

## BIO-DATA

1. Name : J.N. PRASANNA KUMAR
2. Date of Birth : 04.09.1949
3. Educational Qualification : Bachelor of Commerce  
Chartered Accountancy
4. Address for Communication : 209, 6<sup>th</sup> 'D' Main,  
H.M.T. Layout,  
R.T. Nagar,  
Bangalore – 560 032.
5. Contact Nos. : Mobile: 9632967507  
Res :080-23547507
6. E-mail ID : prasannanlc@yahoo.co.in
7. Positions held :

Period	Positions
March 2003 to September 2009	Director (Finance) M/s.Neyveli Lignite Corporation Limited, NEYVELI – 607801 Additional Charge as CMD for a period of six months during 2008
April 1996 to February 2003	General Manager (Finance) I.T.I. Limited Bangalore
November 1993 to March 1996	Practised as a Consultant
November 1984 to October 1993	Financial Advisor in Karnataka Agro Industries Corporation, Bangalore
September 1977 to October 1984	Financial Officer, Dalmia Cement (Bharath) Limited.

8. Nominee Director

I was a Nominee Director in subsidiary companies and also nominated by State Financial Corporation in various Boards.

9. I was also the Chairman of NLC-Tamilnadu Power Limited for a period of six months during the year 2008.

## RESPONSIBILITIES AND ACHIEVEMENTS

### 1. ACTIVE ROLE IN REGULATORY MECHANISM :

Central Electricity Regulatory Commission (CERC), the regulator for power sector, had assumed jurisdiction to regulate the transfer price of lignite, which is used as fuel in NLC's Power Stations. Eventually, the regulator referred the matter to Government of India.

I have involved in fixing the norms and parameters for pricing of lignite and established that norms and parameters for mining operations are totally different when compared to Power Stations. Consequently, under the following heads, norms and parameters were considered and notified by the Government for the periods 2001-04 and 2004-09 based on the discussions and valuable inputs presented to Government.

- a) O&M Expenses
- b) Depreciation
- c) Interest on Loan
- d) Interest on Working Capital
- e) Return on Equity
- f) Reimbursement of Income Tax

Yearwise Lignite transfer prices determined on the basis of the norms were accepted by CERC.

I also played a very active role in determining the revised norms and parameters for pricing of lignite for the tariff period 2009-2014.

## **2. COAL REGULATORY BILL:**

Ministry of Coal, Government of India is contemplating to create a Coal Regulatory Authority to regulate the coal price. In this context, extensive discussions took place between coal producers and the Government. Government decided to assign the task of preparing the bill to Administrative Staff College of India, Hyderabad.

I have made significant contributions in the Workshop conducted by ASCI/Hyderabad in the meeting with coal producers and given valuable suggestions as to how the price should be regulated.

Based on the rich experience gained in fixing lignite price & determination of power tariff under regulatory mechanism, I made significant contributions and improvements in the draft Coal Regulatory Bill prepared by ASCI/Hyderabad. The draft bill was submitted to the Government for consideration.

## **3. MINE CLOSURE PLAN:**

I was responsible for providing valuable data for framing guidelines for Mine Closure plans by Ministry of Coal. Attended discussions with the Ministry of Coal and other Government Agencies and offered valuable suggestions. Based upon the draft guidelines issued by the Ministry of Coal, I was also responsible for incorporating the provisions for mine closure in the year-wise lignite price determined by NLC which was endorsed by the Central Electricity Regulatory Commission while determining tariff for NLC's Power Plants for the year period 2004-09.

## **4. INTERACTION WITH CERC:**

I was responsible for -

- Filing of Petitions before CERC for fixation of operational and financial norms for Tariff determination for the period 2004-09

- Filing of Petitions before CERC for fixation of Tariff of NLC Thermal Power Stations based on the above norms for the period 2001-04 and 2004-09
- Filing of Petitions before CERC for resolving dispute with the beneficiaries Electricity Boards.
- Filing of Petitions before Appellate Tribunal for Electricity (ATE) and Supreme Court on unresolved disputes.
- Liaising with all statutory agencies like Central Electricity Authority (CEA) etc.
- Finalisation of lignite transfer price for NLC Mines through active follow up with CERC for 2001-04 to 2004-09 which was pending for quite a long time.
- Obtaining approval for enhancement of Capital cost of TPSI Expansion by Rs.72 crores by proper presentations before CERC thereby enhancing the annual income of TPSI Expansion by Rs.12.00 Crores.
- Getting direction of CERC against TNEB for refund of excess rebate availed amounting to Rs.79.00 Crores to NLC.
- Getting orders of CERC exempting NLC from payment of transmission charges/losses pertaining to Mines and other internal power systems thereby saving charges of around Rs.15 Crores per annum.
- Continuous interaction with Electricity Boards and Distribution Companies for timely realization of power bills.
- Choosing best business models while filing tariff petitions and thereby ensuring optimum tariff for power exported from the company.

## **II ACTIVE ROLE IN PROJECT IMPLEMENTATION**

### **1. PROJECT APPRAISAL**

I was responsible for formulation, preparation of techno economic appraisal and project costing and project evaluation for NLC's new / expansion mine cum power projects. In particular, responsible for the preparation of techno economic appraisal, project costing and evaluation of on-going Mine-II Expansion of 4.5 MTPA capacity of lignite, TS-II Expansion of 2 x 250 MW Power Station and 2.1 MTPA capacity Lignite Mine linked to 2 x 125 MW Thermal Power Station at Rajasthan.

## **2. IMPLEMENTATION OF POWER PROJECT AT TUTICORIN:**

I have played a vital role in the formulation and implementation of joint venture project with TNEB viz. 1000 MW Coal based Power Station at Tuticorin in Tamil Nadu.

I am also a member of the Board of NLC Tamil Nadu Power Ltd., which is a subsidiary company of NLC.

## **3. FUNDING OF EXPANSION PROJECTS:**

I was responsible for providing necessary funding for all NLC's Mine cum Power Projects in Tamil Nadu and outside the state viz. Mine-II Expn. linked to TPS-II Expn. at Neyveli, Barsingsar Mine cum power project at Rajasthan and Coal based Thermal Power Station at Tuticorin.

- i) Raised Rupee term loan of Rs.2500 crores and Neyveli Bonds 2009 for Rs.600 crores for ongoing Mine-II Expn. and TPS-II Expn. and Barsingsar Project.
- ii) Foreign currency loan of EURO 50 Million under ECB for TPS-II Expn. and Mine-II Expn.
- iii) Raised Rs.3437 crores Rupee term loan for coal based Tuticorin power project

I have played a vital role in striking very competitive rates for the loans which had significant impact in reducing the interest during construction and the project cost resulting in generation of power at competitive rates.

## **4. STANDARDISATION OF PROCEDURES AND INTRODUCTION OF ACTIVITY BASED COSTING (ABC)**

I was responsible for standardization of various finance and accounting procedure and rules, I have established the system of activity based cost management for effective and efficient economic analysis.

I was also responsible for implementing effective techniques of cost management, economic and sensitivity analysis for improving the profitability of the company.

Due to these initiatives NLC has received "NIL" comments from C&AG for six consecutive years, without revision of accounts.

## **5. INFORMATION TECHNOLOGY**

I was responsible for establishing and applying information technology solutions in the area of financial management, cost management and project management etc.,

## **III. SIGNIFICANT CONTRIBUTIONS AND ACHIEVEMENTS**

### **1. INVENTORY MANAGEMENT**

In NLC, requirements of common items for all the four Mines is consolidated for procurement. Purchase Quantity is pruned down after taking into consideration the available stock and past consumption. In order to bring down the level of inventory where ever possible, Price Agreement is being entered into for consumables and spares. By these processes, substantial savings are established. With the introduction of Purchase Manual and Contracts Manual, major activities of the company have been covered leaving a little scope for interpretations .

### **2. CAPITAL EXPENDITURE EVALUATION:**

I have played major role in evaluating the capital expenditure proposals under the following categories -

- a) Replacement investments
- b) Expansion investments
- c) New Product investments, and
- d) Obligatory & Welfare investments

This objective analysis is done to maximize the rate of return.

### **3. WORKING CAPITAL MANAGEMENT:**

The management of working Capital is to ensure that there is no blockade of funds to the existing and ongoing projects.

I am responsible for providing about Rs.200 Cr. of working capital to NLC's projects .

### **4. CORRECTIVE MEASURES:**

I have focussed on important issues, attitudinal changes and major initiatives in debtors control which had positive impact on the overall effectiveness. My efforts on reorganization of department and taking preventive action, creating a better environment for working has further improved the effectiveness.

- I have formulated strategies for improving the bottom line. This effort has resulted in not only inflow of cash but also improved the Profitability.
- I have participated & advised in the process of active disposal of goods that are found surplus, obsolete and unusable.
- I have made primary focus on cost cutting opportunities to improve the profitability and liquidity of all cost centers.

#### 5. **EFFECTIVE MANAGEMENT OF COMPANY'S CASH OUTFLOWS:**

The Cash flow of the company is closely monitored on day to day basis. Surplus funds identified after meeting current requirements of the company are timely invested in Short Term Deposit as per the Govt. of India directive.

After taking over as a Director(Finance), Cash and Bank balance has increased from Rs.276 Crs. in March 2003 to Rs.5482 Crs. in March 2009

#### IV **OTHER FINANCIAL ACTIVITIES**

##### 1. **FOR PROJECTS UNDER CONSIDERATION BY GOI**

Financial planning is underway for implementing an ambitious capacity addition of 8250 MW in power sector and lignite mining by 28.1 Million Tonnes Per Annum (MTPA) entailing an investment of Rs.52125 Crs. during 11<sup>th</sup> & 12<sup>th</sup> Plan.

As the head of Finance Branch, I have made significant contributions for planning of funds for future projects.

##### 2. **TAX MANAGEMENT AND TAX PLANNING:**

I am instrumental in ensuring that all the tax benefits available under Income tax Act are availed by the company while determining and remitting corporate tax to Government of India. For the assessment year 2001-02, assessment was re-opened under section 263 disallowing benefits under 80I(A) for Mine-II apartment from disallowing other items demanding additional tax of Rs.145.52 Crores. It has been properly presented before ITAT and relief was obtained to the tune of 132.64 Crores.

I have successfully argued the cases on Income Tax before Tribunal, where the demand was Rs.300 Crores.

Similarly cases relating to Central Excise were handled by me which resulted in bringing down the demand from the Central Excise Authorities.

3. **E-PAYMENT :**

In order to ensure transparency and timely payment to suppliers/contractors of the company, e-payment has been introduced in a phased manner through State Bank of India and efforts are being taken to cover the total payments. I have played a major role in implementing e-payment in NLC.

I am also responsible in ensuring timely flow of information to MOC and other Ministries of Government of India and other agencies.

**HOLDING ADDITIONAL CHARGE OF THE OFFICE OF CHAIRMAN-CUM-MANAGING DIRECTOR/NLC LTD FROM 01.06.2008 TO 16.12.2008.**

The then CMD/NLC Ltd laid down office on 31.05.2008 on attaining the age of superannuation. Being the senior most whole time Director of the company, I was entrusted with the additional responsibility of discharging the duties of CMD of the company from 01.06.2008 to 17.12.2008.

In the helm of post, I have actively contributed for the growth of the company. As leader of the company involved extensively in the process of acquisition of land from land owners for mining activities of Mine-II expansion by close co-ordination with Government of Tamil Nadu through personal interaction. I was instrumental for acquiring land for Mine-II expansion and the benefit of such efforts are reaped by the company now.

I was also instrumental in resolving contract labour disputes during June 2008 by taking up the issue with the Central Government and thus contributed to the continuance of production without interruption. While seeking approval of the Board for resolving issues of contract labourers, the fresh induction of contract labour was streamlined.

For regular employees, the revision of conveyance reimbursement scheme was finalized and the company buses deployed for movement of employees were stopped forthwith resulting in substantial savings to the company.

**AWARD:**

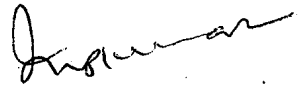
Due to effective cost control and management initiated by me, NLC has received National award for "Excellence in Cost Management" instituted by the Institute of Cost and Works Accountants of India during the year 2008.

**FOREIGN TRAINING ON MANAGEMENT PROGRAMME**

I have attended various management development programmes in India and abroad, and visited Mines in Australia and enriched the knowledge in mining and Power Sector.

I have participated in the 21<sup>st</sup> World Mining Congress & Expo 2008 at Poland.

Place: Delhi  
Date: 25/11/2009

  
(J.N. PRASANNAKUMAR)