



Report on Corporate Governance

Mandatory Requirements

Company's Philosophy on Code of Governance

Transparency, accountability and integrity are the main ingredients of a good Corporate Governance. Your Company as a Corporate Citizen, believes in adhering to the highest standards of Corporate Governance.

Board of Directors

Composition

As on 31st March, 2018, the Board of Directors of your Company comprised an Executive Chairman, five Executive Directors and two Non-executive Directors and six Independent Directors.

The particulars regarding composition of Board of Directors as on 31st March, 2018 and other details are furnished below:

Sl. No.	Name (Sarvashri/Ms.)	Designation	Other Directorships held as on 31.03.2018	Other Committee * Memberships held as on 31.03.2018	
				As Member	As Chairman
Executive Directors					
1	Dr. S.K.Acharya	Chairman and Managing Director	2	-	-
2	Rakesh Kumar	Director (Finance)	2	1	-
3	Subir Das	Director(Mines)	1	-	-
4	V.Thangapandian	Director(Power)	2	1	-
5	P.Selvakumar	Director (Planning & Projects)	1	1	-
6	R.Vikraman	Director(Human Resource)	-	-	-
Non-executive Directors					
7	Suresh Kumar	Additional Secretary to Government of India, Ministry of Coal - Part-time official Director	-	-	-
8	Vikram Kapur	Principal Secretary to Government of Tamil Nadu , Energy Department- Part-time official Director	9	-	-
Independent Directors					
9	Chandra Prakash Singh	Part-time Non-official Director	-	-	-
10	Azad Singh Toor	Part-time Non-official Director	-	-	-
11	K.Madhavan Nair	Part-time Non-official Director	-	-	-
12	Nalini Padmanabhan	Part-time Non-official Director	3	-	1
13	Monika Arora	Part-time Non-official Director	3	-	-
14	Indrajit Pal	Part-time Non-official Director	-	-	-

* Audit Committee and Stakeholders Relationship Committee

Dates of Board Meetings & Directors' Attendance

During the financial year 2017-18, ten meetings of the Board of Directors were held on the following dates:

5th May, 2017, 30th May,2017, 20th July,2017, 12th August, 2017, 14th September, 2017, 27th September, 2017, 14th November, 2017, 23rd January,2018, 14th February, 2018 and 19th March, 2018.



The details of attendance of Directors at the Board Meetings held during the financial year 2017-18, are as under;

Name (Sarvashri/Ms.)	No. of meetings attended out of 10 held	Remarks
Dr. Sarat Kumar Acharya	10	
Rakesh Kumar	10	
Subir Das	10	
V.Thangapandian	10	
P.Selvakumar	10	
R.Vikraman	10	
Suresh Kumar	7	Appointed w.e.f.09.06.2017
Vikram Kapur	5	
Chandra Prakash Singh	9	
Azad Singh Toor	10	
K.Madhavan Nair	7	
Nalini Padmanabhan	10	
Monika Arora	4	
Indrajit Pal	5	Appointed w.e.f.06.09.2017
R.P.Gupta	2	Relinquished w.e.f.09.06.2017

Annual General Meeting

Dr. S.K. Acharya, CMD, Shri. Rakesh Kumar, Shri. Subir Das, Shri. V. Thangapandian, Shri. P. Selvakumar, Shri. R. Vikraman, Shri. Chandra Prakash Singh, Shri. Azad Singh Toor, Ms. Nalini Padmanabhan, Directors attended the last AGM held on 27th September, 2017.

Disclosures- Relationship between Directors inter-se

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31.03.2018.

Details of Shares held by Non-Executive Directors

As per the declarations received, none of the Non-Executive Directors are holding any equity shares in the Company.

Web-link of Familiarisation Programme imparted to Independent Directors

Familiarization programmes to Independent Directors is available at https://www.nlcindia.com/investor/familiarisation_programme_indpnt_dir.pdf.

Audit Committee

(i) Terms of reference

The terms of reference conform to the requirements of the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

(ii) Composition, Names of Members and Chairman

The composition of the Committee as on 31.03.2018 comprised three Independent Directors and an Executive Director. Shri. K. Madhavan Nair, Independent Director is the Chairman and Shri. Azad Singh Toor, Shri. Chandra Prakash Singh, Independent Directors and Shri. Subir Das, Executive Director are Members.

(iii) Meetings and Attendance

During the financial year 2017-18, eight meetings of the Audit Committee were held on 5th May, 2017, 30th May, 2017, 12th August, 2017, 25th September, 2017, 7th November, 2017, 14th November, 2017, 14th February, 2018 and 19th March, 2018.



The details of number of meetings and attendance of members for the Audit Committee meetings held during the year 2017-18 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
K.Madhavan Nair	8	6
Azad Singh Toor	8	8
Subir Das	8	8
Chandra Prakash Singh	8	7

Nomination and Remuneration Committee

(i) Terms of reference

The appointment of Executive Directors including the Chairman and Managing Director is contractual in nature and the remuneration is paid to them as per the terms of their appointment made by the Government of India. The remuneration of Part-time Official Directors is governed by their respective Government rules. Sitting fees are paid to Independent Directors. However, for finalising the Performance Related Pay (PRP) for Executive Directors, Executives and Non-unionised Supervisors, as required under the DPE guidelines, the Board had earlier constituted the Remuneration Committee and the said Committee has been renamed as "Nomination and Remuneration Committee" in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations with the terms of reference limited to below Board Level employees only and as per DPE Guidelines for payment of PRP.

Being a Government Company, the remuneration of Board level Directors is fixed by the government, the appointing authority. In respect of Executives and Supervisors, the same is fixed as per the guidelines issued by Department of Public Enterprises and in respect of workmen as per the settlement reached with the recognized unions under the Industrial Disputes Act.

(ii) Composition, Name of Members and Chairman

The composition of the Committee, as on 31.03.2018 comprised two Independent Directors and a Part-time Official Director. Shri. Azad Singh Toor, Director is the Chairman, Shri. Chandra Prakash Singh, Director, Shri. Vikram Kapur are the Members while Director (Human Resource) and Director (Finance) are permanent invitees.

The requirements that the Committee to comprise at least three directors, were not complied with during the period from 01.04.2017 to 12.04.2017.

(iii) Meetings and Attendance

During the financial year 2017-18, three meetings of the Nomination and Remuneration Committee were held on 5th May, 2017, 30th October, 2017 and 5th March, 2018.

The details of number of meetings and attendance of members for the Nomination and Remuneration Committee meetings held during the year 2017-18 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Azad Singh Toor	3	3
Chandra Prakash Singh	3	2
Vikram Kapur	3	3

The Company, being a Government Company, the appointment of Directors, both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.



Remuneration of Directors

No remuneration is being paid to Part-time Official Directors. Part-time Non-official Directors (Independent Directors) were paid sitting fee @ ₹ 20,000/- for attending the meetings of the Board and ₹ 15,000/- for the meetings of the Sub-committees thereof. Hence, no separate criteria is adopted for the payments as stated above.

Remuneration Details

The details of remuneration paid to the following Executive Directors during the year 2017-18 are as under:

Name of the Director (Sarvashri)	Salary for the year (₹)	Benefits (₹)	Performance Related Pay (PRP)* (₹)
Dr. Sarat Kumar Acharya	46,57,930	6,27,090	7,37,680
Rakesh Kumar	31,12,591	6,02,016	5,98,530
Subir Das	32,70,674	4,87,257	5,50,104
V.Thangapandian	30,77,061	2,74,453	2,71,553
P.Selvakumar	28,15,105	5,37,747	2,05,259
R.Vikraman	27,43,694	5,22,126	2,16,907

* PRP for 2016-17 .

Note: The service contract/ notice period/ severance fee etc., for the above Directors are as per the terms of appointment made by the Government of India. During the year 2017-18, no bonus/ commission was paid and no Stock Options were issued to the Directors.

The details of sitting fees paid to Independent Directors during the year 2017-18 are as under:

Name of the Director (Sarvashri / Ms.)	Sitting fee paid for (₹)	
	Board Meetings	Committee Meetings
Chandra Prakash Singh	1,80,000	1,80,000
Azad Singh Toor	2,00,000	2,70,000
K.Madhavan Nair	1,40,000	90,000
Nalini Padmanabhan	2,00,000	30,000
Monika Arora	80,000	-
Indrajit Pal	1,00,000	-

Stakeholders Relationship Committee

The composition of the Committee as on 31.03.2018 comprised Shri. Azad Singh Toor, Director as its Chairman, Shri. Rakesh Kumar and Shri. V. Thangapandian, Directors as its Members, to look into the redressal of Stakeholders / Investors grievances and review the action taken by the Company.

During the financial year 2017-18, four meetings of the Stakeholders Relationship Committee were held on 5th May, 2017, 12th August, 2017, 14th November, 2017 and 14th February, 2018.



The details of number of meetings and attendance of members for the Stakeholders Relationship Committee meetings held during the year 2017-18 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Azad Singh Toor	4	4
Rakesh Kumar	4	4
V.Thangapandian	4	4

Shri.K.Viswanath, Company Secretary is the Compliance Officer.

Integrated Registry Management Services Private Limited, Chennai, is the Share Transfer Agent and the Depository Registrar (STA & DR) of the Company and they attend to transfers/ transmission requests lodged with the Company. The STA & DR also co-ordinate with NSDL & CDSL, the Depositories and attend to Investors complaints besides also by the Company and the activities of the STA & DR are under the supervision of the Compliance Officer. The complaints received from shareholders are monitored regularly and redressal action is taken immediately.

During the year 2017-18, 251 complaints were received from the shareholders/investors, generally pertaining to non-receipt of dividend and Annual Report and five complaints received from shareholders were pending as on 31.03.2018 and all have been redressed during the month of April, 2018. As reported by the STA&DR, all share transfers received up to 31st March, 2018 have been processed.

Corporate Social Responsibility Committee

(i) **Terms of reference**

The terms of reference conform to the requirements of the provisions of Companies Act, 2013.

(ii) **Composition, Names of Members and Chairman**

The Composition of the Committee as on 31.03.2018 comprised two Independent Directors and four Executive Directors. Shri. Azad Singh Toor, Director as its Chairman, Shri. Chandra Prakash Singh, Shri. Rakesh Kumar, Shri. Subir Das, Shri. V. Thangapandian and Shri. R. Vikraman, Directors as its Members.

(iii) **Meetings and Attendance**

During the financial year 2017-18, three Meetings of the Corporate Social Responsibility Committee were held on 30th May, 2017, 12th August, 2017 and 14th February, 2018.

The details of number of meetings and attendance of members for the Corporate Social Responsibility Committee meetings held during the year 2017-18 are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Azad Singh Toor	3	3
Chandra Prakash Singh	3	3
Rakesh Kumar	3	3
Subir Das	3	3
V.Thangapandian	3	3
R.Vikraman	3	3



General Body Meetings

The following are the details of General Body Meetings of the Company held in the last three years:

Year	Date & Time	Venue
AGM 2014-15	16.09.2015, 15.00 Hrs	"Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T T K Road, Alwarpet, Chennai-600 018.
AGM 2015-16	15.09.2016, 14.30 Hrs	"Kamaraj Arangam", 492, Anna Salai, Teynampet, Chennai - 600 006.
AGM 2016-17	27.09.2017, 14.30 Hrs	"Kamaraj Arangam", 492, Anna Salai, Teynampet, Chennai - 600 006.

Special Resolutions

No special resolution was passed in the previous three Annual General Meetings.

Postal Ballot

During the year 2017-18, Shareholders' approval by way of special resolution was obtained through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the rules prescribed under the Companies (Management and Administration) Rules, 2014, for (1) Enhancement of Borrowing Powers of the Company (2) Creation of Security on the Properties of the Company in favour of the Lenders (3) Amendment to Object Clause of Memorandum of Association of the Company. The Postal Ballot Notice dated 7th October, 2017 together with Explanatory Statement under Section 102 of the Companies Act, 2013 was sent to all Members whose names appeared on the Register of Members/List of beneficial owners as on 11th October, 2017, being the cut-off date. Shri. Balu Sridhar, Partner, A.K. Jain & Associates, Company Secretaries was appointed as the scrutiniser to conduct the above Postal Ballot.

The details of the voting are as under:

1. Enhancement of Borrowing Powers of the Company

Resolution No.1	Enhancement of the borrowing powers of the Company						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	136,54,94,378	538	7,32,88,342	149	143,87,82,720	687	
Less : Invalid votes	3,951	23	0	0	3,951	23	
Net Valid votes	136,54,90,427	515	7,32,88,342	149	143,87,78,769	664	100
Votes favouring the resolution - (A)	136,54,86,632	493	7,32,84,039	130	143,87,70,671	623	99.9994
Votes against the resolution - (B)	3,795	22	4,303	19	8,098	41	0.0006
Total Votes received -(A)+(B)	136,54,90,427	515	7,32,88,342	149	143,87,78,769	664	100

Note:

- 78 Shareholders holding 20,654 shares as on the cut-off date have abstained from voting through postal ballot in Resolution No. 1.
- 11 Shareholders holding 2,029 shares as on cut-off date have cast their votes through postal ballot for 1,194 shares in aggregate.



2. Creation of Security on the properties of the Company in favour of the lenders

Resolution No.2	Creation of Security on the properties of the Company in favour of the lenders						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	136,54,91,552	522	7,32,88,292	148	143,87,79,844	670	
Less : Invalid votes	3,951	23	0	0	3,951	23	
Net Valid votes	136,54,87,601	499	7,32,88,292	148	143,87,75,893	647	100
Votes favouring the resolution - (A)	136,54,83,806	473	7,32,82,514	127	143,87,66,320	600	99.9993
Votes against the resolution - (B)	3,795	26	5,778	21	9,573	47	0.0007
Total Votes received - (A)+(B)	136,54,87,601	499	7,32,88,292	148	143,87,75,893	647	100

Note:

1. A Shareholder holding 50 shares has abstained from e-voting in Resolution No. 2.
2. 94 Shareholders holding 23,405 shares as on the cut-off date have abstained from voting through Postal Ballot in Resolution No. 2.
3. 10 Shareholders holding 1,829 shares as on cut-off date have cast their votes through postal ballot for 919 shares in aggregate.

3. Amendment to Object clause of Memorandum of Association of the Company

Resolution No.3	Amendment to Object clause of Memorandum of Association of the Company						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	
Total Votes received	136,54,91,252	521	7,32,88,042	148	143,87,79,294	669	
Less : Invalid votes	3,951	23	0	0	3,951	23	
Net Valid votes	136,54,87,301	498	7,32,88,042	148	143,87,75,343	646	100
Votes favouring the resolution - (A)	136,54,84,706	481	7,32,84,986	131	143,87,69,692	612	99.9996
Votes against the resolution - (B)	2,595	17	3,056	17	5,651	34	0.0004
Total Votes received - (A)+(B)	136,54,87,301	498	7,32,88,042	148	143,87,75,343	646	100

Note:

1. A Shareholder holding 300 shares has abstained from e-voting in Resolution No. 3.
2. 95 Shareholders holding 23,605 shares as on the cut-off date have abstained from voting through Postal Ballot for Resolution No. 3.
3. 10 Shareholders holding 1,829 shares as on cut-off date have cast their votes through postal ballot for 819 shares in aggregate.



The Special Resolutions as mentioned in the notice of the postal ballot dated 7th October, 2017 had been passed with the requisite majority on 14th November, 2017.

Any decision for matters requiring approval of shareholders through postal ballot system will be obtained as per the procedures laid down under Act.

Means of Communication

The financial results are furnished immediately to the Stock Exchanges where the Company's equity shares are listed and also published in Business Line and Dinamani (Tamil) Newspapers. It is also made available in the Company's website-www.nlcindia.com and in the websites of NSE & BSE. The Company's official news releases and Corporate Presentations, besides all the events/information as per the provisions of SEBI Listing regulations are being displayed on the website of the Company.

General Shareholder Information:

AGM : Date, Day, Time and Venue : 30th July, 2018, Monday, 14.00 hours
"Sathguru Gnanananda Hall", Narada Gana Sabha,
No.314, T.T.K. Road, Alwarpet, Chennai - 600 018.

Financial Calendar for the year 2018-19

Results for the quarter ending 30 th June, 30 th September, 31 st December	Within 45 days from the end of the quarter
Audited Yearly results	Within 60 days from the end of the financial year.

Dividend Payment Date

The Final Dividend, if declared at the AGM, would be paid to the shareholders within 30 days from the date of AGM.

Unclaimed Dividend Account Details

Unclaimed Dividend Account details as on 31st March, 2018:

Sl.No	Dividend Account	Unclaimed Amount in ₹	Due date for transfer to IEPF Authority
1	2010-11	1418117.90	13.10.2018
2	2011-12	1818409.60	14.10.2019
3	2012-13 (Interim)	776569.00	29.03.2020
4	2012-13 (Final)	1247160.60	08.10.2020
5	2013-14 (Interim)	835770.00	20.04.2021
6	2013-14 (Final)	1294907.00	29.10.2021
7	2014-15 (Interim)	1397280.60	17.03.2022
8	2014-15 (Final)	806264.00	21.10.2022
9	2015-16 (1 st Interim)	1564252.50	28.02.2023
10	2015-16 (2 nd Interim)	354221.10	27.03.2023
11	2015-16 (Final)	1313856.00	19.10.2023
12	2016-17 (Interim)	6739793.68	19.04.2024
13	2017-18 (Interim)	10107965.54	17.04.2025



Listing on Stock Exchanges and Payment of Listing Fees

The equity shares of the Company and the Neyveli Bonds 2009 are presently listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing Fees have been paid to both the Stock Exchanges up to the year 2018-19.

Stock code

Name and Address of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	513683
National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	NLCINDIA

Stock Market Data

The monthly high and low market price of the Company's shares during each month in 2017-18 as quoted at the Bombay Stock Exchange & National Stock Exchange and its comparative performance with the broad base BSE Sensex & NIFTY during the same period were as under:

Month	Share Price (BSE) (₹)		Share Price (NSE) (₹)		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April 2017	111.50	101.40	111.45	101.00	30184.22	29241.48	9367.15	9075.15
May 2017	112.00	96.95	111.80	95.00	31255.28	29804.12	9649.60	9269.90
June 2017	112.20	97.40	112.00	98.00	31522.87	30680.66	9709.30	9448.75
July 2017	114.00	96.00	119.00	97.60	32672.66	31017.11	10114.85	9543.55
August 2017	102.90	91.10	102.85	91.20	32686.48	31128.02	10137.85	9685.55
September 2017	103.55	88.00	104.00	87.50	32524.11	31081.83	10178.95	9687.55
October 2017	102.00	92.65	102.40	92.55	33340.17	31440.48	10384.50	9831.05
November 2017	110.45	95.00	110.70	95.00	33865.95	32683.59	10490.45	10094.00
December 2017	113.35	101.50	113.45	101.25	34137.97	32565.16	10552.40	10033.35
January 2018	119.75	101.60	119.40	102.00	36443.98	33703.37	11171.55	10404.65
February 2018	106.45	96.00	106.60	95.05	36256.83	33482.81	11117.35	10276.30
March 2018	101.50	82.55	101.30	83.50	34278.63	32483.84	10525.50	9951.90

Depository Registrar and Share Transfer Agent

Integrated Registry Management Services Pvt. Ltd., is the Depository Registrar and Share Transfer Agent for the Company. The details of their address, contact numbers are as under:

Address: II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017.
Tel.No.: 044-28140801-03 Fax No.: 044-28142479 E-mail id: csdstd@integratedindia.in

Share Transfer System

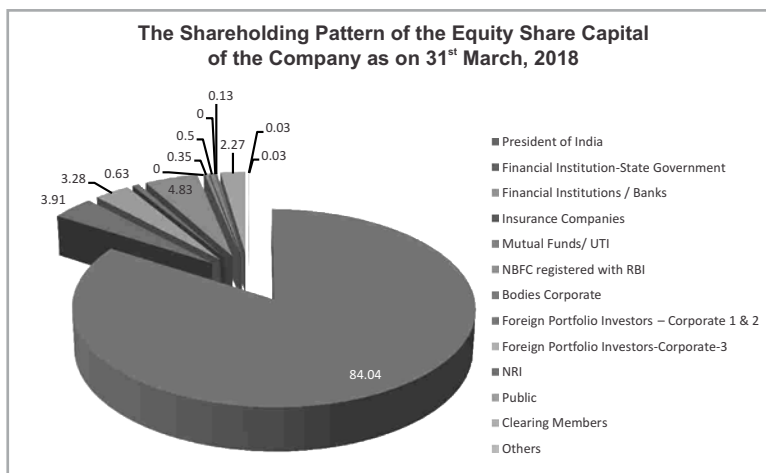
Integrated Registry Management Services Pvt. Ltd., Chennai attend to transfers / transmission requests lodged with the Company. The STA & DR also co-ordinate with NSDL & CDSL, the Depositories and attend to Investors complaints besides also by the Company and the activities of the STA & DR are under the supervision of the Compliance Officer.



Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2018 is as under:

Category	No. of Shares	% to total
President of India	1284603208	84.04
Financial Institution-State Government	59701260	3.91
Financial Institutions / Banks	50199753	3.28
Insurance Companies	9607871	0.63
Mutual Funds/ UTI	73875928	4.83
NBFC registered with RBI	9751	0.00
Bodies Corporate	5372698	0.35
Foreign Portfolio Investors – Corporate 1 & 2	7604128	0.50
Foreign Portfolio Investors-Corporate-3	52909	0.00
NRI	1966519	0.13
Public	34719858	2.27
Clearing Members	444118	0.03
Others	410426	0.03
Total	1528568427	100.00



Distribution of Shareholding as on 31.03.2018

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of shareholding
1 - 500	88118	89.87	11490130	0.75
501 - 1000	5085	5.19	4261392	0.28
1001 - 2000	2456	2.50	3909702	0.26
2001 - 3000	827	0.84	2110079	0.14
3001- 4000	329	0.34	1197473	0.08
4001- 5000	350	0.36	1672750	0.11
5001 -10000	456	0.47	3364895	0.22
10000 and above	424	0.43	1500562006	98.16
Total	98045	100.00	1528568427	100.00



Dematerialisation of shares and liquidity

The equity shares of the Company are equity shares numbering to 1526200602 (**99.85%**) have been dematerialised by the shareholders. The Company's equity shares are actively traded on the Stock Exchanges.

Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company and hence there would not be any impact on the equity.

Plant locations

Mine-I (including Expansion) Mine-IA, Mine-II (including Expansion), TPS-I, TPS-I Expansion, TPS-II and TPS-II Expansion are located in Neyveli in Cuddalore District in the State of Tamil Nadu. Barsingsar Mine and Thermal Power Plant are located in Bikaner District in the State of Rajasthan. Solar Power Plants are located in Neyveli, Seliyanallur (Tirunelveli District), Sethupuram & Thoppalakarai (Virudhunagar District) and 51 MW WTGs in Kazhuneerkulam (Tirunelveli District) all in the State of Tamilnadu. Neyveli New Thermal Power Station presently is under construction at Neyveli. Talabira-II & III Coal Blocks at Sambalpur in the State of Odisha is under development. A Thermal Power Plant of the Subsidiary Company (NTPL) is in operation at Tuticorin, in the State of Tamil Nadu. A Thermal Power Plant is under construction in Ghatampur in the State of Uttar Pradesh and a Coal Mine at Pachwara South in the State of Jharkhand will be developed by NUPPL, the Subsidiary Company.

Address for correspondence

Shareholders/Investors may send their correspondence to the Company Secretary either to the Registered Office at First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai-600 031 (Tel. No.044-28364613-16) or to the Corporate Office, Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu (Tel.No.04142-252205). Shareholders may also send their communication electronically to investors@nlcindia.com, the exclusive e-mail-id provided.

The investors may also communicate to Integrated Registry Management Services Private Limited, the Depository Registrar & Share Transfer Agent for redressal of their grievance, if any.

The details of their address, contact numbers are as under:

Address: II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017.
Tel.No.:044-28140801-03 Fax No.:044-28142479 E-mail id: csdstd@integratedindia.in

Other Disclosures

- (i) The policies on related party transactions and material subsidiaries are available at <https://www.nlcindia.com/investor/SUBSIDIARY-POLICY.pdf>.

During the year, the Company did not enter into any contracts/arrangements/transactions with any Related Party which are not an arms length basis and no material contracts/arrangements were entered into with them at an arms length basis. No materially significant related party transactions were entered into that may have potential conflict with the interests of the Company at large.

- (ii) During the year 2015-16, the stock exchanges had imposed a fine of ₹ 50,000/- for not appointing a woman Director on the Board of the Company within the stipulated period. The Company being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India. The matter relating to the above imposition of fine has been referred to the Ministry of Coal. No other penalties/strictures have been imposed on the Company by the Stock Exchanges or by SEBI on any matters relating to capital markets during the last 3 years.



(iii) Dividend Distribution Policy

Policy Framework

The policy is framed broadly in line with the provisions of Companies Act, 2013 and also taking into consideration, guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by Dept. of Investment and Public Asset Management (DIPAM), Ministry of Finance, Dept. of Public Enterprises, SEBI and other guidelines, to the extent applicable.

Being a Central Public Sector Enterprise (CPSE), the Company has to comply the guidelines dated 27th May, 2016 and 19th December 2016 on “Capital Restructuring of Central Public Sector Enterprises” issued by DIPAM mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5% of Net-worth, whichever is higher subject to the maximum dividend permissible under the extant provisions.

Nonetheless, CPSEs are expected to pay the maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified on a case to case basis after analysing the following aspects:

- Networth of the CPSE and its capacity to borrow
- Long- term borrowing
- CAPEX/ Business Expansion needs
- Retention of profit for further leveraging in line with the Capex needs: and
- Cash and bank balances

Further internal factors such as Cash Flow and Capex Plan and external factors such as economic environment, taxation and other regulatory concern, macro-economic conditions and cost of borrowing are also considered for declaration of dividend. The detailed Dividend Distribution Policy is available at the following web link https://www.nlcindia.com/investor/dividenddistributionpolicy_15042017.pdf

(iv) The Company has formulated Whistle Blower Policy. It is affirmed that no personnel had been denied access to the audit committee.

(v) Disclosure of commodity price risks, foreign exchange risks and commodity hedging activities:

For FY 2017-18, Commodity Price Risk and Commodity Hedging Activity: Not applicable. As per CERC Norms and Regulations, Foreign Exchange Variation is a pass-through item in the Tariff fixation and hence, hedging of Foreign Exchange Risk is not done.

(vi) Details of administrative, office and financial expenses for the year under review and for the previous year are available in the annual accounts.

As regards adopting discretionary requirements, the following are stated

The Board

The requirement of maintenance of an office for the Non-executive Chairman and the reimbursement of expenses to him are not applicable to the Company presently as the Company has an Executive Chairman.

Shareholder Rights

The Company's financial results are published in English National newspapers having wide circulation all over India and also in a vernacular newspaper having a wide circulation in the State of Tamil Nadu and hence the financial results are not being sent individually to the shareholders. Further, as required under the Listing Regulations, the results of the Company are also furnished immediately to the Stock Exchanges and also uploaded in the Company's web site www.nlcindia.com for the information of shareholders and other investors.



All significant events and information about the Company are uploaded in the Company's web-site and also in the website of NSE & BSE.

Modified opinion(s) in audit report

It is always the Company's endeavour to present unqualified financial statements. The Audit Report for the year 2017-18 does not contain any audit qualifications.

Separate posts of Chairman and CEO

The Composition of Board of Directors of the Company is approved by the Government of India. In case of PSUs, the major owner is the Government of India. The CMD as CEO of the Company implements the decisions of the Board of Directors through a team of Functional Directors and the functions of CMD are subject to superintendence and control of the Board of Directors of the Company.

Reporting of Internal Auditor

The internal audit is being done by external firms of Chartered Accountants. Internal Audit reports containing periodical reports includes significant findings, if any, and the same is reviewed by the Audit Committee periodically. The Internal Auditors of the Company are generally invited to the meetings of Audit Committee.

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in the SEBI Regulations and DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of Secretarial Auditors.

Declaration - Code of Conduct

As required under the Listing regulations, the Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard, a declaration by the Chairman and Managing Director is reproduced below:

"I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance"

For and on behalf of the Board of Directors

Place : Neyveli

Date : 29.06.2018

Dr. Sarat Kumar Acharya
Chairman and Managing Director