariff by Central Electricity Regulatory Commission (CERC)
 - Consideration of price of lignite as per the guidelines of Ministry of Coal for energy charges.
 - Claims on beneficiaries in addition to above covers tariff rate fixation but not covered by (1) and (2) above
- The review order of the CERC dt 14.03.2016 regarding disallowance of interest during construction period of Barsingsar tariff order for TPS, against which the company is in the process of filing an appeal before the APTEL. The order has a result of reducing the power sales of the company for the year 15-16 by Rs.4681 lakhs and additional interest cost of Rs.1885 lakhs. The company has continued to recognise sale of power in accordance with the provisional tariff order of CERC without passing on the benefits to the beneficiaries.
- Differential amount of Rs.7775 lakhs to beneficiaries on account of adopting normal Corporate Tax rate instead of Minimum Alternative Tax rate(MAT) for Return on Equity in power tariff for the year 2012-13, as the company is of the opinion that MAT rate is not applicable. Against the review petition order of the CERC and appeal has been filed before APTEL, which is pending and the company has not given effect to this order.
- The review order of the CERC dt 21.01.2016 for refund of additional profit earned by sale of lignite to outside agencies over and above 85% capacity utilisation factor of Mine II Exp & refund of incentive for the excess generation of power over and above the contemplated PLF in TPS II due to inclusion of pooled price of Mine II Expansion, an appeal has been filed before APTEL, which is pending.
Had the company given effect to this order, sales for the year 2015-16 would have been reduced by Rs.45440 lakhs
- Due to the Hon'ble Supreme Court of India's judgment dt 25.08.2014, the coal block allocation made through screening committee route has been cancelled. MNH Sakli Ltd a Joint Venture company in which NLC is having a stake of 15% is affected by the above said order. The company has invested Rs. 1277 lakh so far. Since the winding up process is not yet commenced, the company has not made any provision in this regard
- a) Tax Expense Rs. 72173 Lakhs represents Deferred Tax Liability for the year.
b) Current tax as per Minimum Alternate Tax (MAT) Rs 40815 Lakhs
Less: MAT credit entitlement Rs. 40815 Lakhs
Net Current Tax Nil
- Exceptional items of ₹ 2838 Lakhs representing VRS compensation paid to the employees.
- Based on internal assessment and in consultation with Indian Bureau of Mines (Sub-ordinate Office under the control of Ministry of Mines) and Ministry of Corporate Affairs approved in Aug. 2007 the useful lives of Specialised Mining Equipments commissioned on or after 31-08-2007 such as Bucket Wheel Excavator, Mobile Transfer Conveyor, Spreader, Conveyors deployed in mines were fixed as 15 years which are different from useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.
- The following Subsidiaries and Joint Venture companies are considered in the consolidated financial results
 - NLC Tamilnadu Power Limited (NTPL) - Subsidiary Company - Shareholding - 89%
 - Neyveli Uttar Pradesh Power Ltd. (NUPPL) - Subsidiary Company - Shareholding - 51%
 - MNH Shakti Limited - Joint Venture Company - Share of Joint Venture - 15%
- Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year.
- The Board of Directors have recommended final dividend of ₹ 1.20 per share (Interim dividend of ₹ 1.80 per share declared already) for the year ended 31-03-2016 subject to the approval of the share holders.
- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 26-05-2016.
- Figures of the corresponding previous period have been regrouped wherever necessary.

CHENNAI
Dt.26.05.2016



SARAT KUMAR ACHARYA
Chairman and Managing Director

26/5/2016

STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Rs in lakhs

Sl.No.	Particulars	Standalone		Consolidated	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
A	EQUITY AND LIABILITIES				
1	Shareholders funds				
	(a) Share Capital	167771	167771	167771	167771
	(b) Reserves and Surplus	1379728	1319397	1365373	1319283
	Sub-total Shareholders funds	1547499	1487168	1533144	1487054
2	Minority Interest			64042	36787
3	Non-Current Liabilities				
	(a) Long term borrowings	316565	279246	705011	601076
	(b) Deferred Tax liability	173343	101010	164873	101010
	(c) Other long term liabilities	74776	41749	118864	41749
	Sub-total Non-Current Liabilities	564684	422005	1052790	743835
4	Current Liabilities				
	(a) Trade payables	97061	63141	117270	63141
	(b) Other current liabilities	115297	121761	220772	202209
	(c) Short- term provisions	42465	42211	42465	42211
	Sub-total Current Liabilities	254823	227113	380507	307561
	TOTAL EQUITY AND LIABILITIES	2367006	2136286	2966441	2575237
B	ASSETS				
1	Non-Current Assets				
	(a) Fixed assets	1211170	1083175	1887574	1763940
	(b) Non-current Investments	194912	183086		0
	(c) Long term Loans and Advances	77834	47686	78314	47686
	(d) Other Non current assets	10474	5112	10474	5112
	Sub-total Non-Current assets	1494390	1319059	1976362	1816738
2	Current Assets				
	(a) Current Investments	0	10320	0	10320
	(b) Inventories	127749	89863	149178	89863
	(c) Trade Receivables	306015	228207	378711	228207
	(d) Cash and Bank Balance	315797	326547	361998	357760
	(e) Short term Loans and Advances	103541	142389	80650	52434
	(f) Other current assets	19514	19901	19542	19915
	Sub-total Current assets	872616	817227	990079	758499
	TOTAL ASSETS	2367006	2136286	2966441	2575237



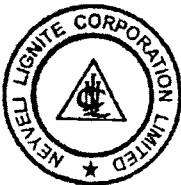
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NEYVELI LIGNITE CORPORATION LIMITED, NEYVELI

Segment wise Revenue, Results and Capital Employed, under clause 41 of the Listing Agreement.

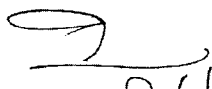
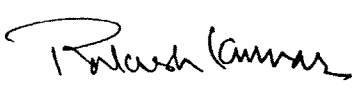
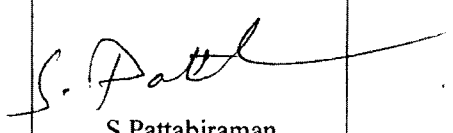
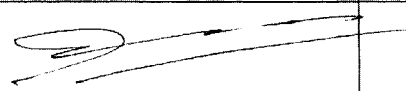
Rs in lakhs

	Standalone					Consolidated	
	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended	Year ended	Year ended
	31-03-2016	31-12-2015	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
	(Audited)	(UnAudited)	(Audited)	(Audited)		(Audited)	
1. Segment Revenue							
a. Lignite Mining	146926	99903	131057	534195	467530	534090	467530
b. Power Generation	185567	128630	165437	668439	592950	791236	592950
Total	332493	228533	296494	1202634	1060480	1325326	1060480
Less: Inter Segment Revenue	147078	103008	128285	535729	451712	535729	451712
Net Sales/income from operations	185415	125525	168209	666905	608768	789597	608768
2. Segment Results							
(Profit)+/Loss(-) before tax and interest from each Segment)							
a. Lignite Mining	60329	9357	53661	153049	124054	153049	124054
b. Power Generation	21067	-3257	19667	40872	57849	47485	57849
Total	81396	6100	73328	193921	181903	200534	181903
Less:							
Interest	4364	4365	3482	18836	15606	46733	15606
Add:							
Other un-allocable income							
net off un-allocable expenditure	-5015	11345	35106	17503	72036	14316	72036
Total Profit Before Tax	72017	13080	104952	192588	238333	168117	238333
3. Capital Employed							
(Segment assets-Segment Liabilities)							
a. Lignite Mining	428804	407309	417445	428804	417445	428804	417445
b. Power Generation	830910	770102	468195	830910	468195	1467477	468195
c. Unallocated incl. work in progress	287785	385571	601528	287785	601528	-299096	638201
Total	1547499	1562982	1487168	1547499	1487168	1597185	1523841



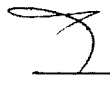
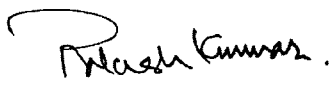
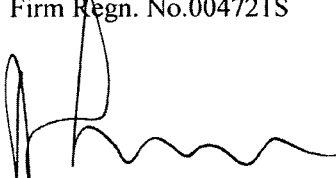
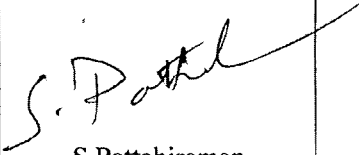
26/5/2016

FORM A

1.	Name of the Company:	Neyveli Lignite Corporation Limited	
2.	Annual financial statements for the year ended	31st March 2016 (Standalone)	
3.	Type of Audit observation	Matter of Emphasis	
4.	Frequency of observation	(a) Note no 24(A)(i)(i) – Third Time (b) Note no 24(A)(1)(ii) – Second Time (c) Note no 24(A)(1)(iii) – First time (d) Note no 26(d) – Second time	
5	Signed by -		
	Chairman and Managing Director DIN: 02133243	 26/5/2016	
	CFO/Director(Finance) DIN: 02865335		
	Auditors of the Company	M/s.P.B.Vijayaraghavan &Co Chartered Accountants Firm Regn. No.004721S  P.B.Srinivasan Partner M.No.203774	M/s. Chandran & Raman Chartered Accountants Firm Regn. No 000571S  S.Pattabiraman Partner M.No.014309
	Audit Committee Chairman		



FORM A

1.	Name of the Company:	Neyveli Lignite Corporation Limited	
2.	Annual financial statements for the year ended	31st March 2016 (Consolidated)	
3.	Type of Audit observation	Matter of Emphasis	
4.	Frequency of observation	(a) Note no 23(A)(i)(i) – Third Time (b) Note no 23(A)(1)(ii) – Second Time (c) Note no 23(A)(1)(iii) – First time (d) Note no 25(d) – Second time	
5.	Signed by -		
	Chairman and Managing Director DIN: 02133243	 26/5/2016	
	CFO/Director(Finance) DIN: 02865335	 Ramesh Kumar.	
	Auditors of the Company	M/s.P.B.Vijayaraghavan &Co Chartered Accountants Firm Regn. No.004721S  P.B.Srinivasan Partner M.No.203774	M/s. Chandran & Raman Chartered Accountants Firm Regn. No 000571S  S.Pattabiraman Partner M.No.014309
	Audit Committee Chairman		



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

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

INDEPENDENT AUDITORS' REPORT

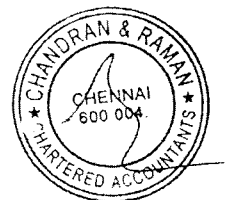
To the members of M/s. NEYVELI LIGNITE CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of *M/s. NEYVELI LIGNITE CORPORATION LIMITED* ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were



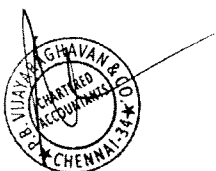
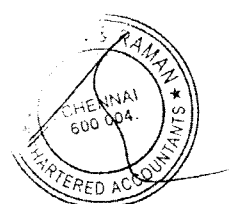
operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

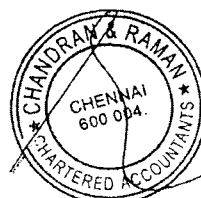
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

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

- a) Note No: 24(A)(1)(i) to the financial statements regarding adoption of normal corporate tax rate instead of Minimum Alternate Tax rate for calculation of Return on Equity in tariff fixation under Central Electricity Regulatory Commission (CERC) regulation.
- b) Note No: 24(A)(1)(ii) to the financial statements regarding the review order of Central Electricity Regulatory Commission (CERC) dated 21.01.2016 for refund of additional profit earned by sale of lignite to outside agencies over and above 85% capacity utilisation factor of Mine II Expansion and refund of incentive for the excess generation of power over and above the contemplated PLF in TPS II due to inclusion of pooled price of Mine II Expansion.
- c) Note No: 24(A)(1)(iii) to the financial statements regarding the order of the Central Electricity Regulatory Commission (CERC) dated 14.03.2016 regarding disallowance of interest during construction period of Barsingsar Thermal Power Station.



- d) Note No: 26(d) to the financial statements regarding Power tariff that final adjustment will be made in the accounts on receipt of Central Electricity Regulatory Commission (CERC) order, which is not ascertainable at this stage.

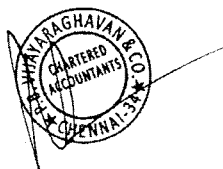
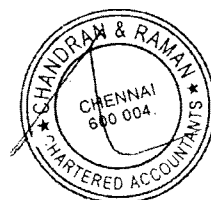
Our opinion is not modified in respect of these matters.

Other Matter

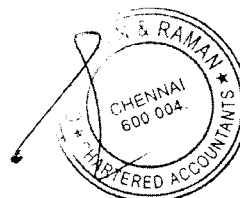
We did not audit the financial statements of ONE (1) branch included in the standalone financial statements of the company whose financial statement reflects a total assets of Rs. 1821.20 crores as at 31st March 2016 and total revenue of Rs. 435.98 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of this branch has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure - I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The report on accounts of the branch office of the company audited U/s.143(8) of the Act by the branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) As per the Notification No. G.S.R. 829(E) dated 21.10.2003, issued U/s. 620(1) of the Companies Act, 1956 and read with Section 465(2) of Companies Act, 2013, Sub-section (2) of Section 164 of the Companies Act, 2013 is not applicable to Government Companies.
- g) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure – II
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24(A) to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

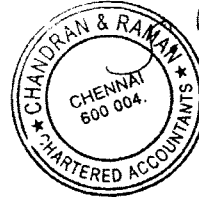
FOR P.B. VIJAYARAGHAVAN & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 004721S

P.B. SRINIVASAN
PARTNER
M NO. 203774



FOR CHANDRAN & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGN NO 00571S

S. PATTABIRAMAN
PARTNER
M NO. 014309



Date: 26.05.2016

Place: Chennai

Annexure - I to Independent Auditors' Report

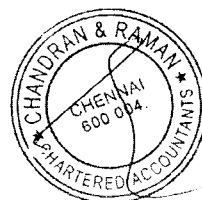
Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of section 143

1) Fixed Assets

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The company has a policy of verifying all the fixed assets once in five years. For the cycle 2006-07 to 2010-11, physical verification of all the fixed assets has been carried out during the financial year 2010-11. **Pending reconciliation of discrepancies observed on physical verification conducted during the financial year 2010-11 a sum of Rs.0.41 crore has been provided for. For the cycle 2011-12 to 2015-16, the physical verification of fixed assets is in progress. Material discrepancies, if any, will be adjusted as and when determined.**
- c) According to the information and explanations given to us, the company is in possession of title deeds/assignment deeds/GO's in respect of immovable properties, except as detailed below. However, due to the enormous volume of the documents held by the company for acquisition of land, all the title deeds could not be fully verified.

(Rs. in crore)

Nature of Immoveable Property	Total No of cases	Gross Block as on 31.03.2016	Net Block as on 31.03.2016	Remarks, if any
Building – Leasehold	1	2.08	1.35	Registration of Lease Deed pending
Building – Freehold	1	26.25	25.94	Execution of Sale Deed is pending



2) Inventory

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

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

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

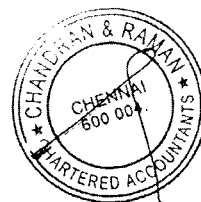
- a) In our opinion, the terms and conditions of grant of the loans are not prejudicial to the interest of the company.
- b) According to the information and explanations given to us, the schedule of repayment of principal and payment of interest has been stipulated while granting such loans and the repayment/receipts are regular.
- c) No amounts are overdue for more than 90 days.

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

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

5) Public Deposits

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



6) Maintenance of Cost Records

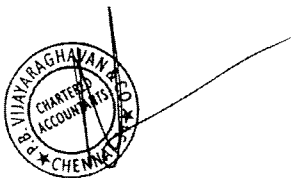
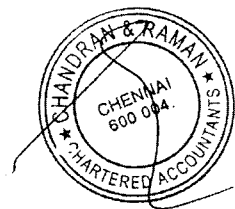
The Central Government has prescribed the maintenance of cost records U/s. 148(1) of the Companies Act, 2013 in respect of Electricity Industry and Lignite. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance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

7) Statutory dues

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

Based on information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.

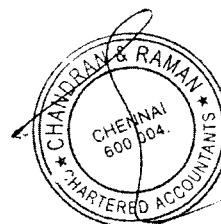
- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs duty, Wealth Tax, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute except as reported below:



Name of the Statute	Nature of Dues	Demand Amount (Rs. In Lakhs)	Amount Deposited under Protest	Period to which the amount relates	Forum where dispute is pending
Rajasthan Finance Act, 2006	Land Tax	57.53	28.76	2008-09	Tax Board, Ajmer
		173.73	63.28	2009-10	
		173.73	86.86	2010-11	
		192.92	99.96	2011-12	
		192.92	99.96	2012-13	
Customs Act	Customs Duty	3237.21	733.98	-	CESTAT
Finance Act, 1994	Service Tax	89.56	6.72	April 2009	CESTAT
		10.18	-	to June 2012	CEC(A)
		51.34	3.85	July 2012 to March 2014	CEC(A)
		1.11	0.08	April 2012 to June 2012	CEC(A)
The Central Excise Act, 1944	Excise Duty	29.03	2.18	Nov 2011 to Sep 2012	CEC(A)

8) Repayment of Loans

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



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

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

10) Frauds

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

11) Managerial Remuneration

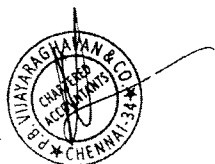
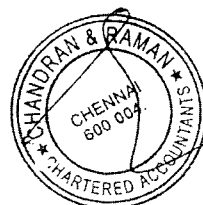
According to the information and explanations provided to us, the total Managerial remuneration paid/provided by the Company is within the overall maximum limit as specified section 197 read with Schedule V to the Companies Act, 2013 and accordingly requirements as to obtaining requisite approval this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

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

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

13) Transaction with Related Parties

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



14) Preferential Allotment or Private Placement

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

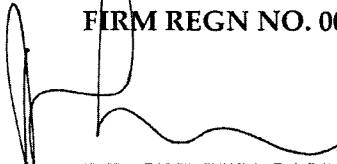
15) Non-cash transactions

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

16) Registration with Reserve Bank of India

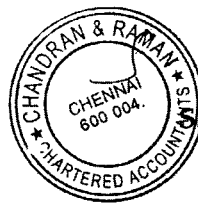
The company is not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR P.B. VIJAYARAGHAVAN & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 004721S**


**P.B. SRINIVASAN
PARTNER
M NO. 203774**



**FOR CHANDRAN & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGN NO 00571S**




**PATTABIRAMAN
PARTNER
M NO. 014309**

Date: 26.05.2016
Place: Chennai

Annexure – II to Independent Auditors' Report

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

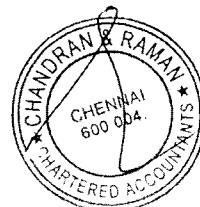
We have audited the internal financial controls over financial reporting of *M/s. NEYVELI LIGNITE CORPORATION LIMITED* ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both



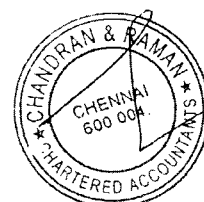
applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



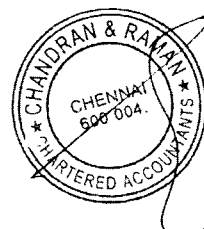
transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Other Matter

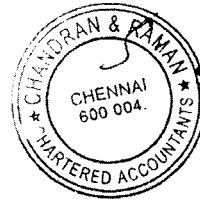
We did not audit the Internal Financial Control over Financial Reporting of ONE (1) branch included in the standalone financial statements of the company. The adequacy of internal financial controls system over financial reporting and the operating effectiveness of such internal financial controls over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

**FOR P.B. VIJAYARAGHAVAN & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 004721S**

**P.B. SRINIVASAN
PARTNER
M NO. 203774**



**FOR CHANDRAN & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGN NO 00571S**



**S. PATTABIRAMAN
PARTNER
M NO. 014309**

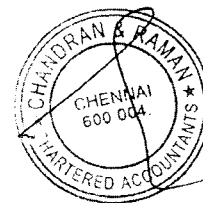
Date: 26.05.2016
Place: Chennai

Annexure – III to Independent Auditors' Report

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

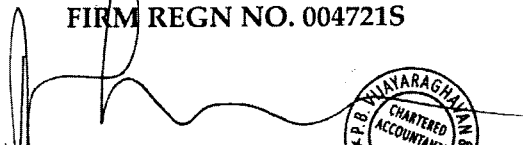
1. The company has been acquiring land through Government of Tamil Nadu. As per the legal opinion obtained by the company as regards the clear title the position is as under –

Period during which land was acquired	Statute under which the land was acquired	Mode of acquisition	Nature of ownership
From incorporation to 1977	The Land Acquisition Act, 1894	Assignment Deeds	Conditional Ownership
1978 to 1996	The Land Acquisition Act, 1894	Government Notifications	Absolute owner of the land
1997 to 2001	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Conditional Ownership
2001 to 31.03.2016	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Absolute owner of the land



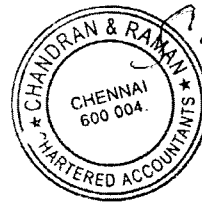
2. During the year under audit, there were no cases of waiver/write off of debts/loans/interest etc.
3. There are no cases of inventories lying with third parties or assets received as gifts/grants from the Government or other authorities.

FOR P.B. VIJAYARAGHAVAN & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 004721S


P.B. SRINIVASAN
PARTNER
M NO. 203774



FOR CHANDRAN & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGN NO 00571S



S. PATTABIRAMAN
PARTNER
M NO. 014309

Date: 26.05.2016
Place: Chennai

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

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

INDEPENDENT AUDITORS' REPORT

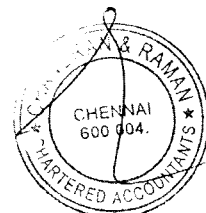
TO THE MEMBERS OF NEYVELI LIGNITE CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. NEYVELI LIGNITE CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

- The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the



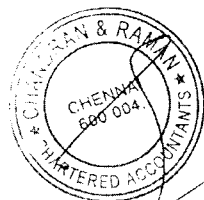
Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material



misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

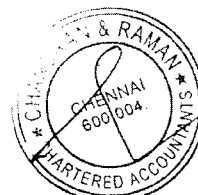
We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

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

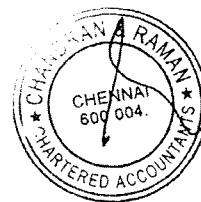


- a) Note No: 23(A)(1)(i) to the financial statements regarding adoption of normal corporate tax rate instead of Minimum Alternate Tax rate for calculation of Return on Equity in tariff fixation under Central Electricity Regulatory Commission (CERC) regulation.
- b) Note No: 23(A)(1)(ii) to the financial statements regarding the review order of Central Electricity Regulatory Commission (CERC) dated 21.01.2016 for refund of additional profit earned by sale of lignite to outside agencies over and above 85% capacity utilisation factor of Mine II Expansion and refund of incentive for the excess generation of power over and above the contemplated PLF in TPS II due to inclusion of pooled price of Mine II Expansion.
- c) Note No: 23(A)(1)(iii) to the financial statements regarding the order of the Central Electricity Regulatory Commission (CERC) dated 14.03.2016 regarding disallowance of interest during construction period of Barsingsar Thermal Power Station.
- d) Note No: 25(d) to the financial statements regarding Power tariff that final adjustment will be made in the accounts on receipt of Central Electricity Regulatory Commission (CERC) order, which is not ascertainable at this stage.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of TWO (2) subsidiaries, and ONE (1) jointly controlled entities, whose financial statements reflect total assets of Rs. 8,354.38 crore as at 31st March, 2016, total revenues of Rs. 1,234.44 and net cash flows amounting to Rs.149.22 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 160.01 crore for the year ended 31st March, 2016, as considered in

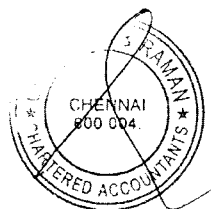


the consolidated financial statements, in respect of THREE (3) associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

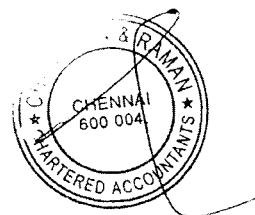
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



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

**FOR P.B. VIJAYARAGHAVAN & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 004721S**

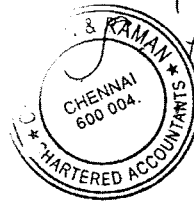
**P.B. SRINIVASAN
PARTNER
M NO. 203774**



Date: 26.05.2016
Place: Chennai

**FOR CHANDRAN & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGN NO 00571S**

**S. PATTABIRAMAN
PARTNER
M NO. 014309**



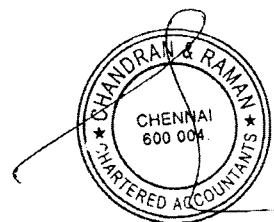
Annexure – I to Independent Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **M/S. NEYVELI LIGNITE CORPORATION LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

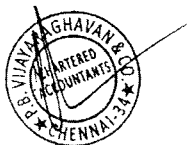
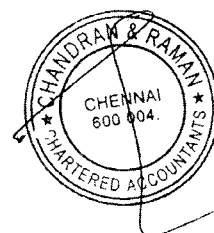
The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial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



Auditors' Responsibility

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

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

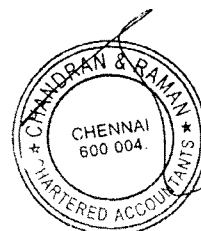


Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to TWO (2) subsidiary companies and ONE (1) jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

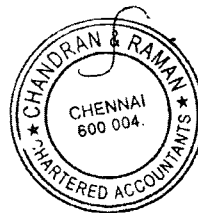
FOR P.B. VIJAYARAGHAVAN & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 004721S

P.B. SRINIVASAN
PARTNER
M NO. 203774



FOR CHANDRAN & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGN NO 00571S

S. PATTABIRAMAN
PARTNER
M NO. 014309



Date: 26.05.2016

Place: Chennai

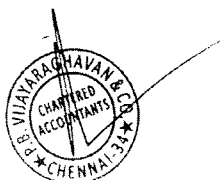
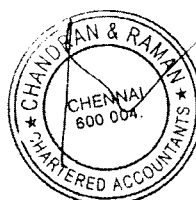
Annexure – II to Independent Auditors' Report

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

1. In respect of the Group, the holding company has been acquiring land through Government of Tamil Nadu. As per the legal opinion obtained by the company as regards the clear title the position is as under –

Period during which land was acquired	Statute under which the land was acquired	Mode of acquisition	Nature of ownership
From incorporation to 1977	The Land Acquisition Act, 1894	Assignment Deeds	Conditional Ownership
1978 to 1996	The Land Acquisition Act, 1894	Government Notifications	Absolute owner of the land
1997 to 2001	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Conditional Ownership
2001 to 31.03.2016	The Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997	Government Notifications	Absolute owner of the land

In the case of subsidiaries and jointly controlled entity the companies have clear title over the land owned by it.



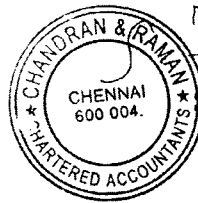
2. During the year under audit, there were no cases of waiver/write off of debts/loans/interest etc., in respect of the Group and of its associates and jointly controlled entity.
3. There are no cases of inventories lying with third parties or assets received as gifts/grants from the Government or other authorities in respect of the Group and of its associates and jointly controlled entity.

FOR P.B. VIJAYARAGHAVAN & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO: 004721S

P.B. SRINIVASAN
PARTNER
M NO. 203774



FOR CHANDRAN & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGN NO 00571S



S. PATTABIRAMAN
PARTNER
M NO. 014309

Date: 26.05.2016
Place: Chennai

NEYVELI LIGNITE CORPORATION LIMITED
Statement of audited Financial Results for the Quarter and Year Ended 31.03.2016

Rs. in lakhs

Particulars	Standalone				Consolidated	
	Quarter ended 31.03.2016	Quarter Ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)
Total Income from Operations (net)	185415	168209	666905	608768	789596	608768
Net Profit / (Loss) from ordinary activities after tax	44624	67681	120415	157968	106173	157968
Net Profit / (Loss) for the priod after tax (after Extraordinary items)	44624	67681	120415	157968	106173	157968
Equity Share Capital	167771	167771	167771	167771	167771	167771
Reserves (Excluding Revaluation Reserve)			1379728	1319397	1365372	1319283
Earnings Per Share (before extraordinary items) (of Rs.10 each)						
Basic and Diluted (in Rs.)	2.66	4.03	7.18	9.42	6.33	9.42
Earnings Per Share (after extraordinary items) (of Rs.10 each)						
Basic and Diluted (in Rs.)	2.66	4.03	7.18	9.42	6.33	9.42

Note:

1) The above is an extract of the detailed format of Quarterly / Year ended audited financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/ Year ended audited financial results are available on the Stock Exchange websites at www.nseindia.com, www.bseindia.com and on company's website www.nlcindia.com.

2) The Board of Directors have recommended final dividend of ₹ 1.20 per share (Interim dividend of ₹ 1.80 per share declared already) for the year ended 31.03.2016 subject to the approval of the share holders.

Place: Chennai

Date : 26.05.2016

SARAT KUMAR ACHARYA

CHAIRMAN AND MANAGING DIRECTOR

