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 ₹ 8,427.27 crore as at 31st March, 2016, total revenues of ₹ 1,234.44 crore and net cash flows amounting to ₹ 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 ₹ 160.03 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.
   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) 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.
   (f) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure – I.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 associates and jointly controlled entities – Refer Note 23 to the consolidated financial statements.
      ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
2. 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 **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn No. 000571S

S. Pattabiraman
Partner
M.No.: 014309

Place : Chennai
Date : 26.05.2016

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 **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn No. 000571S

S. Pattabiraman
Partner
M.No.: 014309

Place : Chennai
Date : 26.05.2016

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 **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn No. 000571S

S. Pattabiraman
Partner
M.No.: 014309

Place : Chennai
Date : 26.05.2016

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 on the Abridged Financial Statements of Neyveli Lignite Corporation Ltd.

To

The Members of Neyveli Lignite Corporation Limited

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated balance sheet as at March 31, 2016, the abridged consolidated statement of profit & loss, and abridged consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of NEYVELI LIGNITE CORPORATION LIMITED for the year ended March 31, 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 26, 2016.

Those consolidated financial statements, and the abridged consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements. The abridged consolidated financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act") applied in the preparation of the audited consolidated financial statements of Neyveli Lignite Corporation Limited. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Neyveli Lignite Corporation Limited.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act") and accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements derived from the audited consolidated financial statements of Neyveli Lignite Corporation Limited for the year ended March 31, 2016 are a fair summary of those consolidated financial statements, in accordance with Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act") and accounting principles generally accepted in India.

Emphasis of Matters

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.

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn No. 000571S

S. Pattabiraman
Partner
M.No.: 014309

Place : Chennai
Date : 26.05.2016

Consolidated Significant Accounting Policies

I. Principles of Consolidation

The Consolidated Financial Statements of the Group are prepared in accordance with Accounting Standard -21 "Consolidated Financial Statements" and Accounting Standard -27 "Financial Reporting of Interests in Joint Ventures".

The Financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions and adopting uniform accounting policies.

The Financial Statements of the jointly controlled entity are proportionately consolidated. The share of interest in each item of Balance Sheet and Profit and Loss Account is separately shown.

II. Basis of Accounting

The financial statements are prepared on accrual basis of accounting under historical cost convention, in accordance with generally accepted accounting principles, accounting standards, the relevant provisions of the Companies Act, 2013 and Electricity Act, 2003 to the extent applicable.

III. Fixed Assets

1. Fixed Assets are stated at historical cost less depreciation. 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. Administrative overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related asset.
2. Land for mining in Tamilnadu is acquired in accordance with and subject to the provisions of Land Acquisition Act 1894 and Tamilnadu Acquisition of Land for Industrial Purpose Act 1997 read with the Right to fair Compensation and transparency in land Acquisition, Rehabilitation and Resettlement Act, 2013. Capitalisation of land is done with reference to the date of taking over the physical possession of land.

IV. Depreciation

1. Depreciation is provided for under straight-line method as indicated below:

	Description of Assets covered	Basis
i.	a) Assets of Thermal Power Stations and Wind Turbine Generators and Solar Power plant excluding vehicles other than Ash Tippers.	The Company follows the provisions of the Electricity Act 2003. The rates are prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act 2003.
	b) LEP assets	At residuary life of 15 years
ii.	Residential Buildings - III Class	At rates prescribed by Department of Public Enterprises.
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 rates.
iv.	Specialised Mining Equipment : Commissioned on or after 31.08.2007	At technically assessed rates as approved by Ministry of Corporate Affairs in August 2007.
v.	Other Assets and Specialised Mining Equipments commissioned before 31.08.2007	At useful life prescribed in Schedule II of the Companies Act, 2013.

Rates under (ii) and (iii) above are followed so long as they are higher than the useful life covered under base (v).

2. A part of the asset having original cost more than 25% of the original cost of the whole of the asset is considered as significant part of the asset. Significant parts whose useful life is different from that of the whole of the asset, such significant part is determined separately and accordingly depreciated over its useful life.
3. Fixed assets relating to Research and Development are depreciated in a like manner as any other fixed asset of the Company.
4. In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, based on the number of months for which asset has been put to use.
5. Assets costing up to ₹ 5000/- are fully depreciated in the year in which they are put to use.
6. Amortisation of Mine Development Account:

   Over burden removal costs are classified under mine development account till achievement of quantity para-meters as approved for each Project. Such amounts are amortised as depreciation on the basis of annual Lignite production to the total estimated mineable reserves, reckoning from the year in which regular lignite production is commenced after achievement of mine development.
7. Machinery Spares:

   Initial spares purchased along with fixed assets are capitalised and depreciated along with the asset. Insurance spares purchased subsequent to the commissioning of the fixed assets costing ₹ 50 lakh and above which can be used only in connection with an item of Fixed Asset and whose usage are expected to be irregular are fully depreciated over the residual useful life of the Fixed Assets and if the spare is utilised, the carrying cost is fully charged as depreciation in the year of utilisation.

V. Intangible Assets

a. Computer Software:

i. Application Software acquired for an amount more than ₹ 10 lakh are capitalised as intangible assets and amortised over a period of 5 years.

ii. Computer Application Software acquired for an amount of less than ₹10 lakh are fully depreciated in the year in which it has been acquired

b. Research & Development (Internally generated Projects):

i. Expenditure incurred during the phase of research is charged to revenue.

ii. Expenditure incurred during the phase of development is capitalised with respect to each project and amortised over its useful life.

VI. Inventory Valuation

Inventories are valued at lower of cost and net realizable value.

The basis of cost:

i. Lignite: - At absorption cost, excluding share of common charges and social overhead.

ii. Stores and Spares procured: - At weighted average acquisition cost.

iii. Fly ash brick – at absorption cost.

iv. Waste product, used belts reconditioned, Stores and spares discarded for disposal, medicine and canteen stores are taken at NIL value.

v. Goods in Transit including goods received but pending inspection/acceptance are valued at cost.

vi. Fuel such as Light Diesel Oil, Heavy Furnace Oil, Coal are valued at weighted average cost basis.

VII. Mine Closure Expenditure

Concurrent mine closure expenses are accounted as and when incurred. The annual cost of final mine closure is calculated and accounted on the basis of guidelines for preparation of mine closure plan issued by Ministry of Coal.

VIII. Prepaid Expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed ₹1 crore in each case.

IX. Investments

Long term investments are carried at cost. Provision is made for diminution if any, other than temporary, in the value of such investments.

X. Preliminary Project Expenditure

Preliminary Project Expenditure includes expenditure on feasibility studies documentation of data, other development expenditure, expenditure on exploratory works, technical know how etc., to be added to the capital cost of the project, as and when implemented. In case such projects are identified for transfer of business by the Govt. of India, the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or cannot be implemented such expenditures are charged to Profit & Loss Account in the respective years.

XI. Accounting for Grants

i Government and other grants received relating to depreciable fixed assets are treated as 'Deferred income' and recognised in the Profit and Loss Account by allocating to income over the period in which the depreciation is charged.

ii Grants relating to non-depreciable assets are credited to income over a period in which the cost of meeting the obligations attached to the grants is charged to income.

iii Revenue grants to the extent utilised are accounted in Profit and Loss Account.

XII. Reserves and Surplus

Interest Differential Reserve

Interest Differential Reserve created as provided in the Loan Agreement entered into with KfW has debt discharging effect, and is utilised in accordance with the terms of the Loan Agreement and such utilisation is shown as withdrawal from the Reserve.

XIII. Employee Benefits

Employee benefits are accounted as follows as per Accounting Standard 15 (Revised) 2005:

i. Short term employee benefits such as wages, salaries, incentives, short term Leave Salary are fully provided for.

ii. Long term employee benefits such as Leave salary are provided as per Department of Public Enterprises Guideline and actuarial valuation and also funded to trust.

iii. Post employment benefits such as Gratuity is treated as defined benefit plan and is accounted as per actuarial valuation. Contribution to gratuity is made to Gratuity Trust.

iv. Post Retirement Medical Benefit Scheme is treated as defined contribution scheme and accounted accordingly in respect of the employees retired prior to 01-01-2007 for which a separate reserve fund is created out of the accumulated reserve profit with corresponding investments.

v. Contribution to Provident Fund, Superannuation Fund which includes Post Retirement Medical Assistance are recognized in the Profit & Loss Account on the basis of actual liability and funded to trust.

XIV. Allocation of Common Charges / Social Overhead Expenses

These are allocated to production units based on salaries and wages of these units.

XV. Prior period and Extra-ordinary items

Prior Period and Extra-ordinary items are accounted in accordance with Accounting Standard-5. Transactions arising out of errors or omissions exceeding ₹ 1 crore in each case are considered as material and accounted under Prior Period Transactions. Extraordinary items of value exceeding ₹ 1 crore in each case are considered as material and accounted for under Extra-ordinary items. Prior Period/Extra-ordinary items are not considered for stock valuation purposes.

XVI. Significant events occurring after the Balance Sheet date

Treatment of contingencies and significant events are in accordance with Accounting Standard-4. For this purpose, event having an effect of ₹ 1 crore and above in value is considered as significant.

XVII. Revenue Recognition

a) Sale of power is accounted for by following Electricity Act 2003, where the tariff rates are approved by the Central Electricity Regulatory Commission constituted under the Electricity Act 2003. In case of power stations where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of Ministry of Coal guidelines on lignite transfer price for energy charges and other relevant CERC's norms and parameters for capacity charges, are adopted.

b) Exchange differences on account of translation of foreign currency borrowings recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are accounted as 'Deferred foreign currency fluctuation asset/liability'. The increase or decrease in depreciation/interest for the year due to the accounting of such exchange differences as per accounting policy no.XVII below is adjusted in depreciation/interest.

c) Claims due from beneficiaries which do not fall within the tariff rate fixation norms (other than reimbursement on account of Exchange Rate Variation on repayment of loans) is recognised as income in the year of incurring of the expenditure and final adjustments, if any, will be accounted on receipt of order from CERC.

d) Revenue from sale of solar energy and wind energy is recognised in accordance with the price agreed under the provisions of the power purchase agreement entered into with Beneficiaries. Such revenue is recognised on the basis of actual units generated and transmitted.

e) Sale of Lignite, in respect of e-auction sales has been reckoned to the extent of amount received and for others on accrual basis.

f) Claim towards insurance, surcharge on belated settlement of power bills and interest including delayed payment of income tax recoverable are accounted in the year of settlement and /or in the year of acceptance of the claim/ certainty of realisation as the case may be.

g) Cash discounts for prompt payments are accounted as and when the related dues are settled.

XVIII. Foreign Exchange transactions

Exchange rate variations in foreign exchange transactions are accounted as per Accounting Standard-11 of Companies (Accounting Standards) Rules, 2006, and an option has been exercised to capitalise the exchange difference as per para 46 of Accounting Standard-11.

XIX. Accounting for taxes on income

Tax expense comprises of current and deferred tax. Current tax is the amount of tax payable in respect of taxable income for the period measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Deferred tax is recognised on timing difference between accounting income and taxable income that originate in one period and are capable of being reversed in one or more subsequent periods, subject to consideration of prudence. Deferred tax is measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are reviewed at each Balance Sheet date.

XX. Borrowing Cost

Borrowing costs (net of interest earned on temporary investments) specifically attributable to the assets are capitalised along with the cost of such assets and where the borrowings are not specific, weighted average interest cost is capitalised to the qualifying assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.

XXI. Construction Projects

1. Capitalisation and Depreciation Provision

A. Specialised 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 Specialised Mining Equipment System namely Bucket Wheel Excavator, Conveyor, Tripper, Transfer Feeder and Spreader for capitalisation 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. 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. Provisional take over date of the Turbo-generator pursuant to Seventy two hours full load operation is deemed as the date of commercial commissioning of the units. Depreciation charge commences from the date of commercial commissioning. Direct expenses and interest charges incurred during the test and trial run are capitalised and the power sale revenue earned during that period is abated to the capital cost of the project.

C. Wind Turbine Generators (WTG)

Each WTG will be capitalized on the date on which it is connected to grid based on the commissioning certificate issued by TANGEDCO. Depreciation charges will start from the date of capitalisation.

D. Solar Project

Solar Power Plant will be capitalised on the date on which it is connected to grid.

2. Net pre-commissioning income / expenditure are adjusted directly in the cost of related assets.

XXII. Provisions and Contingent liability

A provision is recognised 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. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

Contingent liability is not provided for in the accounts and are disclosed by way of notes.

XXIII. Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Fixed Assets 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 life of the unit from the date of synchronisation.

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in crore)

	Particulars	Note No.	As at 31.03.2016		As at 31.03.2015	
I.	**EQUITY AND LIABILITIES**					
	(1) Shareholders' Funds					
	a) Share Capital	1		**1,677.71**		1,677.71
	b) Reserves and Surplus	2		**13,647.38**		13,190.46
	Minority Interest			**640.42**		367.87
	(2) Grants	3		**6.35**		7.33
	(3) Non-current Liabilities					
	a) Long term borrowings	4		**7,050.11**		6,010.76
	b) Deferred tax liability - Net	5		**1,648.73**		1,010.10
	c) Other Long term liabilities	6		**1,188.64**		949.40
	(4) Current Liabilities					
	a) Short Term Borrowings	7		**521.82**		0.09
	b) Trade payables	8		**1,172.70**		636.94
	c) Other current liabilities	9		**1,685.90**		1,479.66
	d) Short term provisions	10		**424.65**		422.11
	Total			**29,664.41**		25,752.43
II.	**ASSETS**					
	(1) Non-current assets					
	a) Fixed Assets					
	(i) Tangible assets	11	**16,330.43**		6,654.29	
	(ii) Intangible assets	12	**0.12**		0.29	
	(iii) Capital work-in-progress	13	**2,334.31**		10,867.20	
	(iv) Assets under development	14	**210.88**	**18,875.74**	117.62	17,639.40
	b) Long term loans and advances	15		**783.14**		486.88
	c) Other Non-current assets	16		**104.74**		51.12
	(2) Current Assets					
	a) Current Investments	17		**0.00**		103.20
	b) Inventories	18		**1,491.78**		898.63
	c) Trade receivables	19		**3,787.11**		2,282.07
	d) Cash and Bank balances	20		**3,619.98**		3,577.60
	e) Short term loans and advances	21		**806.50**		514.38
	f) Other current assets	22		**195.42**		199.15
	Total			**29,664.41**		25,752.43

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai

Date: 26.05.2016

This is the Balance Sheet referred to in our report of even date.

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn No. 000571S

S. Pattabiraman
Partner
M.No.: 014309

Place : Chennai

Date : 26.05.2016

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in crore)

	Particulars	Note No.	For the year ended 31.03.2016			For the year ended 31.03.2015		
I.	**Revenue from operations**	25			**7,895.96**			6,087.68
II.	**Other income**	26			**493.29**			709.29
III.	**Total Revenue (I+II)**				**8,389.25**			6,796.97
IV.	**Expenses:**							
	Increase (-) / Decrease in stock	27			**-361.25**			-204.66
	Cost of fuel consumed	28			**809.89**			0.00
	Employee benefits expense	29			**2,258.63**			2,217.38
	Finance Cost	30			**467.33**			149.63
	Depreciation and amortisation expenses	31			**867.85**			440.62
	Other Expenses	32			**2,675.60**			2,178.75
	Prior Period Adjustments(Net)	33			**0.05**			32.53
					6,718.10			4,814.25
	Less: Expenses Capitalised	34			**38.40**			55.04
	Total expenses				**6,679.70**			4,759.21
V.	**Profit before exceptional and extra-ordinary items and tax (III-IV)**				**1,709.55**			2,037.76
VI .	**Exceptional items**	35			**-28.38**			345.57
VII.	**Profit before Extra-ordinary Items and tax (V+VI)**				**1,681.17**			2,383.33
VIII.	**Extra-ordinary Item**				**0.00**			0.00
IX.	**Profit before tax (VII+VIII)**				**1,681.17**			2,383.33
X.	**Profit from continuing operations before tax**			**1,717.79**			2,382.92	
XI.	i) **Tax Expense:**							
	For current year		**408.15**			743.28		
	Less: MAT Credit		**408.15**			0.00		
	For previous year		**-1.58**			7.44		
	ii) **Deferred tax:**							
	For current year		**637.34**			49.78		
	For previous year		**1.28**	**637.04**		3.02	803.52	
XII.	**Profit for the period from continuing operation after Tax (X-XI)**				**1,080.75**			1,579.40
XIII.	**Profit from discontinuing operations before tax**			**-36.62**			0.41	
XIV	**Tax Expenses**			**0.00**			0.13	
XV.	**Profit for the period from discontinuing operation after tax (XIII-XIV)**				**-36.62**			0.28
XVI.	**Profit for the period**				**1,044.13**			1,579.68
XVII.	**Less: Share of Minority**				**-17.60**			0.00
XVIII.	**Profit for the period of Group**				**1,061.73**			1,579.68
XIX.	**Earning Per Share**							
	Basic and Diluted (₹)	36			**6.33**			9.42

Notes to the Financial Statement and Significant Accounting Policies annexed form an integral part of Profit and Loss Statement.

For and on behalf of the Board

K. VISWANATH	**RAKESH KUMAR**	**SARAT KUMAR ACHARYA**
COMPANY SECRETARY	CFO/DIRECTOR (FINANCE)	CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai
Date: 26.05.2016

This is the Profit and Loss statement referred to in our report of even date.

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**	For **M/s. CHANDRAN & RAMAN**
Chartered Accountants	Chartered Accountants
Firm Regn. No. 004721S	Firm Regn No. 000571S
P.B. Srinivasan	**S. Pattabiraman**
Partner	**Partner**
M.No.: 203774	**M.No.: 014309**

Place : Chennai
Date : 26.05.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(₹ in crore)

	For the year ended 31.03.2016		For the year ended 31.03.2015	
A.CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		1,681.17		2,383.33
Adjustments for:				
Less: Profit on Disposal of Asset	2.00		1.61	
Interest Income	385.23		576.34	
	387.23		577.95	
Add: Depreciation including prior period	867.85		436.47	
Other non-cash charges	-30.45		70.49	
Interest charged to P&L A/c	467.33		156.06	
	1,304.73	917.50	663.02	85.07
Operating Profit before working capital changes		2,598.67		2,468.40
Adjustments for Trade and other receivables:				
Sundry Debtors		-1,511.73		-77.62
Loans & Advances		-159.34		270.49
Inventories & other current assets		-649.96		-214.95
Trade Payables		510.47		-646.66
Cash flow generated from operations		788.11		1,799.66
Direct Taxes paid		-525.66		-762.86
Cash flow before extra-ordinary items and P.P.T.		262.45		1,036.80
Grants received		-0.08		-0.68
Net Cash from operating activities		262.37		1,036.12
B.CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets/ Preliminary expenses		-1,571.50		-1,235.85
Sale of Fixed Assets/Projects From continuing operations		2.62		3.54
Sale/Purchase of Investments		103.20		103.19
Interest received		390.51		627.24
Net Cash used in investing activities		-1,075.17		-501.88
C.CASH FLOW FROM FINANCING ACTIVITIES:				
Long term borrowings (Net)		1,285.61		14.05
Short Term Borrowings (Net)		536.35		0.00
Interest paid		-691.77		-689.91
Share Capital Purchased		290.15		206.88
Dividend (including Dividend Tax)		-565.16		-761.53
Net Cash used/received in financing activities		855.18		-1,230.51
Net increase, decrease (-) Cash and cash equivalents		42.38		-696.27
Cash and cash equivalents as at the beginning of the year		3,577.60		4,273.87
Cash and cash equivalents as at the end of the year		3,619.98		3,577.60
NOTE : (-) INDICATES CASH OUTFLOW.				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(₹ in crore)

	As at 31.03.2016	As at 31.03.2015
DETAILS OF CASH AND CASH EQUIVALENTS:		
Cash in hand	**0.00**	0.01
Cash at bank in current account*	**255.28**	78.44
Cash at bank in deposit account*	**3,364.70**	3,499.15
Total	**3,619.98**	3,577.60
* Earmarked for -		
(i) Unpaid dividend account	0.01	1.39
(ii) Endowment fund in the name of NLC schools	0.32	0.44
(iii) Mine closure deposit	319.29	272.59
(iv) PRMA Fixed deposit	56.04	43.86
(v) Short term Deposits for lien for guarantee	14.93	39.37
(vi) Government grants	6.35	7.33

For and on behalf of the Board

K. VISWANATH
COMPANY SECRETARY

RAKESH KUMAR
CFO/DIRECTOR (FINANCE)

SARAT KUMAR ACHARYA
CHAIRMAN AND MANAGING DIRECTOR

Place: Chennai

Date: 26.05.2016

This is the Cash Flow Statement referred to in our report of even date.

For **M/s. P.B. VIJAYARAGHAVAN & CO.,**
Chartered Accountants
Firm Regn. No. 004721S

P.B. Srinivasan
Partner
M.No.: 203774

For **M/s. CHANDRAN & RAMAN**
Chartered Accountants
Firm Regn No. 000571S

S. Pattabiraman
Partner
M.No.: 014309

Place : Chennai

Date : 26.05.2016

Notes to the Financial Statement

Sl. No.		Particulars	(₹ in crore)	
1		**Share Capital**	**As at 31.03.2016**	As at 31.03.2015
	a.	**Authorised**		
		2,00,00,00,000 Equity Shares of ₹10/- each	**2,000.00**	2,000.00
	b.	**Issued, Subscribed and Paid-up** 1,67,77,09,600 Equity shares of ₹10 each fully paid	**1,677.71**	1,677.71
	c.	1,50,99,38,640 (previous year 1,50,99,38,640) Equity Shares being 90.00% are (previous year 90%) held by the President of India.		
	d.	No new shares were issued during the current year and previous year. Hence there is no change in number of shares outstanding as at the beginning and as at the end of the years.		

Sl. No.		Particulars	As at 01.04.2015	Additions	Withdrawal	As at 31.03.2016
2		**Reserves and Surplus**				
	a.	Profit and Loss Account (Refer Note No.40)	11,348.57	1,079.05	794.32	**11,633.31**
		- Share of interest in Joint Venture	- 0.08			**- 0.08**
	b.	KfW Interest Differential Reserve:	296.11	32.32	17.32	**311.11**
	c.	Contingency Reserve	60.00	10.00	0.00	**70.00**
	d.	General Reserve	1,337.00	120.00	0.00	**1,457.00**
	e.	Bond redemption reserve	105.00	15.00	0.00	**120.00**
	f.	PRMA Reserve Fund	43.86	12.18	0.00	**56.04**
		Total	**13,190.46**	**1,268.55**	**811.64**	**13,647.38**

Sl. No.		Particulars	As at 31.03.2016	As at 31.03.2015
3		**Grants**		
	a.	USTDA Grant	**1.51**	1.51
	b.	Fly Ash Housing Grant	**0.00**	0.02
	c.	Plant Renovation Grant	**0.14**	0.14
	d.	Safety Investigation System	**0.00**	0.7
	e.	Other Revenue Grants	**4.70**	4.96
		Total	**6.35**	7.33

Sl. No.		Particulars	As at 31.03.2016	As at 31.03.2015
4		**Long term Borrowings**		
	a.	Secured		
		i. Neyveli Bonds - 2009	**600.00**	600.00
		ii. Term Loans from Banks	**3,749.60**	4,443.30
		iii. Power Finance Corporation Ltd*	**2,204.86**	500.00
	b	Unsecured Foreign Currency loan from KfW-Germany##		
		8.77 Million Euro (8.98 Million Euro) - I	**64.24**	60.71
		58.85 Million Euro (60.26 Million Euro) - II	**431.41**	406.75
		Total	**7,050.11**	6,010.76
		## Guaranteed by the Government of India.		
		* Documents for registration is pending registration with Sub-Registrar and registration of charges is also pending with the Registrar of Companies.		

Notes to the Financial Statement

Sl. No.		Particulars	(₹ in crore)	
	c.	Neyveli Bonds 6000,8.83%,10 Years, Secured, Redeemable, Taxable, Non-convertible Bonds in the nature as Debentures of ₹10 lakh each secured by way of paripassu charge on the present and future fixed assets of Mine II Expansion Project, TS II Expansion Project, Barsingsar Mine and Thermal Power Station and exclusive charge on an immovable property. Redeemable on 23-01-2019.(without Put or Call Option).		
	d.	Rupee Term Loan of ₹3750 crore (RTL I ₹2500 crore and RTL II ₹1250 crore) was availed from a consortium lead by Canara Bank repayable over twenty equal bi-annual installments ending on August 2019. During the year the outstanding amount under this RTL amounting ₹1400 crore has been repaid to the consortium lead by Canara Bank by refinancing ₹ 1400 crore through a common loan from SBI (₹467 crore), HDFC Bank (₹466.50 crore) and ICICI Bank (₹466.50 crore). Security - first pari-passu charge on the borrower's immovable assets of Mines II Expansion, TS II Expansion, Barsingsar Mines and TPS and pari-passu charge by way of hypothecation on the movable assets both present and future pertaining to Mines II Expansion, TPS II Expansion, Barsingsar Mines and TPS. The existing repayment schedule is being maintained so that loan will be closed by August 2019.		
	e.	The term loan of ₹2500 crore from Bank of Baroda consortium is secured by a paripassu charge on project of the subsidiary financed and the Repayment of loan is Rescheduled to be repaid in twenty (20) equal half-yearly consecutive instalments starting from October 2015.		
	f.	The term loan of ₹937 crore from Bank of India Consortium loan is secured by a paripassu charge on project of the subsidiary financed and repayment in twenty equal half yearly consecutive instalments starting from August 2015.		
	g.	i) Term loan from Power Finance Corporation Ltd, secured by pari passu charge on project fixed assets of Neyveli New Thermal Power Station (NNTPS), repayable over 20 equal bi annual installments commencing from 30.06.2019.		
		ii) The Rupee term loan of ₹1184.92 crore from M/s. Power Finance Corporation Ltd loan is secured by pari passu charge on project fixed assets of subsidiary and repayable in 20 equal half-yearly consecutive instalments as repayment schedule commenced from Jan 2016.		
	h.	Bi-annual equal repayment (€ 0.44 Million) of Foreign Currency loan - I from KfW Germany, commenced from 30-12-2001, ending on 30-06-2036.		
	i.	Bi-annual equal repayment (€ 2.80 Million) of Foreign Currency loan -II from KfW Germany, commenced from 30-06-2002, ending on 30-06-2037.		
5		**Deferred Tax Liability (Net)**	**As at 31.03.2016**	As at 31.03.2015
	a.	Deferred tax Liability: Related to depreciation	**1,905.15**	1,081.56
	b.	Deferred tax Asset: Provisions, etc.	**256.42**	71.46
		Deferred tax Liability (Net)	**1,648.73**	1,010.10
6		**Other Long term Liabilities**	**As at 31.03.2016**	As at 31.03.2015
	a.	Capital Purchase & Capital work-in-progress and other Liabilities	**835.08**	651.73
	b.	Mine Closure Liability	**323.54**	275.59
	c.	Deferred Foreign Currency Fluctuation Liability	**30.02**	22.08
		Total	**1,188.64**	949.40
	d.	Pursuant to GOI guidelines on Mine closure, total Mine closure cost was approved by Ministry of Coal at a rate of ₹ 6 lakh per hectare for all the open cast Mines. The annual contribution, compounded @ 5% p.a. is deposited in an Escrow account in the name of Coal Controller Escrow account NLC Ltd. Mine..., as stipulated by the Coal Controller.		

Notes to the Financial Statement

Sl. No.		Particulars		(₹ in crore)
7		**Short Term Borrowings**	**As at 31.03.2016**	As at 31.03.2015
		Working Capital loan - Bank of India	**521.65**	0.00
		- Share of interest in Joint Venture	**0.17**	0.09
		Total	**521.82**	0.09
		Exclusive first charge on book debts, operating cash flows, receivables including stock of coal, fuel etc. And all other current assets, commission, revenues of whatsoever nature and wherever arising present and future relating to the project.		
8		**Trade Payables**	**As at 31.03.2016**	As at 31.03.2015
	a.	Sundry creditors	**821.22**	303.77
	b.	Others	**351.48**	333.17
		Total	**1,172.70**	636.94
	c.	Principal amount remaining unpaid to Micro, Small and Medium Enterprises as per MSMED Act 2006, as at the end of the year ₹ 10.23 crore (previous year ₹ 7.04 crore).		
9		**Other Current Liabilities**	**As at 31.03.2016**	As at 31.03.2015
	a.	Current maturities of Long Term Debt		
		i. Loan from Banks Term Loans	**693.70**	568.70
		ii. Power Finance Corporation Ltd	**118.81**	0.00
		iii. Foreign Currency loan from KfW -3.24 Million Euro	**24.33**	21.88
	b.	Cash credit account*	**14.61**	0.00
	c.	Interest Accrued but not due on borrowing		
		i. Neyveli Bonds	**9.87**	9.87
		ii KfW	**0.98**	0.92
	d.	Unclaimed Dividend	**1.63**	1.39
	e.	Staff Security deposit	**0.01**	0.01
	f.	Deferred Foreign Currency Fluctuation Liability	**4.00**	2.71
	g.	Other Liabilities	**817.95**	874.18
		- Share of interest in Joint Venture	**0.01**	0.00
		Total	**1,685.90**	1,479.66
		*Secured by hypothecation of stock of stores, spares, raw materials and finished goods.		
	h.	Other liabilities include LD, EMD from contractors, credit balance from vendors, deposits for lignite supply, caution deposits etc.		
10		**Short term Provisions**	**As at 31.03.2016**	As at 31.03.2015
	a.	Short term benefit of leave salary	**122.17**	125.41
	b.	Post retirement Medical Benefit	**16.02**	21.12
	c.	Provision for Loss on assets	**1.29**	1.29
	d.	Proposed final Dividend	**201.33**	167.77
	e.	Proposed final dividend tax	**40.97**	35.11
	f.	Contingencies	**42.47**	40.36
	g.	Provision for Gratuity	**0.00**	31.05
	h.	Other Provisions	**0.40**	0.00
		Total	**424.65**	422.11

Notes to the Financial Statement

Sl. No.	Particulars	(₹ in crore)

11 Tangible Assets

	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2015	Additions/ Transfers	Disposals/ Trans./Adjt.	**As at 31.03.2016**	As at 31.03.2015	Withdrawals Trans./Adjt.	For the Year	**As at 31.03.2016**	**As at 31.03.2016**	As at 31.03.2015
a.	Land*	678.01	28.14	0.00	**706.15**	0.00	0.00	0.00	**0.00**	**706.15**	678.01
b.	Lease hold land	50.29	0.00	0.00	**50.29**	12.86	0.00	1.68	**14.54**	**35.75**	37.43
	- Share of interest in Joint Venture	3.99	0.00	0.00	**3.99**	0.43	0.00	0.12	**0.55**	**3.44**	3.56
c.	Roads	75.60	13.08	0.00	**88.68**	46.18	0.00	10.71	**56.89**	**31.79**	29.42
d.	Buildings ++	447.08	76.06	0.11	**523.03**	140.30	0.10	13.23	**153.43**	**369.60**	306.78
	- Share of interest in Joint Venture	0.01	0.00	0.00	**0.01**	0.00	0.00	0.00	**0.00**	**0.01**	0.01
e.	Elec. Installations	381.02	3.08	0.08	**384.02**	217.89	0.03	26.26	**244.12**	**139.90**	163.13
f.	Water Supply & Drainage	167.50	16.48	0.00	**183.98**	106.23	0.00	10.59	**116.82**	**67.16**	61.27
g.	Plant & Machinery**	12,106.22	10,435.78	4.15	**22,537.85**	7,548.10	3.88	795.73	**8,339.95**	**14,197.89**	4,558.12
h.	Furniture & Equipment	81.52	4.82	0.38	**85.96**	50.64	0.28	4.92	**55.27**	**30.69**	30.88
	- Share of interest in Joint Venture	0.02	0.00	0.00	**0.02**	0.01	0.00	0.00	**0.01**	**0.01**	0.01
i.	Vehicles	103.00	8.68	5.66	**106.02**	66.59	5.36	8.81	**70.04**	**35.98**	36.41
j.	Assets Costing Rs.5000 and below	6.65	0.38	0.01	**7.02**	6.65	0.01	0.38	**7.02**	**0.00**	0.00
k.	Mine Development										
	Mine-I	464.33	0.00	0.00	**464.33**	257.36	0.00	24.04@	**281.40**	**182.93**	206.97
	Mine-IA	127.50	0.00	0.00	**127.50**	35.76	0.00	2.82@	**38.58**	**88.92**	91.74
	Mine-II	478.34	5.78	0.00	**484.12**	138.64	0.00	13.29@	**151.93**	**332.19**	339.70
	Barsingsar Mine	123.86	0.00	0.00	**123.86**	13.01	0.00	2.84@	**15.85**	**108.01**	110.85
	Total	**15,294.94**	**10,592.28**	**10.39**	**25,876.84**	**8,640.65**	**9.66**	**915.42**	**9,546.40**	**16,330.43**	**6,654.29**
	Previous Year	**14,738.78**	**574.69**	**18.53**	**15,294.94#**	**8,191.59**	**16.51**	**465.57**	**8,640.65**	**6,654.29**	

*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 thorugh the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively.

++Includes leasehold buildings of value ₹2.10 crore for which lease agreement is yet to be executed. Normal depreciation rate adopted in view of lower amortisation rate and includes ₹ 26.25 crore pending registration of sale deed.

**Includes assets belonging to Ministry of Coal obtained under Coal Science & Technology Projects and Insurance spares.

#Includes Assets non commissioned amounting to ₹ Nil (Previous year ₹ 0.23 crore).

@Represents provisions for amortisation.

Lease Hold Land is being amortised over the lease period.

There is no impairment loss identified for the assets.

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.

12 Intangible Assets

	Description	Gross Cost				Depreciation				Net Value	
		As at 31.03.2015	Additions/ Transfers	Disposals/ Trans./Adjt.	**As at 31.03.2016**	As at 31.03.2015	Withdrawals Trans./Adjt.	For the Year	**As at 31.03.2016**	**As at 31.03.2016**	As at 31.03.2015
a.	Software	9.86	0.00	0.00	**9.86**	9.57	0.00	0.17	**9.74**	**0.12**	0.29
	Total	**9.86**	**0.00**	**0.00**	**9.86**	**9.57**	**0.00**	**0.17**	**9.74**	**0.12**	**0.29**
	Previous Year	**9.85**	**0.01**	**0.00**	**9.86**	**9.23**	**0.00**	**0.34**	**9.57**	**0.29**	

There is no impairment loss identified for the assets.

Notes to the Financial Statement

Sl. No.		Particulars				(₹ in crore)
13		**Capital Work-in-Progress**	**As at 31.03.2016**		As at 31.03.2015	
	a	Plan Expenditure				
		i) TPS-II Expansion				
		Supply and Erection	**27.04**		2,073.74	
		Capital Goods in Stock	**4.20**		5.19	
		Expenditure during Construction	**3.93**		402.66	
		Interest during Construction	**0.00**	**35.17**	781.23	3,262.82
		ii) Barsingsar Mines and Thermal				
		Supply and Erection	**0.00**		0.74	
		Capital Goods in Stock	**0.00**	**0.00**	0.47	1.21
		iii) Mine-II Expansion				
		Supply and Erection	**0.00**		4.59	
		Capital Goods in Stock	**1.10**		1.01	
		Expenditure during Construction	**29.86**	**30.96**	35.50	41.10
		iv) Neyveli New Thermal Plant				
		Supply and Erection	**1,625.59**		427.97	
		Expenditure during Construction	**35.29**		8.63	
		Interest during Construction	**102.40**	**1,763.28**	33.13	469.73
		v) Wind Power Project				
		Supply and Erection	**122.75**		130.56	
		Expenditure during Construction	**1.47**	**124.22**	0.80	131.36
		vi) Solar Power Project				
		Supply and Erection	**0.00**		44.43	
		Expenditure during Construction	**0.00**	**0.00**	0.06	44.49
		vii) NLC Tamil Nadu Power Ltd.				
		Supply and Erection	**77.95**		5,080.22	
		Capital Goods in Stock	**0.00**		0.00	
		Expenditure during Construction	**0.00**		240.89	
		Interest during Construction	**0.00**	**77.95**	1,237.03	6,558.14
		viii) Neyveli Uttar Pradesh Power Ltd.,				
		Supply and Erection	2.94	**2.94**	1.81	1.81
		- Share of Interest in Joint Venture		**0.39**		0.39
	b.	Non-Plan Expenditure				
		Supply and Erection	**268.88**		321.96	
		Capital Goods in Stock	**29.66**		33.88	
		Capital Goods in Transit	**0.86**	**299.40**	0.31	356.15
		Total		**2,334.31**		10,867.20

Notes to the Financial Statement

Sl. No.		Particulars				(₹ in crore)
14		**Assets under Development**		**As at 31.03.2016**		As at 31.03.2015
		Preliminary Project Expenditure		**238.90**		147.49
		- Share of interest in Joint Venture		**3.28**		3.46
				242.18		150.95
		Less: provisions		**31.30**		33.33
		Total		**210.88**		117.62
15		**Long term Loans and Advances**		**As at 31.03.2016**		As at 31.03.2015
	a.	Loans and Advances - Staff (Secured)		**73.54**		86.00
	b.	Loans and Advances - Staff (Unsecured-considered good)		**9.37**		18.49
	c.	Capital Advances (Unsecured-considered good)		**292.08**		382.39
	d.	MAT Credit entitlement		**408.15**		0.00
		Total		**783.14**		486.88
16		**Other Non-current Assets**		**As at 31.03.2016**		As at 31.03.2015
	a.	Unsecured considered good		**7.49**		0.00
	b.	Deferred Foreign currency Fluctuation Asset		**97.25**		51.12
		Total		**104.74**		51.12
17		**Current Investments (Unquoted)**		**As at 31.03.2016**		As at 31.03.2015
		8.5% tax free SLR Power Bonds issued by State Governments		**0.00**		103.20
18		**Inventories**	**As at 31.03.2016**		As at 31.03.2015	
		(As certified by the Management)				
	a.	Raw Materials - Lignite		**768.06**		406.81
		- Coal		**206.82**		0.00
	b.	Stores and Spares	**468.57**		461.24	
		Goods-in-transit	**50.42**		32.34	
			518.99		493.58	
		Less: Provision	**5.45**	**513.54**	3.79	489.79
	c.	Solid/Hollow/Fly Ash Bricks		**3.36**		2.03
		Total		**1,491.78**		898.63
	d.	Inventory valuation - Inventories are valued at the lower of cost and net realisable value. Cost for these purposes are as follows: i. Lignite - At absorption cost excluding share of common charges and social overhead. ii. Stores & Spares - At weighted average acquisition cost. iii. Fly ash bricks - At absorption cost.				

Notes to the Financial Statement

Sl. No.		Particulars		(₹ in crore)
		iv. Goods in transit including goods received but pending inspection / acceptance - At cost of acquisition		
		v. Waste products, used belts reconditioned, Stores & Spares discarded for disposal, medicines and canteen stores are taken at NIL value.		
19		**Trade Receivables**	**As at 31.03.2016**	As at 31.03.2015
		Unsecured		
		a. Considered Good		
		More than six months	**242.83**	298.61
		Others	**3,544.28**	1,983.46
		b. Considered Doubtful	**8.77**	2.08
			3,795.88	2,284.15
		Less: Provision for Doubtful Debts	**8.77**	2.08
		Total	**3,787.11**	2,282.07
20		**Cash and Bank Balances**		
		Cash and cash equivalents	**As at 31.03.2016**	As at 31.03.2015
	a.	Balances with Scheduled Banks in Current A/c	**253.65**	77.05
	b.	Cash on hand#	**0.00**	0.01
	c.	Unpaid Dividend A/c	**1.63**	1.39
	d.	Fixed Deposits		
		I. Deposit		
		i. Short term Deposit	**2,969.16**	3,137.82
		- Share of interest in Joint Venture	**4.95**	5.06
		II. Deposit for specific purpose		
		ii Staff Security Deposit	**0.01**	0.01
		iii. Endowment fund in the name of NLC schools	**0.32**	0.44
		iv. Mine Closure Deposit*	**319.29**	272.59
		v. PRMA Fixed deposit	**56.04**	43.86
		vi. Short term Deposits for lien for guarantee	**14.93**	39.37
		Total	**3,619.98**	3,577.60
		# Stamps on hand as on 31.03.2016 - ₹ 42,925/-		
		*In the Name of " Coal Controller Escrow Account NLC Ltd. Mine …"		
21		**Short term Loans and Advances** (Recoverable in cash or in kind or for value to be received)	**As at 31.03.2016**	As at 31.03.2015
	a.	Secured		
		Staff Advances	**11.30**	10.14
	b.	Unsecured		
		i. Considered good	**334.90**	163.50
		- Share of interest in Joint Venture	**0.61**	0.22
		ii. Considered doubtful	**2.27**	2.25
			349.08	176.11
		Less: Provision for doubtful advances	**2.27**	2.25
		Carried Forward	**346.81**	173.86

Notes to the Financial Statement

Sl. No.		Particulars				(₹ in crore)
				As at 31.03.2016	As at 31.03.2015	
		Brought Forward		**346.81**		173.86
	c.	Advance Income tax	**2,155.02**		2,037.50	
		Less : Provision for taxation	**1,695.45**	**459.57**	1,697.02	340.48
	d.	Deposit with Central Excise, Port Trust and Customs authorities		**0.12**		0.04
		Total		**806.50**		514.38
	e.	i. Due by Officers		**0.05**		0.05
		ii. Maximum amount due at any time during the year		**0.05**		0.05
	f.	i. Due by Directors		**0.08**		0.09
		ii. Maximum amount due at any time during the year		**0.09**		0.09
22		**Other Current Assets**		**As at 31.03.2016**		As at 31.03.2015
	a.	Interest accrued		**186.02**		191.41
		- Share of interest in Joint Venture		**0.19**		0.08
	b.	Disposable/Dismantled assets, Spares	**0.58**		0.56	
		Less: Provision for impairment of assets	**0.12**	**0.46**	0.12	0.44
	c.	Prepaid expenses		**3.96**		6.49
	d.	Deferred Foreign Currency Fluctuation Asset		**4.79**		0.73
		Total		**195.42**		199.15
23		**Contingencies and Commitments**		**As at 31.03.2016**		As at 31.03.2015
	A.	**Contingencies**				
	1	Claims against the Corporation not acknowledged as debts:				
		i. Differential amount 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 an appeal has been filed before APTEL,which is pending		**77.75**		55.61
		ii. 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 Expn. & 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,				

Notes to the Financial Statement

Sl. No.		Particulars	As at 31.03.2016	As at 31.03.2015
		(₹ in crore)		
		against which an appeal has been filed before APTEL, which is pending	**657.35**	0.00
		iii. The review order of the CERC dt 14.03.2016 regarding disallowance of interest during construction period of Barsingsar TPS, against which the company is in the process of filing an appeal before the APTEL	**65.66**	0.00
		iv. From Employees /Others	**NQ**	NQ
		v. Additional amount payable for the land acquired after 01-01-2014 towards compensation payable under the Right to Fair Compensation and Transparency in land acquisition,Rehabilitation and Resettlement of Act 2013	**NQ**	NQ
		vi. From Suppliers / Contractors/Customers	**1,943.91**	1,816.81
		vii. Disputed amount of Income Tax/ST/Other Taxes	**1,139.85**	1,046.85
		viii. Statutory Authorities	**1,222.84**	1,162.25
	a.	Includes tax payable under Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003 of ₹ 852.76 crore (previous year₹ 856.63 crore) and ₹ 85.43 crore (previous year ₹ 138.71 crore) towards sale of power to distribution Companies and Captive consumption in Mines. However the same is recoverable from the beneficiaries after getting approval from CERC.		
	b.	Includes amount of ₹ 120.00 crore demand from Sub Registrar, Kammapuram, Virudhachalam towards shortfall in stamp duty and registration charges in connection with borrowing from Power Finance Corporation for indenture of mortgage of charges for Loan availed from Power Finance Corporation.		
	c.	Includes ₹147. 56 crore - The Central Govt. in consultation with Bureau of Energy Efficiency has exempted TPS I from Perform, Achieve and Trade(PAT) mechanism of The Energy Conservation Act, 2001 for exceeding energy efficiency targets subject to decommissioning of TPS I by 31.03.2017 and investment of ₹ 109.05 crore in establishment of renewable energy generating capacity.		
	d.	Includes ₹ 4.26 crore towards Land tax case pending with Taxation Board, Ajmer.		
	2	Guarantees issued by Company	**42.27**	26.95
	B	**Commitment**		
		i. Estimated value of contracts remaining to be executed on capital accounts not provided for	**4,824.95**	4,655.52
		ii. Commitment for the acquisition of lands	**0.00**	8.96
		NQ - In view of the various court cases and litigations and claims disputed by the corporation financial impact as to outflow of resources is not quantifiable at this stage.		
24		Advances, Sundry Debtors and Sundry Creditors have been linked with corresponding credits/debits to the extent practicable. Balances due in respect of advances and amounts due to creditors are subject to confirmation. However, Power dues and Lignite sale dues are reconciled with Debtors periodically.		

Notes to the Financial Statement

Sl. No.		Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015 (₹ in crore)
25		**Revenue from Operations**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Power	**7,526.56**	5,590.51
	b.	Lignite	**400.19**	494.24
	c.	Miscellaneous	**36.28**	30.53
			7,963.03	6,115.28
		Less: Excise duty	**7.56**	9.90
			7,955.47	6,105.38
		Less: Transfer to Capital Expenditure Accounts	**59.51**	17.70
			7,895.96	6,087.68
	d.	Pending determination of power tariff by Central Electricity Regulatory Commission (CERC), sale of power for the year is accounted by adopting provisional tariff as per CERC Regulation, 2014 and provisional lignite price in energy charges is considered as per the guidelines of Ministry of Coal (MOC) dt, 02.01.2015. Due to this, net sales from the operation is in excess of sales invoiced to the extent of ₹ 791.17 crore (previous year ₹ 275.78 crore) for which invoices will be raised on receipt of CERC Order.		
	e.	Revision of capacity charges on account of truing-up of Addition to fixed assets for the tariff period 2009-14 will be considered after receipt of CERC Order.		
	f.	Sale of power includes ₹ 24.56 crore being the claim on account of amounts in respect of consumption of capital spares and water charges for the financial year 2015-16 and ₹ 11.38 crore for the financial year 2014-15 for which invoices will be raised on receipt of order from CERC.		
	g.	In respect of NTPL (Subsidiary):(i) Unit 1 has started its commercial operation from 18th June 2015 and Unit 2 from 29th August 2015. The revenue received upto date of commercial operation has been capitalised towards project cost as abatement. (ii) Sale of Power is accounted for based on the interim tariff order dated 13.10.2015 granted by the Central Electricity Regulatory Commission (CERC) under the Tarrif Regulations 2014-19 from the date of Commercial Operation Declaration (COD) of Unit I and II to 31.03.2017. Beneficiaries are billed in accordance with the said interim tariff order.		
26		**Other Income**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Interest		
		i. Bank Deposit	**328.09**	421.51
		ii. Employees	**13.28**	10.13
		iii. Long Term Investments	**6.58**	15.35
		iv. Interest on Mine Closure Deposit	**22.62**	25.18
		v. Others	**14.66**	104.17
	b.	Recoveries		
		i. Rent	**15.74**	13.33
		ii. Others	**0.53**	0.51
	c.	Profit on sale of assets	**2.00**	1.61
	d.	Provision written back	**4.92**	4.04
	e.	Surcharge	**18.23**	81.93
	f.	Miscellaneous	**111.14**	59.86
			537.79	737.62
		Less: Transfer to Capital Expenditure Accounts	**29.71**	11.72
		Less: Transfer to Mine Closure Liability	**14.79**	16.61
			493.29	709.29

Notes to the Financial Statement

Sl. No.		Particulars		(₹ in crore)
	g.	As per the accounting policy of the Corporation, surcharge recoverable from beneficiaries on the belated settlement of the power bill, amounting to ₹ 28.32 crore for the year (previous year ₹ 17.52 crore) has not been reckoned as income since there is uncertainty in realisation. The same will be accounted on certainty of realisation.		
27		**Increase(-)/Decrease in Stock**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	OPENING STOCK		
		Raw Material		
		Lignite	**406.81**	202.15
			406.81	202.15
	b.	CLOSING STOCK		
		Raw Material		
		Lignite	**768.06**	406.81
			768.06	406.81
		Increase (-)/Decrease in Stock	**-361.25**	-204.66
28		**Cost of Fuel Consumed**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
		Coal	**75.55**	52.49
		Oil	**879.21**	1.83
			954.76	54.32
		Less: Transfer to Capital Expenditure Accounts	**144.87**	54.32
			809.89	0.00
29		**Employee Benefits Expenses**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Salaries, Wages and Incentives	**1,907.66**	1,895.66
	b.	Contribution to Provident and other funds	**313.73**	292.62
	c.	Gratuity	**-7.31**	32.03
	d.	Welfare expenses	**113.02**	105.60
			2,327.10	2,325.90
		Less: Transfer to Capital Expenditure Accounts	**51.21**	89.65
		Less: Transfer to CSR Expenditure	**17.26**	18.87
			2,258.63	2,217.38
	e.	Disclosure under Accounting Standard-15 on Employee benefits:	**For the year ended 31.03.2016**	For the year ended 31.03.2015
		1. Disclosure in respect of Defined Benefit obligations in respect of Gratuity Fund:		
		i. The actuarial gain or losses will be recognised in the year of occurrence.		

Notes to the Financial Statement

Sl. No.		Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
	ii.	The LIC Group Gratuity Fund maintains the defined benefit plan. Contribution is made to the fund based on the actuarial valuation done at the year-end.		
	iii.	The amounts recognised in the Balance Sheet are as follows:		
		Present value of funded obligations	**813.41**	831.26
		Fair value of Plan assets	**820.47**	802.76
		Unrecognised past service cost	**0.00**	0.00
		Net liability in the Balance Sheet	**0.00**	28.50
	iv.	The amounts recognised in the Statement of Profit and Loss are as follows:		
		Current service cost	**17.59**	11.86
		Interest on obligation	**66.50**	62.76
		Expected return on plan assets	**-70.23**	-71.21
		Net actuarial losses (gains) recognised in the year	**-9.78**	25.92
		Total included in Employee benefit expense	**4.08**	29.33
		Actual return on plan assets	**92.17**	71.21
	v.	Changes in the present value of the defined benefit obligation:		
		Opening defined benefit obligation	**831.27**	784.39
		Service cost	**17.59**	11.86
		Interest cost	**66.50**	62.76
		Actuarial losses (gains)	**-9.78**	25.92
		Benefits paid	**-92.17**	-53.67
		Closing defined benefit obligation	**813.41**	831.26
	vi.	Changes in the fair value of plan assets		
		Opening fair value of plan assets	**802.76**	785.22
		Expected return	**70.23**	71.21
		Actuarial gains (losses)	**0.00**	0.00
		Contributions by employer	**39.65**	0.00
		Benefits paid	**-92.17**	-53.67
		Closing fair value of plan assets	**820.47**	802.76
	vii.	Principal actuarial assumptions at the balance sheet date (expressed as weighted average)		
		Discounted rate per annum	**8.00**	8.00
		Expected return per annum on plan assets	**8.00**	8.00
		Salary escalation per annum	**5.00**	5.00
		Retirement age	**60 years**	60 years
		Mortality	**LIC 1994-96**	LIC 1994-96
		Attrition rate	**1-3%**	1-3%

(₹ in crore)

Notes to the Financial Statement

Sl. No.		Particulars		(₹ in crore)
			For the year ended 31.03.2016	For the year ended 31.03.2015
		2. Disclosure in respect of Defined contribution plan in respect of Post Retirement Medical Benefit Scheme:		
		i. Amount recognised in the Profit and Loss Account as premium paid to the Insurance Company	**14.68**	18.02
		ii. Liability provided for the fixed Medical Assistance	**5.38**	10.31
30		**Finance Cost**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Interest Expenses		
		Fixed loans		
		Unsecured loans - KfW - Foreign currency loan	**3.33**	3.59
		Secured loans-NLC Bonds	**52.98**	52.98
		Loan from Banks	**549.41**	609.14
		Loan from Power Finance Corporation	**69.27**	16.33
		Others	**0.04**	0.12
		Guarantee Fees on KfW loan	**5.87**	7.50
		FERV	**-0.01**	-6.43
		Working Capital	**10.94**	0.00
			691.83	683.23
		Less: Transfer to Capital Expenditure Accounts	**224.50**	533.60
		Total	**467.33**	149.63
	b.	Borrowing cost capitalised during the year Interest and commitment charges	**224.50**	533.60
31		**Depreciation and Amortisation Expenses**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Fixed Assets	**872.60**	428.92
	b.	Mine Development and other Amortisations	**42.99**	41.02
			915.59	469.94
		Less: Transfer to Capital Expenditure Accounts	**3.43**	9.33
		Transfer of carrying amount of fixed assets whose useful life served before 01-04-2014 to general reserve	**0.00**	44.92
		Transfer from Grants	**0.90**	0.15
		Deferred Foreign currency fluctuation liability	**43.41**	-25.08
		Total	**867.85**	440.62

Notes to the Financial Statement

Sl. No.	Particulars	For the year ended 31.03.2016 (₹ in crore)	For the year ended 31.03.2015 (₹ in crore)
32	**Other Expenses**		
	Consumption of stores and spares	**535.49**	632.69
	Fuel	**90.43**	110.41
	Liability for Mine closure	**33.16**	31.58
	Excise duty	**75.21**	67.51
	Rent	**1.36**	1.33
	Rates and taxes		
	Electricity tax	**0.95**	1.54
	Clean energy cess	**648.05**	288.87
	Others	**3.07**	3.41
	Power charges	**27.35**	15.76
	Water charges	**0.46**	1.34
	Wealth Tax	**0.08**	0.40
	Repairs and Maintenance		
	Plant and Machinery	**180.21**	200.97
	Buildings	**16.04**	10.87
	Others	**339.96**	267.54
	Overburden removal expenditure	**157.02**	80.27
	Insurance	**8.80**	7.62
	Payments to auditors		
	Audit fees	**0.28**	0.21
	Tax audit fees	**0.11**	0.13
	Other certification fees	**0.41**	0.31
	Reimbursement of expenses	**0.21**	0.30
	Travelling expenses	**20.20**	17.98
	Training expenses	**9.67**	6.02
	Family welfare expenses	**5.72**	4.08
	Selling expenses - Discounts	**23.65**	30.44
	Afforestation expenses	**13.53**	11.87
	Royalty	**289.94**	264.36
	Central Industrial Security Force expenses	**95.38**	82.49
	Corporate Social Responsibility expenses	**82.76**	47.74
	Miscellaneous expenses	**65.77**	48.13
	Loss on disposal of assets	**0.03**	0.05
	Carried forward	**2,725.30**	2,236.22

Notes to the Financial Statement

Sl. No.		Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
				(₹ in crore)
		Brought forward	**2,725.30**	2,236.22
		Fixed assets written off	**0.06**	0.00
		Provision for contingencies	**2.11**	3.30
		Provision for stores & materials	**1.66**	0.37
		Provision for doubtful debts/advances	**6.65**	0.04
		Provision for loss on assets	**0.00**	0.00
		Provision for preliminary expenses	**1.81**	0.30
			2,737.59	2,240.23
		Less: Transfer to Capital Expenditure Accounts	**62.21**	60.98
		Transfer from Grant	**- 0.22**	0.51
			2,675.60	2,178.75
33		**Prior Period Adjustments (Net)**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Depreciation	**0.00**	- 4.15
	b.	Repairs and Maintenance	**2.05**	1.77
	c.	Consumption of Stores and Spares	**0.00**	- 9.08
	d.	Liability for Mine closure	**0.00**	42.17
	e.	Other Income transfer to Liability	**0.00**	- 8.65
	f.	Exchange Rate Variation	**- 2.00**	10.47
		Total	**0.05**	32.53
		(-) Indicates Income		
34		**Expenses Capitalised**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Lignite Consumption during construction	**23.27**	40.81
	b.	Power Consumption during construction	**1.54**	0.45
	c.	Service charges	**11.29**	6.38
	d.	Land Acquisition expenses	**2.30**	7.40
		Total	**38.40**	55.04

Notes to the Financial Statement

Sl. No.		Particulars		(₹ in crore)
35		**Exceptional Items**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Power Sales	**0.00**	346.69
	b.	Lignite Sales	**0.00**	2.19
	c.	Employee remuneration - VRS compensation	**-28.38**	0.00
	d.	Other expenses - Royalty	**0.00**	-3.30
	e.	Miscellaneous Income	**0.00**	-0.01
		Total	**-28.38**	345.57
		(-) Indicates Expenditure		
	f.	₹ 28.38 crore (previous year Nil) being the expenditure incurred in respect of employees who have been relieved under Voluntary Retirement Scheme (VRS).		
36		**Earnings Per Share**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Profit after tax	**1,061.73**	1,579.68
	b.	Number of Shares	**1677709600**	1677709600
	c.	Face Value of Share (₹)	**10.00**	10.00
	d.	Earning Per Share - Basic and Diluted (₹)	**6.33**	9.42
37		**The effect of Foreign Exchange Fluctuation**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	**0.03**	- 2.60
	b.	The amount of exchange rate difference adjusted and debited/(credited) to the carrying amount of fixed assets & WIP	**61.94**	-127.23
38		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. Accordingly necessary adjustment is made in the current year in depreciation and interest expenditure.		
39		**Expenditure Incurred on Research & Development**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Capital expenditure	**1.28**	1.25
	b.	Revenue expenditure	**12.54**	11.91

Notes to the Financial Statement

Sl. No.		Particulars				(₹ in crore)
40		**Profit Appropriation**		**For the year ended 31.03.2016**		For the year ended 31.03.2015
	a	Surplus brought forward from previous year		**11,348.57**		10,621.18
	b	Profit after tax		**1,061.73**		1,579.68
	c	Transfer to/from Interest Differential Fund Reserve		**- 15.00**		- 11.81
	d	Transfer to Bond Redemption Reserve		**- 15.00**		- 15.00
	e	Transfer to General Reserve		**- 120.00**		- 160.00
	f	Transfer to Contingency Reserve		**- 10.00**		- 10.00
	g	Transfer to PRMA Reserve Fund		**- 12.18**		- 43.86
	h	Interim Dividend		**- 301.99**		- 301.99
	i	Tax on Interim Dividend		**- 60.53**		- 61.83
	j	Proposed Final Dividend		**- 201.33**		- 167.77
	k	Tax on Proposed Final Dividend		**- 40.97**		- 35.11
	l	Transfer of carrying amount of fixed assets whose useful life served before 01-04-2014 to general reserve		**0.00**		- 44.92
		Surplus carried to Balance Sheet		**11,633.31**		11,348.57
41		**Details of Contingency Provisions**	As at 01.04.2015	Additions	Withdrawal	**As at 31.03.2016**
	a	Interest on disputed tax deducted at source	16.60	0.00	0.00	**16.60**
	b	Power Tariff adjustment - Deemed export benefit	22.79	2.11	0.00	**24.90**
	c	Miscellaneous Provisions	0.97	0.00	0.00	**0.97**
		Total	40.36	2.11	0.00	**42.47**
42		**Details of Other Provisions**	As at 01.04.2015	Additions	Withdrawal	**As at 31.03.2016**
	a	Provision for Asset Under development	33.33	1.81	3.84	**31.30**
	b	Provision for loss on Assets	1.29	0.00	0.00	**1.29**
	c	Provision for Stores and Material	3.79	1.66	0.00	**5.45**
	d	Provision for Loans and Advances	2.25	0.02	0.00	**2.27**
	e	Provision for Sundry Debtors	2.08	6.69	0.00	**8.77**
		Total	42.74	10.18	3.84	**49.08**
43		**Consumption of Raw Material and Spare Parts**		**For the year ended 31.03.2016**		For the year ended 31.03.2015
	a.	Value of Indigenous and Imported Spares consumed				
		INDIGENOUS				
		Spare parts		**348.19**		441.88
		Percentage		**94.68%**		97.21%
	b.	IMPORTED				
		Spare parts		**19.57**		12.67
		Percentage		**5.32%**		2.79%

Notes to the Financial Statement

Sl. No.		Particulars		(₹ in crore)
44		**C.I.F. Value of Imports**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Capital Goods	**1.44**	0.14
	b.	Components and Spares	**17.86**	30.89
45		**Expenditure in Foreign Currency**	**For the year ended 31.03.2016**	For the year ended 31.03.2015
	a.	Travelling Expenses	**0.35**	0.28
	b.	Professional and Consultancy	**0.00**	0.61
	c.	Interest Charges	**3.33**	3.59

46 Disclosure of transactions with the related parties as defined in the Accounting Standard-18 are given below:

i. List of related parties: (a) Key Management Personnel:

Shri B. Surender Mohan - Chairman-cum-Managing Director up to 30.09.2015

Shri Sarat Kumar Acharya - Chairman and Managing Director w.e.f. 01.10.2015

Directors		
Shri Sarat Kumar Acharya	Shri. Chandra Prakash Singh	Shri. T.V.K. Murugan
Shri. Rakesh Kumar	Shri. Azad Singh Toor	Shri. R.S. Alagappan
Shri. Subir Das	Shri. K. Madhavan Nair	Shri. R.P. Gupta
Shri. V. Thangapandian	Dr. A.K. Dubey	Shri. Sanjay Agarwal
Shri. P. Selvakumar	Shri. C.V. Sankar	Shri. A.P. Mishra
Shri. S. Rajagopal	Shri. Rajesh Lakhoni	Shri. A.K. Bhalla
Shri. S. Boopathy	Shri. S. Sambathkumar	Shri. Sanjay Prasad
Smt. Sujata Prasad	Shri. M. Rajkumar	
Shri. N.S. Palaniappan	Shri. Manoj Kumar Sharma	

Chief Executive Officers	Chief Financial Officers	Company Secretaries
Shri. S. Sathiyanarayanan	Shri. Rakesh Kumar	Shri. K. Viswanath
Shri. K. Chandran	Shri. V.N. Babu	Shri. R. Jayasarathy
	Shri. Mukesh Agrawal	Shri. R. Udhayashankar

ii. Transactions during the year with related parties:
Remuneration to Key Managerial Person listed above listed in (a) above: ₹ 4.24 crore (Previous year ₹ 3.31 crore)

47 Disclosure in accordance with the Accounting Standard-24 towards discontinued operations:

(a)	Discontinuing operation	:	Thermal Power Station-I
(b)	Business Segment	:	Power
(c)	Date and nature of initial disclosure of event	:	On 3rd June 2014, it was communicated that TPS-I will be retired on commissioning of Neyveli New Thermal Power Project.
(d)	Date of discontinuation	:	Likely from October 2017 to April 2018

Notes to the Financial Statement

Sl. No.		Particulars	As at 31.03.2016 (₹ in crore)	As at 31.03.2015
		(e) Total Assets as on	**1,087.39**	842.96
		(f) Total Liabilities as on	**91.07**	60.99
		(g) Revenue for the year ended	**1,395.59**	1,711.90
		(h) Expenses for the year ended	**1,432.21**	1,711.49
		(i) Profit Before Tax	**(36.62)**	0.41
		(j) Net Cashflow attributable to :		
		Operating activities	**7.28**	0.36
		Investing activities	**(0.97)**	(3.39)
		Financing activities	**(6.31)**	3.01
		(k) New higher capacity of Neyveli New Thermal Power Project of 1000 MW under implementation would be commissioned as replacement to TPS-I.		
		(l) Salaries and wages are included in the expenses in order to arrive the operating profit before tax		
		(m) Total assets includes net current assets		
48		Disclosure in respect of the interests in Joint Venture as per Accounting standard-27 is furnished as under:		
	a.	Company Name : M/s. MNH Shakti Limited		
	b.	Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.		
			As at 31.03.2016	As at 31.03.2015
	c.	Joint Venture/Interest :		
		i. M/s. Mahanadi Coalfields Limited	**70%**	70%
		ii. M/s. Neyveli Lignite Corporation Limited	**15%**	15%
		iii. M/s. Hindalco Industries Limited	**15%**	15%
49		Figures of the previous year have been re-grouped wherever necessary.		

Notes to the Financial Statement

Sl. No.	Particulars (₹ in crore)
50	Segment-wise Result for the year 2015-16

	Lignite Mining		Power Generation		Inter-segment adjustment		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015	**31.03.2016**	31.03.2015	**31.03.2016**	31.03.2015
REVENUE								
External Sales	**400.00**	493.22	**7495.97**	5594.46			**7895.97**	6087.68
Inter-segment sales	**4940.90**	4182.08	**416.39**	335.04	**5357.29**	4517.12		
Total Revenue	**5340.90**	4675.30	**7912.36**	5929.50	**5357.29**	4517.12	**7895.97**	6087.68
RESULT								
Segment Result	**1530.49**	1240.54	**474.85**	578.49			**2005.34**	1819.03
Other Income							**103.11**	56.37
Unallocated Corporate expenses							**299.26**	297.93
Operating Profit							**1809.19**	1577.47
Interest Expense							**467.33**	156.06
Interest Income							**385.24**	648.88
Exceptional Items							**-28.38**	345.57
Income taxes							**637.04**	803.65
Profit from Ordinary activities							**1061.68**	1612.21
Prior period / Income / Expenditure (Net)							**0.05**	-32.53
Net Profit							**1061.73**	1579.68
OTHER INFORMATION	**As at 31.03.2016**	As at 31.03.2015	**As at 31.03.2016**	As at 31.03.2015	**As at 31.03.2016**	As at 31.03.2015	**As at 31.03.2016**	As at 31.03.2015
Segment Assets	**5608.09**	5192.06	**16384.69**	5157.08			**20274.67**	10349.14
Unallocated Corporate assets(Including Capital Work-in Progress)							**9389.74**	15403.23
Total Assets							**29664.41**	25752.37
Segment liabilities	**1320.05**	1017.60	**1709.92**	475.14			**3029.98**	1492.74
Unallocated Corporate liabilities							**10662.57**	9021.22
Total liabilities							**13692.55**	10513.96
Capital Expenditure	**416.82**	313.09	**-57.67**	-63.06			**359.15**	250.03
Depreciation	**295.33**	195.36	**585.39**	175.95			**880.72**	371.31
Non-cash expenses other than depreciation	**6.66**	0.00	**0.01**	2.73			**6.67**	2.73

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.