

NLC India Limited
"Navratna" - A Government of India Enterprise

Extract of the statement of Audited Standalone Financial Results for the Quarter and Year Ended March 31, 2021

(₹ Crore unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	Un-audited	(Audited)	(Audited)	
1	Total Income from Operations (Net)	2,171.09	1,549.69	2,274.52	7,249.63	7,916.30
2	Net Profit / (Loss) for the period before Tax (before Exceptional & Rate Regulated Activity)	720.05	46.63	587.17	1,485.47	2,212.44
3	Net Profit / (Loss) for the period before Tax (after Exceptional & Rate Regulated Activity)	991.99	113.18	610.00	1,753.40	2,204.59
4	Net Profit / (Loss) for the period after Tax	654.80	74.06	392.48	1,041.79	1,413.85
5	Total Comprehensive Income for the period (comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	658.26	69.37	394.83	1,073.83	1,288.49
6	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	1,386.64	1,386.64	1,386.64	1,386.64	1,386.64
7	Reserve excluding Revaluation Reserve as per latest audited balance sheet				12,188.04	11,252.87
8	Net Worth				13,473.00	12,511.84
9	Paid up debt capital/outstanding debt				14,917.69	16,780.47
10	Debt equity ratio (in times)				1.11	1.34
11	Debt service coverage ratio (in times)				1.25	1.81
12	Interest service coverage ratio (in times)				4.02	4.86
13	Earnings per Equity Share (of Rs. 10 each) from continuing operations (before adjustment of Net Regulatory Deferral Balances):					
	Basic (in ₹)	3.11	0.38	2.67	5.65	10.22
	Diluted (in ₹)	3.11	0.38	2.67	5.65	10.22
14	Earnings per Equity Share (of Rs. 10 each) from continuing operations (after adjustment of Net Regulatory Deferral Balances):					
	Basic (in ₹)	4.72	0.53	2.83	7.51	10.20
	Diluted (in ₹)	4.72	0.53	2.83	7.51	10.20

Note:

The above is an extract of the detailed format of Quarter and Year Ended audited Standalone financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarter and year Ended audited Standalone financial results are available on the Stock Exchanges websites at www.nseindia.com & www.bseindia.com and on company's website i.e. www.nlcindia.in

For NLC INDIA LIMITED

RAKESH KUMAR
Digitally signed by RAKESH KUMAR
Date: 2021.06.28 13:29:41 +05'30'

RAKESH KUMAR

CHAIRMAN CUM MANAGING DIRECTOR

Place: Neyveli

Date : 28/06/2021



M/s.PKKG Balasubramaniam & Associates,
Chartered Accountants,
Door No. 10/2,
Eighth Street,
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Thiruvannamalai-606602.

M/s. R Subramanian and Company LLP,
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Luz Mylapore,
Chennai – 600004

Independent Auditors' Report on the Quarterly and Year to Date Audited Standalone Financial Results of NLC India Limited pursuant to the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

To
The Board of Directors
NLC India Limited
Chennai 600 031

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of quarterly and year to date Standalone Financial Results of NLC India Limited ("the Company") for the quarter and year ended March 31, 2021("The Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanation given to us, the statements;

- (i) are presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) give us a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the Standalone net profit, other comprehensive income and other financial information of the company for the Quarter and year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in



accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Results-

Without qualifying our opinion:

1. Attention is invited to Note 12 of the Financial Results in respect of the true up petition filed with CERC in the third quarter of FY 2019-2020 for the Tariff period 2014-19, any adjustment arising out of the same shall be considered in the books of accounts on receipt of order from CERC.
2. Attention is drawn to Note 14 of the Financial Results where CERC has raised substantive issues relating to the implementation of the impugned guidelines relating to existing lignite transfer pricing and consequential adjustments if any, that may arise are unascertainable at this stage.
3. Attention is drawn to Note 24 of the Financial Results relating to Vivad Se Viswas Scheme (VSVS), regarding the settlement of income tax disputes, the company has submitted the relevant details with income tax department during January 2021 and remitted a sum of ₹840.59 Crores over the period, which are in the process of scrutiny and approval by the Income Tax department. Out of the disputed income tax paid, the company is also eligible to prefer claim with its customers in accordance with the CERC tariff regulations. Pending requisite acceptance and approval in this regard from the income tax department and also preferring claim with the customers the amount paid as above has been carried forward.
4. Attention is drawn to Note 23 of the Financial Results regarding non-recognition of income of Deferred Tax Liability materialized for the period ended March 31, 2020 and March 31, 2021 pending reconciliation and confirmation from beneficiaries and the amount is not presently quantifiable.
5. Attention is invited to Note 31 of the Financial Results wherein management has estimated and considered, a sum of ₹322.76 Crores (Q4 of 2020-21 ₹80.69 crore) as provision towards loss allowance on outstanding trade receivables for the period ended March 31, 2021, pending completion of exercise of reconciliation of balances arising out of counter claims, appropriation of remittances, disputed dues and consequential re-assessment of overall provision required.
6. Attention is drawn to Note 28 of the Financial Results regarding material impact on the business of the Company due to the COVID-19 pandemic.
7. Attention is drawn to Note 11 of the Financial Results relating to fire accidents mentioned therein, including provisional settlements of ₹50 Crore by insurance company is reckoned as income during the period ended March 31, 2021.



8. Attention is drawn to Note 15 of the Financial Results wherein an amount of ₹165.78 Crores being 50% of the mine closure deposit including interest for the five-year period 2016-17 to 2020-21 has been considered on a provisional basis under regulatory income pending filing of claim with coal controller.

Our opinion on the Standalone Financial Results is not modified in respect of the above matters.

Management's Responsibilities

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to Liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users



taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant in the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards



The statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full year ended March 31, 2021 and the published unaudited year to date figure up to the third quarter of the current year, which were subject to limited review by us, as required under the Listing Regulations.

Other Matters

1. We did not audit the financial statements of two (2) Branches included in the Standalone Financial Results of the Company which reflected total assets of ₹2,789.68 crores as at March 31, 2021 and a net profit before tax of ₹128.32 crores for the year ended on that date, as considered in the Financial Results. The financial statements of those Branches have been audited by the branch auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in respect of this Branches, is based solely on the report of such branch auditors.
2. The statement includes the results for the quarter ended March 31, 2021 and corresponding quarter ended 31st March 2020 which are balancing figures between the Annual audited figures in respect of the full financial year ended on such dates and the published unaudited year to date figures up to the third quarter of the relevant financial year, which were subject to limited review by us, as required under the Listing Regulations.

Our opinion is not modified in respect of the above matters.

For **PKKG BALASUBRAMANIAM & ASSOCIATES, Chartered Accountants,**
Firm Regn. No. 001547S



Ramakrishnan
A S Ramakrishnan
Partner
M No. 027683

UDIN: 21021651AAAAAO1252

For **M/s. R Subramanian and Company LLP, Chartered Accountants,**
Firm Regn. No. 004137S/S200041

R. Subramanian
R. Subramanian
Partner
M No. 008460

UDIN: 21008460AAAAAW5998



Place: Chennai
Date: June 28, 2021