



VTG & ASSOCIATES

Chartered Accountants & Information System Auditors

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Partners

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Office:

SS-1, Main Bazaar,
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Block -12, Neyveli - 607 803.
Cuddalore District, Tamil Nadu.

Date: 23-05-2025

To

SBICAP Trustee Company Limited

Mistry Bhavan, 4th Floor,

122 Dinshaw Vachha Road,

Churchgate, Mumbai – 400 020

Independent Auditors' Certificate for security cover and compliance with covenants in respect of listed debt securities of NLC India limited as at March 31, 2025

1. This Certificate is issued at the request of the Debenture Trustee of M/s. NLC India Limited ("the Company") vide letter Ref.No.969-3/STCL/2023-24 dt.18.05.2023 on behalf of M/s. SBICAP Trustee Company Limited.
2. This is to certify the security coverage ('the Statement of Security Cover') and compliance with covenants ('the Statement of Compliance with Covenants') for the period ended March 31, 2025 in respect of outstanding secured issuances of rated, non- cumulative, non-convertible, redeemable, taxable bonds in the nature of debentures (NCDs) namely
 - NLCIL bonds 2019 series-1, amounting to Rs. 1,475 Crores issued on 29/05/2019 with interest at 8.09% p.a; and
 - NLCIL bonds 2020 series -I amounting to Rs.525 Crore issued on 27/01/2020 with interest at 7.36% p.a;

aggregated to Rs. 2,107.14 Crore including accrued interest.

Management's Responsibility

3. The preparation of the Statement of Security Cover and the Statement of Compliance with Covenants in the format prescribed by SEBI vide its Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dt. May 16, 2024 ('the Master Circular') and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (the Regulation) is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement of Security Cover and the Statement of Compliance with Covenants and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



4. The Company's management is also responsible for ensuring that the Company complies with the LODR Regulations, the Circular and other requirements stated in the Information Memorandum of the Secured Bonds.

Auditor's Responsibility

5. Pursuant to the management's request, we have examined the accompanying statement of Security Cover and the Statement of Compliance with Covenants prepared based on the criteria mentioned in the Circular referred in Paragraph 3 above. We provide a limited assurance as to whether the statement is free from material misstatement.
6. Our responsibility is to certify the book values of the assets provided as security in respect of listed secured debt securities of the Company as on March 31, 2025 based on the Standalone financial results and compliance with respect to covenants of the listed debt securities for the period ended March 31, 2025, as specified in the Circular.
7. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. 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.
9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria mentioned in paragraph 3 above. The procedures selected depends on the auditors' judgement including the assessment of the risks associated with the reporting criteria. The procedures performed vary in nature and timing from and are less extent than for, reasonable assurance. Consequently, the level of assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

10. Based on our review conducted as above and the information and explanation provided to us, nothing has come to our attention that causes us to believe that-
 - (i) the accompanying Statement of security cover prepared in accordance with the format prescribed in the Circular, has not disclosed the information required to be disclosed, including the manner in which it has to be disclosed, or that it contains any material misstatement; and
 - (ii) the accompanying Statement of compliance with covenants contain any material misstatement.



Restriction on Use

11. This certificate has been issued at the request of the Debenture Trustee of M/s. NLC India Limited to express the security coverage and Compliance with covenants in respect of the listed debt securities of NLCIL. Our certificate should not be used for any other purpose other than specified above.
12. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person other than Debenture trustee, to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.
13. We have no responsibility to update this certificate for events and circumstances occurring after the date of the certificate.

For M/s. VTG & ASSOCIATES,
Chartered Accountants,
Firm Regn. No. 006835S

Renuka David

Partner: RENUKA DAVID
M No. 200569
UDIN: 25200569BMIBLL9097





Statement of Security Coverage Ratio ("Statement")															
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of Asset for which this Certificate relate	Exclusive Charge		Pari- Passu Charge			Assets not offered as Security	Elimination on (amount in negative)	(Total C to H)	Related to only those items covered by this Certificate					
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge	Other assets on which there is pari-Passu charge (excluding items Covered in column F)				Market Value for Assets charged on Exclusive Basis (Note 8)	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) (Note 11)	Market Value for Pari Passu charge Assets (Note 8)	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) (Note 11)	Total Value (=K+L+M+ N)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value								Relating to Column F	
Assets	PPE of TPS II Expansion (Exclusive charge) & Neyveli New Thermal Power station (Pari-passu Charge) With SBI Cap Trustee company Ltd.	TPS II EXP	Solar 709MW		NNTPS	500MW (Solar)									
Property, Plant and Equipment (Note 15)		1,652.24	2,325.87		5,542.70	1,666.30	6,189.62	-	17,376.73	-	1,652.24	-	1,184.00	2,836.24	
Capital Work-in- Progress		-	-		1,004.05	-	3,315.50	-	4,319.55	-	-	-	-	-	
Right of Use Assets		-	-		-	-	76.52	-	76.52	-	-	-	-	-	
Goodwill		-	-		-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-		-	-	211.23	-	211.23	-	-	-	-	-	
Assets under Development		-	-		-	-	-	-	-	-	-	-	-	-	
Investments		-	-		-	-	5,091.52	-	5,091.52	-	-	-	-	-	
Loans		-	-		-	-	722.25	-	722.25	-	-	-	-	-	
Trade Receivables		-	-		-	-	1,941.82	*	1,941.82	-	-	-	-	-	
Inventories		-	-		-	-	1,370.04	-	1,370.04	-	-	-	-	-	
Cash and Cash Equivalents		-	-		-	-	163.47	-	163.47	-	-	-	-	-	
Bank Balances other than Cash and Cash Equivalents		-	-		-	-	125.72	-	125.72	-	-	-	-	-	
Others (note - 9)		-	-		-	-	4,881.90	-	4,881.90	-	-	-	-	-	
Total		1,652.24	2,325.87		6,546.75	1,666.30	24,089.59	-	36,280.75	-	1,652.24	-	1,184.00	2,836.24	
Liabilities		Thermal Power station	-	-		-	-	-	-	-	-	-	-	-	-
Debt securities to which Certificate pertains		-	2,000.00	-		1,184.00	-	-	-1,184.00	2,000.00	-	1,545.10	-	454.90	2,000.00
Other debt sharing pari-passu charge with above debt		-	-	-		1,810.80	-	-310.80	-	1,500.00	-	-	-	-	-
other debt		-	-	-		-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	-		-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-		-	-	-	-	-	-	-	-	-	-	
-Bank	-	-	1,170.04		-	-	-	-	1,170.04	-	-	-	-	-	
- Debt Securities	-	-	-		-	-	2,175.00	-	2,175.00	-	-	-	-	-	
- Others	-	-	-		-	-	679.93	-	679.93	-	-	-	-	-	
Trade Payables	-	-	-		-	-	1,233.62	-	1,233.62	-	-	-	-	-	
Lease Liabilities	-	-	-		-	-	36.38	-	36.38	-	-	-	-	-	
Provisions	-	-	-		-	-	1,362.47	-	1,362.47	-	-	-	-	-	
Others (note -10 & 13)	107.14	8.83		11.00	-	26,103.48	-107.14	26,123.31	-	107.14	-	-	-	107.14	
Total	2,107.14	1,178.87		3,005.80	-	31,280.08	-1,291.14	36,280.75	-	1,652.24	-	454.90	2,107.14	1,351.35	
Cover on Book Value	0.78	-		2.18	-	-	-	-	-	-	-	-	-	-	
Cover on Market Value	-	-		-	-	-	-	-	-	-0.00	-	-	-	1.35	
Security Cover ratio (Note 14)	1.35	-		2.18	-	-	-	-	-	1.00	-	2.60	-	1.35	

Notes

- Column C - includes book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.
- Column D - includes book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.
- Column E - includes debt for which this certificate is issued having pari passu charge.
- Column F - includes - a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c) other debt sharing pari-passu charge along with debt for which certificate is issued
- Column G - includes book value of all other assets having pari passu charge and outstanding book value of corresponding debt.
- Column H - includes all those assets which are not charged and all unsecured borrowings
- Column I - includes the debt which has been counted more than once (included under exclusive charge column as also under pari passu). In order to match the liability amount with financials, the debt which has been counted more than once (included under exclusive charge column as also under pari passu) has been eliminated.
- Justification for not providing Market Value as on 31.03.2025: This is to confirm that the last valuation for TPS 2 Expansion and NNTPS was carried out for the period ending 31.03.2022 for which valuation report is submitted to Debenture Trustee. Book value as on 31.03.2025 has been considered as fair value by the management.
- Other assets include Current tax assets, Other Financial assets, Other Non current assets, other current assets and Regulatory deferral account debt balances
- Other Liabilities in Column H include the Deferred Tax Liabilities, Other current liabilities and non current liabilities, other financial and Non-financial liabilities, Regulatory deferral account credit balances, equity share capital and other equity of the company.
- The market value cover is calculated as per the total value of assets mentioned in Column O.
- The above financial information as on 31.03.2025 has been extracted from standalone books of accounts for the period ended 31.03.2025 and other relevant records of the listed entity which have been subject to audit
- Other Liabilities in Column D, F and L represents interest accrued
- The Security Cover ratio of 1.35 times derived by considering the Exclusive charge asset as well as Pari-passu Charge Asset pertaining to Secured NCDs.
- Property, Plant and Equipment mentioned in column C represents net book value after deducting assets that are not paid for amounting to 13.41 Crores and in column D, F and G represents net book value without excluding assets not paid for, if any.



For VTG & ASSOCIATES
CHARTERED ACCOUNTANTS

Renuka David
Partner

RENUKA DAVID
CHARTERED ACCOUNTANT
M. No.200569 FRN:0068355

D. M.
Addl. Chief Manager (Fin.)
F&AB-Treasury, Corporate Office
NLC India Ltd., Neyveli.



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Office:

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(Near College Dry Cleaners)

Block -12, Neyveli - 607 803.

Cuddalore District, Tamil Nadu.

Date: 06-06-2025

To

The Compliance Officer,

SBICAP Trustee Company Limited

04th Floor, Mistry Bhavan,

122 Dinshaw Vachha Road,

Churchgate, Mumbai -400020

Sub: Clarification on the reduction in Security Cover for the Bonds bearing ISIN

INE589A07037 and INE589A07045 issued by NLC India Limited.

Ref: Email Date 05-06-2025

With reference to the requirement as per SEBI Master Circular dated May 16, 2024 and the security cover certificate dated May 23, 2025 issued by us, the following clarification has been provided.

1. The security cover ratio stands at **1.35 times for the quarter ending 31.03.2025** against **1.36 times for the quarter ending 31.12.2024**. There has been no significant decline in the security cover ratio.
2. The ratio mentioned in your communication pertains specifically to the NNTPS project which was given as additional security for the fixed amount of ₹ 1184Cr.
3. The said variation in the additional security assets does not affect required security cover, as the primary security for the bonds is the TS II Expansion Project. The assets of Neyveli New Thermal Power Station (NNTPS) was provided only as additional security to the extent of ₹ 1,184 crore.
4. NLC India Limited maintains the required security cover in line with SEBI guidelines.

Thanking you



For VTG & ASSOCIATES
CHARTERED ACCOUNTANTS

Renuka David
Partner

RENUKA DAVID
CHARTERED ACCOUNTANT
M. No.200569 FRN:006835S