

CREATING WEALTH FOR WELL-BEING

—THE LEADER SHOWS THE WAY



Dr SK Acharya, CMD, NLCIL

A business expert, an able administrator and a good Samaritan rolled into one, that is how **Dr. Sarat Kumar Acharya, Chairman and Managing Director of NLC India Ltd** is described by the people and corporate world. What makes him unique is his role in turning around Neyveli Lignite Corporation, a public sector Navratna company down south in Neyveli, Tamil Nadu from a company engaged in the business of lignite mining and lignite based power generation to a total energy conglomerate with PAN India presence.

He himself describes NLC India Ltd, which was started in 1956, as a 61-year young company. Since he assumed the role of Chairman and Managing Director, NLC India has strode into areas hitherto untried and unexplored by this

public sector entity and that too with impressive performance, unparalleled in a public sector history.

The NLC, which was generating 2,740 MW thermal power with 30.6 MTPA of lignite mining capacity and 11 MTPA of coal mining installed capacity as on March end 2015 has now improved its power generating capacity to 5240 MW with mining capacity of 39.15MTPA in lignite and 31 MTPA coal as on March 31, registering a growth of 91 per cent on power side and 69 per cent on mining side. With all eyes set on the big league, the company hopes to increase its output to 16,491 MW through a bouquet of thermal, solar and wind power by 2022 and 21,011 MW by 2025 with fuel sufficiency coming from its own mines, lignite and coal.

No wonder, Piyush Goyal, the Union Minister in charge of Coal and Railways, himself complimented Dr Acharya as well as the NLC India Ltd for the outstanding performance churned out silently but steadily during last three years, stating it as an unsung story.

What is important is that being a PSU subject to bureaucratic controls and regulations, it has scaled landmark achievements in a very short span of time. Dr Acharya says it is because of his human resource engineering, he could manage all the stakeholders to help him to make NLC India what it is today. We also got an empowering environment and encouragement from the Administrative Ministry and from the industry friendly policies of the new Government, he adds. In a free-wheeling interview with Team Pioneer, Dr. Acharya opened up and recounted the hitherto little known growth saga of NLC India.

Could you describe how NLC India Ltd reached the present position with a pan-India footprint in spite of alleged hurdles caused by politicians, trade unions, local and locational complexities?

What you are seeing is the result of strong business acumen in work coupled with human resource engineering mobilising

goodwill, help and positive participation of all stakeholders. This company was born in 1956 pioneering the core business activities of lignite mining and lignite based power generation. NTPC, the mega power giant of India today, was launched in 1975. There was a time when NTPC engineers and technicians used to come to Neyveli to learn the skill of power production. But our own experts here did not try to expand or grow beyond this remote place Neyveli breaking their comfort zone. What I understand is that our people were quite happy with whatever they were getting. The salary was good. Working environment was excellent and the company had provided best houses and other facilities to them. People were content with whatever they got and there was hardly any urging ambition to expand, diversify and grow beyond. Their enormous potential was not harnessed and hence there was hardly any progress.

The first major break came in 2010 when NLC commissioned a lignite based power plant of 250 MW at Barsingsar, Rajasthan with a 2.1 MTPA lignite mine there. Then, in the year 2015 only it commissioned its 1st 1000 MW coal based power plant at Tuticorin, TN and its 10 MW Solar Plant in Neyveli. Practically, the transition of Neyveli Lignite Corporation to NLC India Ltd happened in a big way during last three years since 2015. From an enterprise, which was limited only in lignite mining and lignite based power generation restricted to Neyveli, it made its entry to coal mining, coal based power generation, generation of power from renewable sources like wind and solar and power trading in a big way.

In October 2015, I went to the board with a detailed road map Vision 2025 for producing 21,000 MW by 2025 all by ourselves with our fuel source from our own mines. With our basic strength as miners and expertise in power generation, we laid our plan for diversification across the energy value chain.

As a miner and power generator, we create wealth, earn profits through fair means and at the same time we keep consumers' interest uppermost in mind. Registered as a power generator using lignite from our captive mines in the same State, the roll out of Goods and Services Tax brought in a gain for our company as clean energy/compensatory cess of ₹400 Per Ton was no more applicable.

Accordingly, we passed on this benefit to our consumers to a tune of around ₹630 crores total for all user DISCOMS in the south and Rajasthan and also from April, we have further reduced our power tariff ranging from 10 paise to 17 paise per kWh which will give a benefit of around ₹200 crore to consumers. This we could do by reducing cost with prudent cost management.

We had problems like staff over burden because of closure of the fertilizer branch the NLC had earlier. But we have not retrenched anybody but have been able to utilise them optimally by redeploying and streamlining the staff structure through selective addition against large number of superannuations, VRS and utilisation against expansion project. Coming to the work process, we aim at both speed and accuracy and do things in continuous mode. All these have given us tremendous results in productivity enhancing value addition per employee every year.

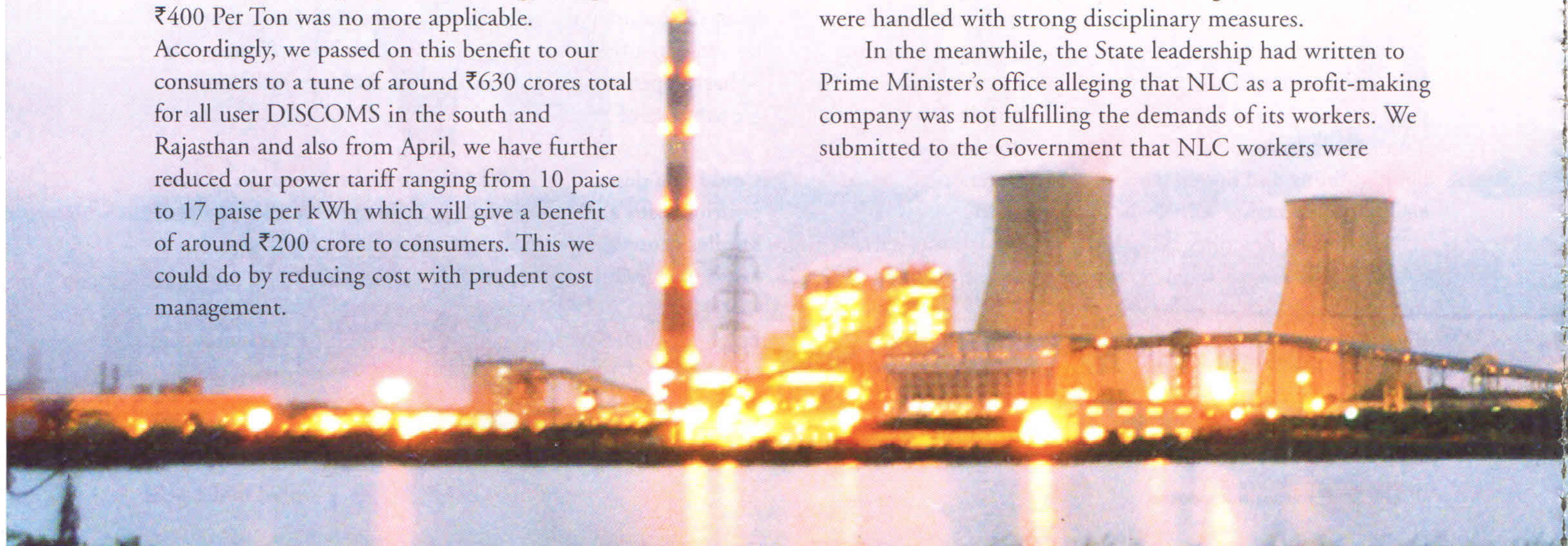
How did you manage to get approval for mega projects in record time and start the works?

We complete our environment, market study and back hand works much earlier and keep everything ready for the next stage of work. We work in a parallel manner instead of working in a sequential style. If you believe efficiency is the hallmark of private sector, then we work much better than the private sector. I never kept any issue pending and I work 24X7 to resolve all issues and I also encourage all my colleagues to be proactive, responsive and to faster the speed of progress. Project clearances were facilitated through sincere boundary management and encouraging help in Government corridors.

In 2015, there was a 32-day strike by workers, how did it affect the company and how did you handle it?

Here in Neyveli, there was no central union of a good stature. The trade unions are controlled mainly by the ruling party in the State Government and local outfits. These local leaders and politicians used to pressurise the management even for non-issues. This company, in spite of its good works, was getting plagued by strikes very often. When I was about to be appointed as the CMD in 2015, I had to face a 32 days strike by around 11,000 workers demanding unreasonably high wage. All my colleagues in executive and supervisory cadre stood solidly to face the unjustified strike and contract workers also joined in for work. During the entire period of strike all the normal operations of mines and power stations were carried out unaffected. The strike was declared illegal and errant leaders were handled with strong disciplinary measures.

In the meanwhile, the State leadership had written to Prime Minister's office alleging that NLC as a profit-making company was not fulfilling the demands of its workers. We submitted to the Government that NLC workers were





already best paid in the industry and the company could not afford to succumb their unreasonable demands. We also stated that being under the Ministry of Coal, we could not go beyond the norms and practices to give unreasonable hikes which may result in backlash in Coal India and also among the executive community, besides going beyond the company's affordability.

To discipline the errants, during the ongoing strike which turned unruly one day, we had to resort to summary dismissal of 11 workers. During that unruly day, many vehicles belonging to the company executives were damaged by some workers. We ensured that the expenses incurred in repairing the vehicles were ultimately made good by recovering the same from Union contributions. The strike was called off on the 32nd day and finally the agitating workers realised the futility of the strike and agreed to accept the settlement well within the industry norms. During this period, a long-standing wrong practice of giving paid C.Off of 36 days in a year to each worker was completely stopped with iron hands and as a part of settlement, performance linkage for promotion of workmen was brought in. What was the outcome of this agitation was that for the first time in NLC, strict discipline was enforced and wage revision demand was settled within the ambit of the industry norms breaking the legacy of giving in to union and political pressures.

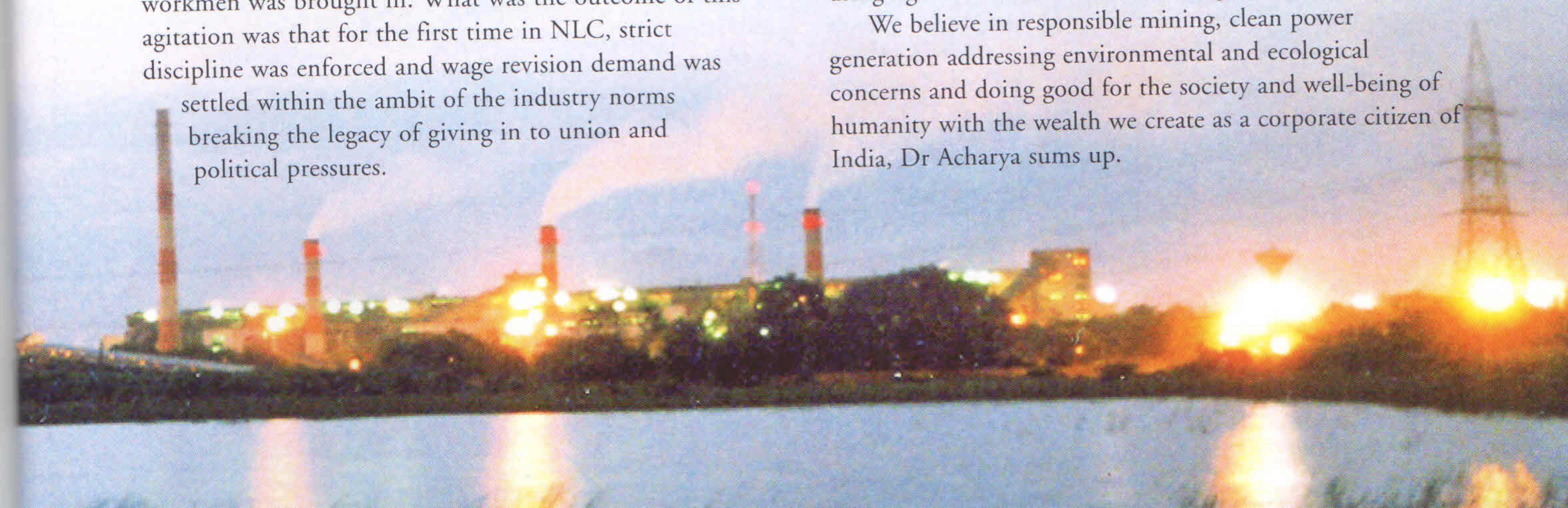
Could you elaborate on the growth plans of NLC India?

As told already, as a 60-year-old company, it had a lignite-based power generating capacity of 2740 MW and lignite mining capacity of 30.6 MTPA. Now over three years, this company has grown to have a total power generating capacity of 5,531 MW of which 4,240 MW is from lignite, 1,000 MW from coal and 291 MW from renewable sources of solar and wind. It is poised to add 400 MW solar and 1000 MW lignite-based thermal power generating capacity by July 2018. Further works are going on ground for adding 709 MW solar power capacity by March 2019 and 6000 MW coal based power generating capacity in Kanpur, UP and Talabira, Odisha by 2022 and by commissioning around 88.6 MTPA mining capacity (coal + lignite) by that time. The Vision Document 2025, which I took to the Board when I took over as CMD in October 2015, is getting translated into reality as above and in all likelihood, this company will emerge as a 21,000 + MW energy major with a total mining capacity of 113.15 MTPA (coal + lignite) by 2025 with its all India presence in power generation, mining, power trading and commercial coal mining.

This vision is not my vision, restricted to me or to my Board. This is a shared vision of all 14,000 employees of this company with whom I interact and share my views regularly over various media and the Team NLC is geared to achieve many exciting things to scale newer heights in our business.

Our plans for going super critical and ultra super critical power plants with unit capacity from 660 MW to 800 MW have been chalked out with $2 \times 660 \text{ MW} = 1320 \text{ MW}$ happening now in Neyveli complex and $4 \times 800 \text{ MW} = 3,200 \text{ MW}$ coming up at Talabira complex in Odisha. We are into a big time for commercial coal mining businesses that we are venturing into. As a part of our expanding renewable business, apart from generating solar and wind power in a big way, we will soon set up battery charging stations along the national highways in Tamil Nadu and in other parts of the country and exploring the possibility of supplying lignite to south based power stations for blending with coal to supplement the primary fuel requirement by 10 per cent. We have a plan to extract sand from our mined overburden on commercial scale and also have plans for using lignite as a substitute for coking coal for making steel.

We believe in responsible mining, clean power generation addressing environmental and ecological concerns and doing good for the society and well-being of humanity with the wealth we create as a corporate citizen of India, Dr Acharya sums up.





HOPE IGNITED

NLC INDIA LTD HAS GRADUATED INTO THE BIG LEAGUE OF INDUSTRIAL CONGLOMERATES AS A TOTAL ENERGY COMPANY WHILE AT THE SAME TIME CREATING A NICHE IN THE MINDS OF TAMIL NADU'S POPULATION

Hot and humid Tamil Nadu sneezes whenever the subject about disinvestment of NLC India Ltd crops up. Whether it is Annamalai, a school drop-out who works as a casual labourer in the open lignite mines of the power giant in Neyveli or the top political leaders of the State, all are unanimous in their demand that the "61-year-young" company should continue as a Public Sector Enterprise. Yes, according to Dr Sarat Kumar Acharya, the Odisha-born Chairman and Managing Director of the public sector giant, the company is 61-years-young! Not without reasons.

If there is one industrial conglomerate in Tamil Nadu which has created a niche among the State's population, it is NLC India Ltd. Situated at Neyveli, once a group of villages, approximately 200 km south of Chennai, NLC India Ltd is everybody's company in the State. Started in 1956 as Neyveli Lignite Corporation, a lignite mining company, this company has graduated into the big league of industrial conglomerate as a total energy company. Hence, the change in name from Neyveli Lignite Corporation Ltd's to NLC India Limited. NLC has spread its wings across the nation with myriad operations ranging from lignite mining to solar energy generation.

NLC India Ltd is synonymous with the A to Z of energy generation, a unique feature in a country like India. The brand name Neyveli could be seen now in all the Southern States and in Uttar Pradesh, Odisha, Jharkhand and Rajasthan as a prelude to it emerging as an Indian multinational corporation.

The lignite major has an installed capacity of 4,531 MW of power generation now and contributes a total of around 10 per cent power requirements of southern States. The last three years saw a resurgent NLC surprising the corporate world with its stellar performance. The reason: a "Make in India" strategy which propelled the company to take giant strides in an investment and industry friendly environment brought in by the new Government in India. The turnover of NLC grew by an impressive 42.46 per cent from ₹6088 crore to ₹8673 crores. The share price of NLC which was traded at ₹70.30 on March 31, 2015 commanded a price of ₹107.35 on March 31, 2017, an impressive increase of 52.7 per cent! The company has set its eyes on a target of 21,000 MW power by the year 2025 as per its vision document.

One of the laurels earned by NLC came from the Union Minister of Coal and Railways Piyush Goyal himself. The minister, while addressing a press conference exclusively for NLCIL at Delhi in March 2018, patted the CMD for the sterling performance recorded by the company during the last three years.

It is rare for a union cabinet minister to applaud the track record and achievements of CEOs of the public sector giants and this gesture of Minister was highly encouraging.

The lignite mining major was an orthodox entity till Dr Acharya, an Economics Graduate with Masters in personnel management and labour welfare from Utkal University stepped in. While most power generation giants had engineers as their

chief executive officer, Dr Acharya with specialisation in “human resources engineering” stood out. Colleagues say he has the tough exterior of a miner, sharp business acumen of a corporate wizard combined with that unique Indian quality of compassion and kindness to fellow human beings. He joined Bharat Heavy Electricals Ltd (BHEL) as a management trainee and switched over to NTPC in early 80s. After a long stint in National Thermal Power Corporation Ltd, he joined NLC in 2010 as Director (HR) and was selected as CMD in 2015. Since then there was no looking back either for him or the company.

As a lignite miner, he saw the vast opportunities offered by lignite, which was hitherto used only in power generation. His stance that lignite could be used for other industrial applications found acceptability among the decision makers.

The question being asked is how could NLC sell power at competitive rates and how it expands its footprints over other avenues of power generation? This is where the home-grown strategy of Dr Acharya has paid rich dividends. During 2014-2015, employee cost was 46.59 per cent of the total cost of the company. By 2017 the same was brought down to 37.37 per cent, which means a reduction of 19.79 per cent achieved through redeployment in capacity additions, selective VRS and streamlined induction planning against natural wastage. The pithead generation strategy with fuel coming from own mines in the backyard is also one of the winning factors, adds Dr Acharya.

The transformation of NLC from the day it was launched till date recounted by the local population and employees of the company tell us a six decade saga full of twists and turns. “Neyveli was an area colonised by hunter tribes. The region was notorious for murder and mayhem as rays of civilisation were yet to reach here,” says Dhanasekhar from nearby Gingee village who works as a helping hand in one of the NLC establishments. “Had there



Honour for NLC from Union Minister Piyush Goel for Swachh Vidyalaya initiative

been no NLC, I don't know what would have happened to Neyveli and the local population,” he said.

Country's largest and longest open cast lignite mines in Neyveli stand as a question mark before environmentalists and ecologists who are staunch opponents of any kind of mining.

Lignite stock in Neyveli region would last for more than 50 years, it is estimated. The company is presently exploiting lignite only up to 150 meters depth. NLC India is reclaiming the mined areas and have started cultivating grains, fruits and vegetables on the reclaimed land. Interestingly, the productivity has increased considerably and the way the land has been reclaimed with fortified topsoil, the restoration has been highly effective.

Last year saw NLC India selling even fruits and vegetables worth ₹1.7 crore grown in the reclaimed lands. The Neyveli brand fruits and vegetables are very much in demand in the market and this itself proves that the environment has retained its pristine nature even after mining.

The motto of NLC India Ltd coined is “Creating Wealth



Promoting an inclusive culture and building universal brotherhood - CMD and Directors taking part in Ugadi Celebrations in traditional attire



WE SUCCEEDED IN CURTAILING THE COST IN MINING AND POWER GENERATION. BEFORE THE GST WAS ROLLED OUT, WE HAD PREPARED OURSELVES SO THAT WE SAVED UP TO 75 PAISA PER UNIT OF POWER WHICH IN TURN WAS PASSED OVER TO THE BENEFICIARIES

— RAKESH KUMAR, DIRECTOR (FINANCE)



PRECIOUS NATURAL RESOURCES LYING UNDERNEATH THE EARTH COULD BE HARNESSSED ONLY BY MINING. MINING IS NOT AT ALL AN ISSUE TO THE ENVIRONMENT OR ECOLOGY IF IT IS DONE PROPERLY AND AS PER THE GUIDELINES

— SUBIR DAS, DIRECTOR (MINES)



LAST THREE YEARS WERE A PERIOD OF ACHIEVEMENTS AND HAPPENINGS. WE COMMISSIONED OUR 2X500 MW COAL-BASED POWER PLANTS MAKING OUR ENTRY INTO COAL SECTOR IN A BIG WAY. NOW WE ARE ALL SET TO LAUNCH THE 2,400 MW SUPER CRITICAL POWER PLANTS IN ODISHA, THE FIRST OF ITS KIND IN INDIA

— V THANGAPANDIAN, DIRECTOR (POWER)



WE WILL SOON HAVE NEYVELI STEEL REPLACING CONVENTIONAL STEEL. YOU WAIT FOR SOME MORE MONTHS

— P SELVAKUMAR
DIRECTOR (PLANNING AND PROJECTS)



WE DESILTED 19 PONDS IN NEYVELI ALONE. WE BUILT BATHING GHATS AND INSTALLED SOLAR-POWERED PUMPSETS IN THESE BORE WELLS. ALL HERITAGE AND PILGRIMAGE CENTRES IN THE REGION HAVE BEEN PROVIDED WITH PLANTS WORKING ON REVERSE OSMOSIS TECHNOLOGY SO THAT ALL PEOPLE WHO THROUG THE LOCATION GET CLEAN DRINKING WATER

— R VIKRAMAN, DIRECTOR (HUMAN RESOURCES)



CMD along with Directors and CVO participating in mass tree plantation and cleanliness drive in Neyveli Complex

for Well Being". This is the hallmark of the company which is the presiding deity of the 44 sq km Neyveli Township.

The NLC India Ltd management could have rested on its past laurels as in case of other public sector giants. But Dr Acharya, who is laying down office later this year wanted to leave behind him a signature for the future generations. This gets echoed in the words of Rakesh Kumar, Director (Finance), who says the company has been put on an exponential growth path and its growth in recent years has been phenomenal and unprecedented.

But what makes NLC dear to the people of the township of Neyveli and neighbouring regions is the corporate social responsibility for the comprehensive development of the community. Neyveli, once infamous for its water scarcity, is now supplying drinking water to the capital city of Chennai, which is almost 200 km away. NLC is supplying **thirteen million** litres of drinking water per day to Chennai whether there is draught or not. The company is irrigating 30,000 acres of land in 68 villages and has installed solar power pumps in the neighbouring Panchayats. As part of a programme of augmentation of water resources, NLC has desilted three major lakes and 20 panchayat ponds in surrounding areas of Neyveli with solar powered pumps installed therein to harness ground water when needed and is replicating the same in the areas of UP, Rajasthan and Odisha wherever NLC is expanding its presence.

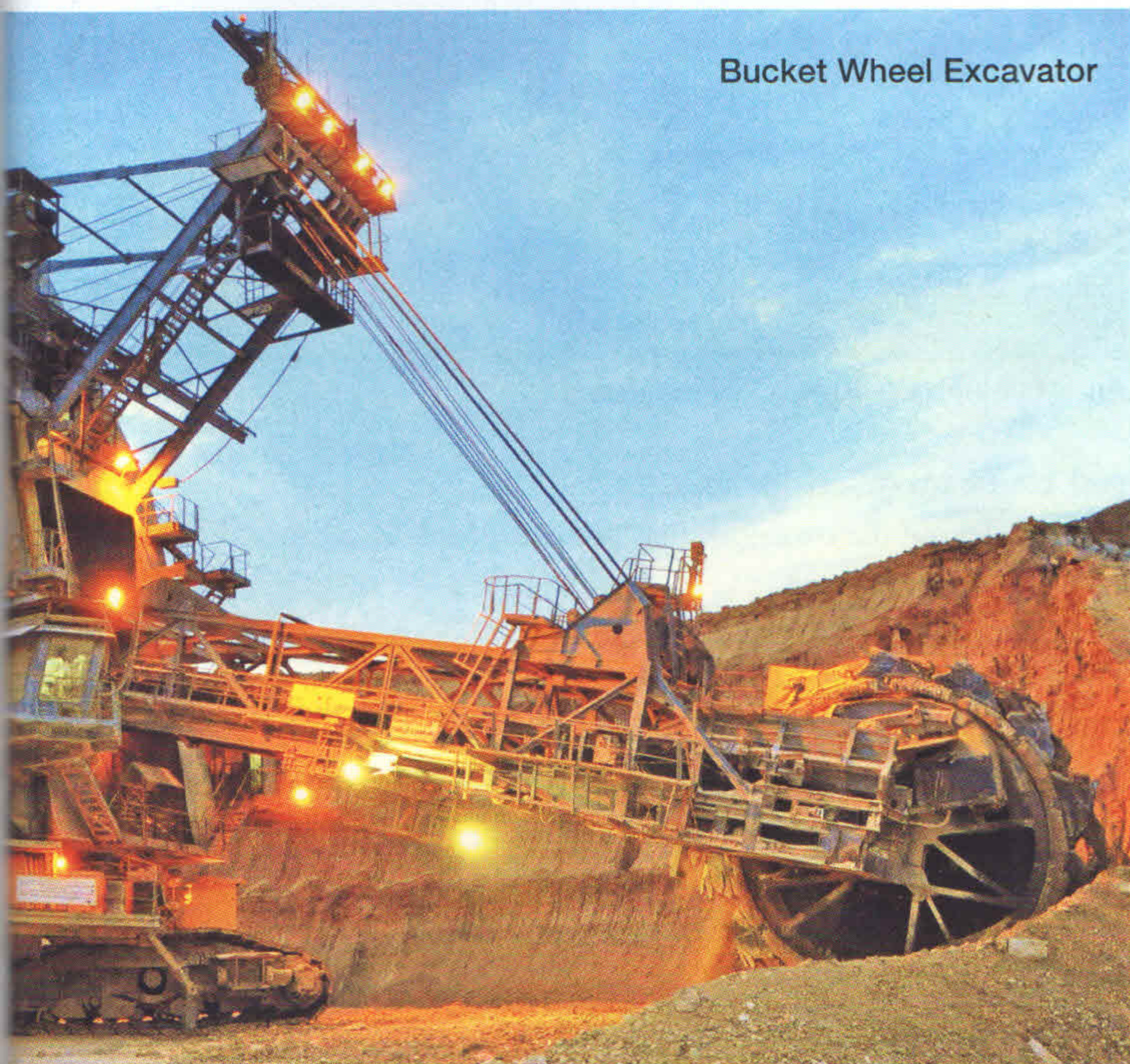
A visit to Neyveli and other parts of Cuddalore district is a refreshing experience as one can see hundreds of people thronging the **Jal Dhara counters set up by NLC** across these places. Free butter milk and lemon water prepared out of reverse osmosis based plants are offered free to people



who queue up in front of the Jal Dhara stalls. This is a service offered by the company throughout the summer. The smile on the faces of the people who come here is a sense of satisfaction for NLC. As a part of its CSR outreach the company has provided RO plants with 1000 Ltr. per hour drinking water dispensing capacity at heritage sites like Tirupathi, Puri, Chidambaram, Madurai etc. and also in the process of installing more such Kiosks in cities like Chennai,



Commissioning of 40 MW solar power plant: Dr SK Acharya CMD NLCIL along with Functional Directors and CVO



Bucket Wheel Excavator

Varanasi, Sambalpur and Kanpur etc. to alleviate drinking water scarcity.

Besides the 30,000 persons employed directly and indirectly by NLC India, the entire population in the region is helped directly by this Navratna enterprise. The company is engaged in creating skilled workers and employable youths. The target is to train 2000 factory workers every year to get skilled jobs wherever they go. NLC India has launched a diploma programme in mining in association with Annamalai University. Besides, NLC, as a part of Skill India Mission is tying up ITI and Diploma training courses with Department of Technical Skill and Education in various states like UP and Odisha to train the project affected persons in its respective projects with employable skills.

While there are lot of apprehensions among the environmentalists and ecologists about global warming and climate change, NLC management is confident that the concerns could be addressed with responsible mining, environment friendly reclamation and clean power generation even from fossil fuel by adopting technologies like FGD, DNOX, CFBC and carbon capture methods in days to come. There is absolutely no environmental issues in Neyveli. It is literally impossible to believe that a visitor taking a tour along the largest open mines in Asia with 4 thermal power stations in the vicinity finds the entire environment clean, green and pollution free. Neyveli has an extensive coverage of greenery, wild life, forest and some of the exotic varieties of flora and fauna and of course, a couple of man made lakes which are habituated by rare species of birds. This is a model which could be emulated by other power producers and mining companies, proudly says Mr Goel, Minister for Coal and Railways, GoI. Apart from water resource augmentation in various parts of the country as the company's main CSR focus, NLC India has taken up education, skill building and Swachhata Mission as major CSR initiatives. The company inspires, encourages and educate students from the township and peripheral areas to prepare for various professional courses. Since last ten years, around 50 students from its Neyveli Township make it to various IITs and NITs in the country every year.

Latest information is that NLC has started fish and prawn cultivation by developing water bodies and lakes in and around and it is in serious discussion with various NGO's for launching herbal gardens in the reclaimed lands and for starting dairy farms/ Gaushalas.

A golf Course, four international standard wooden floor Badminton courts and three swimming pools of global standards are unique features of NLC Township at Neyveli. From here a boy had made it to the Rio Olympics for swimming which is a rare feat for the township. Once a sleepy village, Neyveli comes



NLCIL keeps first working day of the week car-free

alive in the evenings with lot of sporting activities. Aquatics, badminton, chess, athletics....Neyveli lads are making their presence felt in these events thanks to the sports promotion activities of NLC.

NLC India saw a growth of 68.63 per cent capacity addition in mining front, 54.75 per cent on commissioned capacity in thermal power front and in the sector of renewable energy it grew by 29 times in last couple of years.

With its strong roots in Tamil Nadu, the company is also spreading its wings to places as far away as Rajasthan, Odisha, Jharkhand and Gujarat.

As a power producer and miner, talking on global warming Dr Acharya says, "Yes, it is a reality which stares us. We have to be very careful to conserve, reuse and recreate and through responsible mining and environment friendly technologies the emission levels from all our factories are to be maintained at the minimum. NLC is very conscious and concerned about global warming and is dedicated to develop clean and green power in keeping with the environmental norms by adopting latest technologies."

The man-made lake and the nearby forest substantiate the stance of Dr Acharya. Hundreds of people from far and near places throng the beautifully developed freshwater lakes and deer parks. More than 12,000 workers sweat it out in the mines in three shifts to fuel the thermal power stations. But Neyveli is yet to feel any pinch on the environment and ecology because of the keen eyes of its technocrats and visionary leaders. They assure to replicate the same, even do better on the environment front in their new expansion/capacity addition projects now coming up at various locations in many States of India.

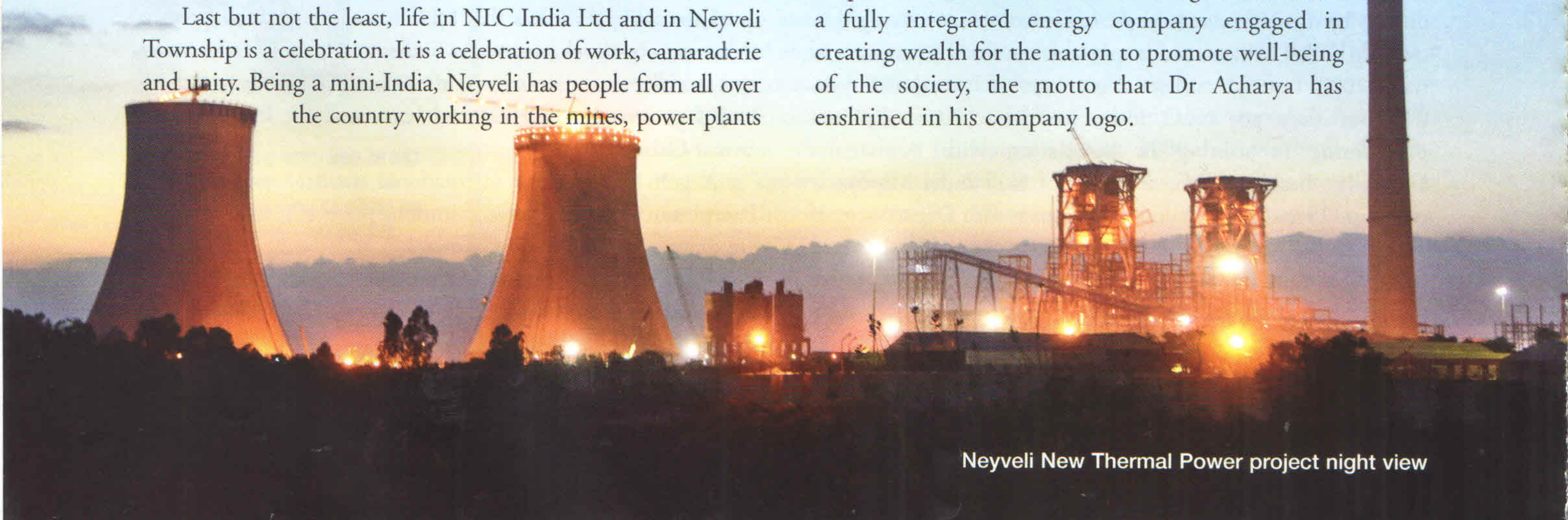
Last but not the least, life in NLC India Ltd and in Neyveli Township is a celebration. It is a celebration of work, camaraderie and unity. Being a mini-India, Neyveli has people from all over the country working in the mines, power plants



An artificial lake developed in decoaled area

and corporate office. Dr Acharya has brought in an inclusive culture making the township inmates and people in surrounding areas to celebrate and take part in festivals of all States and communities. So on Ugadi Day, the Chairman and his Directors along with employee representatives and local opinion makers join the community festival wearing typical Andhra Pradesh outfits while on Onam, they wear customary Kerala dress and participate in Onam fest and feast and so on. "This is the reason why people do not want to leave NLC India Ltd or Neyveli. Here, life is a celebration - a celebration of work and global brotherhood. We have only one community and that is the Neyveli community," said one of the employees, who has been with the company for the last three decades echoing the sentiment propounded and nourished by Dr Acharya.

NLC gives equal importance to energy, ecology, environment and education. That's why the corporate world has started describing NLC India as a fully integrated energy company engaged in creating wealth for the nation to promote well-being of the society, the motto that Dr Acharya has enshrined in his company logo.



Neyveli New Thermal Power project night view